

Durham University and the Durham Branch of the UCU are issuing this joint statement to mark their commitment to work collaboratively to advocate for a fair and affordable pension scheme that provides members with financial security in retirement.

The University and Durham UCU believe that

- the employers and the members of the USS share a common interest in a sustainable, affordable pension scheme with a meaningful defined benefit component;
- the Universities Superannuation Scheme belongs to the sector and needs to be responsive to the needs of the employers and their staff;
- USS should be run on the basis that it will remain an open scheme with a long-term commitment from employers with a strong covenant, which enables significant investment in growth assets and returns on investments that improve the value of the scheme for members and employers. UCU and UUK should develop joint proposals that can secure covenant support from the employers;
- the valuation principles adopted for the 2020 valuation do not provide a sound basis for the long-term future of the pension scheme, and do not offer value for money for members and employers;
- the next valuation should be concluded in an expeditious timescale to deliver potential benefits to staff and rebuild staff confidence in USS;
- proposals for governance reform should be urgently developed and jointly enacted by UUK and UCU in advance of the next valuation to ensure that USS is more accountable, transparent and collaborative with the HE sector; these proposals should give serious consideration to the governance changes proposed by the Joint Expert Panel in 2019;
- a review of the intergenerational fairness of the Scheme design should be undertaken with recommendations on how the Scheme could be reformed to make it fairer, and to prevent changes that have an inequitable generational impact, acknowledging the significant impact of the recent reforms, particularly on new and early career members;
- should the financial health of the scheme improve sufficiently at a future valuation, improving benefits for members of the USS should be the highest priority;
- the JNC should explore approaches that may enable staff to become members of the Scheme while paying lower contributions than the standard rate; doing so should not be a route to lowering employer contributions and should enable all members continued opportunities to build up accrual of defined benefits;
- UUK and UCU should jointly explore options for alternative scheme design, within current regulatory constraints, that could offer better value for members and employers (including Conditional Indexation);
- the current challenges facing USS will be most effectively resolved through constructive dialogue between the agreed representatives of the employers and the members.