

## **Text of the letter of 7 December 2017 from the pensions regulator to Universities UK**

Dear Mary,

Thank you for your email.

### **Statutory Valuation Deadline**

In our meeting with Marion Hersh and Paul Bridge of UCU on 5 December 2017, we stated that TPR cannot waive the requirement under the Part 3, Scheme Funding requirements of the 2004 Act to submit the valuation by the statutory deadline, nor do we have the power to extend the deadline. We also confirmed that this was a hard deadline set out in legislation which we expected trustees to adhere to.

While we acknowledged that there would need to be a 60-day employer consultation on any benefit changes and, furthermore that the USS Executive would need to complete the necessary modelling to assess the impact of any such changes, we highlighted that the requirement to manage the timeline to meet the statutory submission deadline was a responsibility of the Trustee. Accordingly, we confirmed that we expected the 30 June 2018 deadline to be adhered to.

You will note that TPR is taking a firmer stance on late valuations this year. This was highlighted in our 2017 Annual Funding Statement, when we stated: "Looking at 2017 valuation submissions, in particular we will be focusing on fair treatment of schemes and late valuations". <http://www.thepensionsregulator.gov.uk/docs/db-annual-funding-statement-2017.pdf>

### **18 December 2017 deadline**

We were also asked about the revised 18 December 2017 deadline for the JNC's negotiations. We explained that the process for the JNC is an internal one for the JNC and one to be run by Sir Andrew Cubie. It is not within TPR's remit to comment or influence that process.

### **2014 Valuation Submission**

For reference, I've reviewed the submission of the 2014 Valuation. The statutory deadline was 30 June 2015 and the valuation papers were signed by the Trustee and certified by the Scheme Actuary on 24 July 2015. I understand that agreement on the 2014 Valuation

was actually reached before the statutory deadline and the slight delay was so that all the valuation documents (including the Statement of Funding Principles and Statement of Investment Principles) could receive the final sign off from the necessary people. The Pensions Regulator decided not to take any action at that stage due to those particular circumstances.

Finally, while we expect trustees to adhere to the statutory deadlines and reserve the right to take action if those deadlines are not met, we are mindful that in complex and late stage negotiations some slippage in timelines can lead to better outcomes. However, in all such instances, we would expect to be kept fully informed by the trustees of the reasons for any expected delay and also the expected benefits of any such delay. We also expect any such delay would be kept to a minimum. Furthermore, in any such instances where we felt the delay was not warranted, we would consider what actions to take against the trustees.

We're all at our Annual Staff conference this afternoon but if there is something urgent, please give me a call on my mobile. I'll get back to you as soon as I can.

Kind regards,

Bill Birdi  
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Case Management | Frontline Regulation Directorate