

## JNC Enhanced Report, 8 February 2023

### Attendees

Committee members	Observers
Akbar Khan (Chair)	Marian D'Auria, USS observer
Dr Jackie Grant (UCU)	Dr Marion Hersh, UCU observer
Dr Justine Mercer (UCU)	Renee Prendergast, UCU observer
Dr Deepa Driver (UCU)	Sharon Moore, UUK observer
Professor Mark Taylor- Batty (UCU)	Cliff Vidgeon, UUK observer
Jenny Lennox (UCU)	
Dr Carol Costello (UUK)	
Margaret Monckton (UUK)	
Stuart McLean (UUK)	
Anthony Odgers (UUK)	
Mike Shore- Nye (UUK)	

### Meeting governance

The committee welcomed the JNC Chair to his first meeting in the role.

### Update from the Trustee

A Trustee representative provided an update on the 2023 valuation timetable. They noted the covenant discussions with employers and the ongoing work of the Investment Committee. They noted the December FMP information will be published in the coming weeks, and that planning for the Technical Provision and member consultations is also being undertaken.

A UUK representative asked for further detail on the scope of the FMP data that will be shared. The group went on to discuss the timing of the FMP and the supporting guidance from the Trustee Board.

A Trustee representative provided the committee with an overview of the proposed Eighteenth Deed of Amendment, that will allow the Trustee the discretion to allow ex-spouse participants to transfer out their defined benefits up until Normal Benefit Age, which goes beyond statutory transfer rights. The committee agreed to pass the amendment to the scheme deeds.

A Trustee representative provided an update on the potential creation of a 'Collaborative Review Forum' and provided examples of the type of amends and refinement to scheme design and scheme rules. The committee considered if the forum should be established following the conclusion of the 2023 valuation.

### Update on low cost benefits and conditional indexation working groups

A Trustee representative provided the committee with an overview of the work of the Low Cost Working Group, noting their recommendation to proceed to a consultation on the possibility of several low cost options to be held with employees who are eligible to be USS members

A UUK representative highlighted the UUK support for a consultation, to be run jointly by both stakeholders.

A UCU representative noted their belief that a joint consultation would be a mistake and asked for the paper to be formally withdrawn. They explained that this was because they only had a mandate to discuss defined benefit options

Non-restricted (NR)

and one of the UUK's options was defined contributions with a lower employer contribution than the main scheme. They also believed a consultation would slow the process of rescinding 2022 benefit changes and would not be conducive to ongoing conversations around industrial relations.

A UUK representative noted that the current industrial dispute is focused on existing scheme members, and this consultation is aimed at those members who choose not to join USS due to affordability challenges and other reasons. They called on UCU to reconsider, asking if they would consider going ahead with the consultation whilst also making clear their opposition to specific options.

The committee went on to discuss member and employer perceptions on low cost options, and the best way to help ensure that lowest paid and/or early career employees can participate in USS.

The committee discussed the practical implications of UUK continuing with a consultation without the support of UCU.

A UUK representative provided an update on the conditional indexation group. They noted the upcoming publication of a report from the group, outlining the detail of how conditional indexation would work as alternative benefit design.

### Stakeholder updates

#### UCU

A UCU representative noted the ongoing industrial action, including the upcoming rebalot to extend the UCU mandate for industrial action beyond April. They highlighted the ongoing negotiations on pay, and the hope that both industrial disputes can be resolved quickly. They noted their willingness to take any revised proposals from UUK to the UCU Higher Education Committee at short notice.

#### UUK

A UUK representative noted their ongoing work on upcoming consultations.