# PENSIONS WORKING GROUP

Notes of a meeting held on Monday 7 October 2019 at 2.00 p.m. in the Chief Financial Officer's office, The Old Schools

Present:

Mr A Odgers (Chair)

Professor E Ferran

Mrs M Downie

Mr B Alexander

Mr D Hughes

Dr D Weiss

Dr S Cowley

Dr H Sanson

Dr R Anthony

Mr A Aldridge

Mr J Seed (by ‘phone)

**Apologies**

Apologies were received from Mrs E Stone

Mr Odgers welcome Dr Weiss and Dr Sanson to the group.

1. **Declarations of interest**

It was noted that the majority of members of the group are members of USS and that Mrs Stone is a director of the CUPTL.

Mr Seed noted that XPS advises Trinity College on pension matters.

Professor Ferran declared that she is a director of Euroclear.

1. **Notes of the meeting of 9 September 2019**

The notes of the meeting held on 9 September 2019 were approved, subject to a minor amendment.

1. **Matters arising**

Mr Seed noted that the consultation on changes to funding guidance and regulations had not reached a stage where employers could provide feedback but this was expected to follow in 2020. Mr Seed agreed to alert the group when the relevant consultation dates are known.

**Action: Mr Seed**

1. **Membership of PWG**

It was noted that there was still a vacancy for a younger member of USS on the group. It was agreed that ideally this should be a post doc who was on second or subsequent contract. It was agreed that the minutes of the meeting should be sent to Karina Prasad who should be asked for a recommendation.

**Action: Mrs Curryer**

1. **USS valuation as at 31 March 2018**

**Update**

It was noted that the 2018 valuation of USS was now complete.

**USS valuation tracker**

The content of the USS valuation tracker was noted and Mr Seed agreed to circulate further copies.

**Action: Mr Seed**

**Supplement in lieu of pension**

The group noted that following the increase in contribution rates as a result of the completion of the 2018 the value of the salary supplement payable to employees who opted out of USS for tax reasons was required to be reviewed and it was agreed that Mr Seed should provide updated figures based on the same methodology as had been used when setting the payment. The group agreed that unless this revealed a significant change the rate should remain at 12% of pay.

**Action: Mr Seed**

**USS investment strategy**

The group noted the content of the paper. Mr Alexander noted that although the performance figures for the reference and implemented portfolios were shown net of fees it would be helpful to understand what these were. It was agreed that Me Seed should draft some questions for USS.

**Communications strategy**

It was agreed that the open meetings should continue and that a meeting should be help once the second report of the Joint Expert Panel (JEP) was available.

**Action: Mr Aldridge**

**USS – actuarial valuation as at 31 March 2020**

It was noted that the USS trustee had indicated that now the 2018 valuation was complete work on the 2020 valuation was expected to get underway shortly.

The group noted that there was a dependency on the publication of the JEP 2 report which was now overdue and as yet no date had been given for the expected publication of the report. Mr Odgers agreed to try and obtain information about when this was expected.

**Action: Mr Odgers**

1. **Mercer Master Trust**

The group noted that in excess of 98% of the members were invested in the default fund and that this has an administration charge of 0.5% which was higher than a number of master trusts in the market. Me Seed advised that the annual management charges were similar to those of other funds.

It was noted that the Mercer Master Trust was the provider selected by UCEA as an auto-enrolment provider for the HE sector and that the value of member pots was small so there was limited scope for renegotiating the administration fee. Mr Seed agreed to provide details of the administration fees charged by other providers.

**Action: Mrs Curryer and Mr Seed**

1. **CUACPS – funding update**

Mr Seed agreed to circulate this.

**Action: Mr Seed**

1. **CUACPS PPF levy**

There was no update.

1. **Equality and Diversity**

Mr Odgers advised that there was no update at this time but that when any changes to USS were proposed that it would be important to consider the potential effect of these on various staff groups and that this should not be limited to potential impacts as a result of gender.

It was agreed that the group should receive an update on the number of employees opting out of pension provision and if possible this should include information on the category of employee, e.g. post docs compared to established staff and the historical information should be included to identify any trends.

**Action: Mrs Curryer**

1. **Total Remuneration**

There was no update.

1. **Any other business**

There was no further business**.**

1. **Date of next meeting**

The date of the next meeting was agreed as Wednesday 2 November 2019 at 3.00 p.m. in Mr Odgers office.

The remaining meeting dates for 2019 are

|  |  |
| --- | --- |
| Date | Time |
| 16 December 2019 | **2.00 – 4.00 p.m.** |