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COMPLETE

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## Page 2: Identifiers

**Q1** Please provide the following information:

Institution	<b>OCR</b>
Name of respondent	
Position of respondent	
Email address of respondent (optional)	

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**Q2** Please confirm whether the content of this questionnaire (and related documents) has been discussed such that the views expressed can be considered to be the authorised view of the institution.

**Yes**

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## Page 3: Risk and reliance

**Q3** Does your institution support the level of risk (i.e. level of reliance being placed on the employer covenant) being proposed by the USS trustee for this valuation?

**My institution wants less risk to be taken, acknowledging the implications this might have for benefits and/or costs**

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Do you have any additional views or concerns regarding the level of risk being proposed? :

OCR is a loss making charity that provides GCSE and A level qualifications, it has a requirement to remain financially viable, any additional costs would be prohibitive.

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**Q4** If the USS trustee decides to take action between valuations because short-term reliance on the employers has become too great, what action do you believe should be taken (potentially temporarily)? Please note that any action would be in addition to measures taken to meet the funding shortfall identified at the 2017 valuation.

**My institution's position would depend on the outcome of the 2017 valuation**

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## Page 4: Contributions

**Q5** Over recent months UUK has compiled a view from institutions that 18% is the maximum level of regular contributions that employers are willing to pay towards USS benefits. We need to affirm this view for the 2017 actuarial valuation. Please indicate your institution's view on the statement that regular employer contributions should be no more than 18% of salary. Please note that the term "regular" contributions means those contributions payable by employers on an ongoing basis to maintain both the scheme's future service benefits and contributions to any deficit recovery plan contributions relating to the DB section. It also includes the employer's contribution to scheme running costs.

**Support – 18% is the maximum my institution is willing to pay**

**Q6** Does your institution believe that increasing member contributions beyond the current 8% of salary is likely to lead to more scheme members at your institution opting out?

**Yes,**  
We would welcome any further comments to support your answer above.:  
Cambridge is an expensive place to live and people are having to make difficult choices. We would favour a more flexible contribution structure to enable members to pay what they can afford and for the employer to match this as is typical in other UK schemes.

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Page 5: Pension benefits

**Q7** Does your institution prefer maintaining a level of DB accrual for future service at this valuation or moving to a DC-only solution (either temporarily or permanently)?

**Maintaining some , DB**  
We would welcome any further comments to support your answer above.:  
We recruit a lot of teachers and it is important we remain competitive with the Teachers Pension Scheme.

**Q8** If a level of reduced DB accrual is maintained in the future, do you have any initial thoughts on which of the following approaches would have your institution's preference? Please note that there are other measures that could be taken, such as reducing DC contributions above the salary threshold or reconsidering provision of ancillary benefits, however these measures are not sufficient to make up the funding shortfall

**A combination of both**

**Q9** If the outcome for employers at this valuation is a mandate to seek a DC-only solution to future service benefits, do you have any comments you wish to be taken into account as to how best to achieve a DC offer optimised and tailored to the needs of USS institutions? For example, you may wish to comment on whether the move to DC should be permanent, what the minimum employer contribution should be, whether there should be greater flexibility in terms of member contributions and which ancillary benefits should be offered.

- OCR is already exposed to a very high level of risk in respect of DB benefits already built up in USS and wishes to significantly reduce or remove risk associated with future pension provision
  - We note that £9bn of new self sufficiency liabilities will build up over the next 3 years if no changes are made to benefits. This level of new risk is not affordable or acceptable.
  - The direction of travel of benefit provision within the Sector is towards flexibility
  - OCR is part of Cambridge University which has a strong desire for flexibility to create its own benefit structure or structures to best match the needs of its staff.
  - Cambridge University's own scheme for Assistant Staff provides an alternative risk-sharing model which would be worth investigating for USS.
  - The USS structure (salary threshold and CRB accrual rate) provides a practical framework for future benefit change, but the employee contribution rate may be unaffordable for some
  - We note that the cost of DB provision has risen sharply since 2014 so that the (DB) benefits that can be provided for a given level of contribution have reduced very significantly.
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## Page 6: Final comments

**Q10** What additional support can UUK or the USS Trustee offer to support your institution in the valuation process?

Provide as much member information as possible as soon as possible.

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**Q11** Please add any further comments your institution has on the USS valuation. For example you may wish to comment further on the following pertinent to your exposure to USS: The proposed valuation assumptions Any areas of concern related to cost or risk Any further comments on future benefit design (including core benefits, as well as ancillary benefits) or the consequences of benefit change Any wider views on scheme structure, including mutuality and exclusivity Issues relating to section 75 debt

OCR would favour as much choice and flexibility as possible to meet the needs of members based in Cambridge and Coventry and to maintain our competitive recruitment position with other exam boards.

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