

USS Valuation 2017 Survey

Theme	#	Question	Response options	Answer
Identifiers	1	Name of Institution		
		Name of respondent		
		Position of respondent		
	2	What types of pension schemes are offered at your institution?	<p>The main schemes we offer for academic and support staff are USS and other DB arrangements</p> <p>The main schemes we offer for academic and support staff are USS and other schemes that include DC arrangements</p>	X
Overview	3	What are your institution's views on current pension provision?	My institution highly values pensions as an important recruitment tool and benefit to employees	Somewhat agree
		To what extent do you agree or disagree with the following statements?	The risks associated with DB pension provision represent a significant financial uncertainty for my institution	Somewhat agree
		Select from:	My institution wants to avoid further divergence of pension provision within the higher education sector (e.g. in terms of benefit provision or cost)	Somewhat disagree
		<ul style="list-style-type: none"> strongly agree somewhat agree neither agree or disagree somewhat disagree strongly disagree 	My institution wants greater flexibility in the pension options available to employees	Somewhat agree
			My institution wants to stabilise pension costs in order to offer a more diverse package of non-salary benefits to employees	Somewhat agree
	4	To what extent do you think that employees value the pension schemes that your institution currently provides?	The pension schemes that my institution currently offers are highly valued by employees	Neither agree or disagree
		To what extent do you agree or disagree with the following statements?	My institution would like to enhance the pensions benefits offered to employees	Neither agree or disagree
		Select from:	Pension provision does not represent a significant part of employee's considerations around reward	Somewhat agree
		<ul style="list-style-type: none"> strongly agree somewhat agree neither agree or disagree somewhat disagree strongly disagree 		

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Contributions (Relates to paragraphs 8-11 in the supplementary document)	5	How has the rise in USS employer contributions from 16% to 18% in 2016 impacted your institution?	The increased expenditure on staff pensions was sufficiently offset by, for example, increased income or reserves	
		Choose one of the following statements	The financial impact was considerable, but manageable through cost savings that will not impact significantly on the ambitions of my institution	X
			The additional pension costs are a barrier to my institution's longer term sustainable growth	
		Optional text box for further comments		
	6	If possible, please indicate where any cost savings had to be made that might not have been required had the USS contribution rate remained at 16%. Tick any that apply	Headcount reductions	
			Restraint in other areas of employee reward and development	X
			Delays or reductions to capital projects	
			Reductions in operational costs and other non-academic activities	X
			*Other (please specify)	
	7	What is the maximum level of contributions that you could sustainably afford to pay, without causing material financial strain to your institution? To what extent do you agree or disagree that the following levels would be affordable? Select from: <ul style="list-style-type: none"> strongly agree somewhat agree neither agree or disagree somewhat disagree strongly disagree 	Current contribution levels (18%)	Neither agree or disagree
			An increase of 2% (to 20%)	Neither agree or disagree
			An increase of 4% (to 22%)	Somewhat disagree
			An increase of 6% (to 24%)	Strongly disagree
			An increase of 8% (to 26%)	Strongly disagree
			An increase of more than 8%	Strongly disagree
		Additional comments box provided	The responses sought do not seek views on a reduction from current levels. Given that the ONS reports that the national average is 21%	

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	8	Do you think that employees would be willing to contribute more to their pension alongside employers if required? To what extent do you agree or disagree with the following statements? Select from: <ul style="list-style-type: none"> strongly agree somewhat agree neither agree or disagree somewhat disagree strongly disagree 	(combined employer and employee) for a DB scheme, we should be looking at other options for a largely public-funded scheme	
			Higher contributions for the same benefits	Neither agree or disagree
			The same contributions for reduced benefits	Neither agree or disagree
			Higher contributions with some benefit reductions	Neither agree or disagree
			Not all my employees can afford the contributions required for the current level of benefits	Somewhat agree
Pension benefits <i>(Relates to paragraphs 12 to 17 in the supplementary document)</i>	9	Which of these statements best describes your institution's views on benefit reform if action is required to reduce the USS deficit? Choose one of the following statements.	Current benefits: Retain current benefits, even if this requires higher contributions.	
			Current contribution levels: Retain current contribution levels, regardless of the benefit changes this requires	
			Moderate revisions to benefits and contributions: Balanced approach involving reduced benefits, alongside increased employer and employee contributions	
			Flexible approach: Move to a reduced level of core pension benefits, with employers being able to choose to pay higher contributions to secure higher benefits for staff.	X
			DC: Move to DC for future benefits, to reduce risk and to make future benefit changes less likely to be needed.	
	10	If needed, would you support the following changes to future benefits in order to keep contributions affordable? To what extent do you agree or disagree with the following statements? Select from: <ul style="list-style-type: none"> strongly agree 	Changing salary threshold (from £55,000)	Neither
			Changing the DC contribution above threshold (from 12%)	Neither
			Changing accrual rate (from 1/75)	Neither
			Changing the DC match (from 1%)	Neither
			Offer staff the choice to move to a DC only section of USS	Somewhat agree

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		<ul style="list-style-type: none"> somewhat agree neither agree or disagree somewhat disagree strongly disagree 	Transition USS to a DC-only scheme	Neither
	11	<p>If changes to USS benefits become necessary, to what extent are the following issues of concern to you?</p> <p>To what extent do you agree or disagree that the following area concern for your institution?</p> <p>Select from:</p> <ul style="list-style-type: none"> strongly agree somewhat agree neither agree or disagree somewhat disagree strongly disagree 	Competitiveness with other institutions whose staff can join DB public sector schemes	Somewhat disagree
			The divergence within institutions in the pension benefits offered to staff (e.g. academics in USS and support staff in other schemes)	Neither
			The possibility of staff opting out of pensions altogether	Somewhat agree
		Additional comment box for any further concerns.	Question 8 is too generic and assumes that 'employees' is a homogenous group. It is not possible to generalise across a population with such significant differences in age range, income, outgoings and expectations.	
The Structure of USS <i>(Relates to paragraphs 18-23 in the supplementary document)</i>	12	<p>What is your institution's view on the way current contributions are set and assets and liabilities are calculated?</p> <p>To what extent do you agree or disagree with the following positions?</p> <p>Select from:</p> <ul style="list-style-type: none"> strongly agree somewhat agree neither agree or disagree somewhat disagree strongly disagree 	My institution would support taking financial responsibility for its own liabilities both past and future	Neither
			My institution would support the legal separation of each institution's assets and liabilities and the negative effect this may have on mutuality	Neither
	13	<p>What is your institution's view of increased benefit choices being available?</p> <p>To what extent do you agree or disagree with allowing more benefit choice for the following?</p>	to institutions –e.g. with a "core" USS benefit, and "supplementary" option for employers to pay more to offer higher benefits to some or all employees	Somewhat agree

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		Select from: <ul style="list-style-type: none"> strongly agree somewhat agree neither agree or disagree somewhat disagree strongly disagree 	to employees –e.g. with a “core” USS benefit, and “supplementary” option for employees to pay more to receive higher benefits	Somewhat agree
	14	If USS comprised a core benefit with supplementary benefits being available on top (whether funded by employers and/or employees), what should these supplementary benefits be? Choose one of the following options	DB	
			DC	X
			No strong preference	
	15	Are there any particular categories of employees that your institution wishes it could provide alternative benefits to? Tick any that apply	Internationally mobile employees	X
			Long serving, senior employees	
			Visiting academics	
			Employees on short/ fixed term contracts	
			Employees with affordability concerns	X
			*Other(please specify)	
Valuation Methodology (Relates to paragraphs 3-7 in the supplementary document)	16	In terms of the overall prudence in the actuarial method and assumptions (to be decided by the trustee in consultation with scheme stakeholders), which best describes your institution's position? Choose one of the following options	My institution believes that USS should follow a similar approach to the 2014 valuation	
			My institution believes that USS should focus on being flexible, within reason, to mitigate the need to change contributions/benefits at this valuation	X
			My institution is concerned about the possibility of a less prudent approach being taken and any potential increase in risk being underwritten by our institution	
			*Other(please specify)	
Final Comments	17	Please provide any comments that you would like to add e.g. additional views on contributions, benefits, USS structure, wider reward in HE, pledging assets, managing liabilities etc. -views from all	Q12 is too generic and cannot be answered without a clear understanding of the implications and risks	

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		employers are welcome as they may differ for larger and smaller USS employers		
	18	Thank you for your time. Would you mind being contacted by email in the future with any queries about your response?		