

## University of Stirling

### Proposed Reforms to the University of Stirling Pension Scheme

#### Summary of the proposed changes

Close USPS to new members and to future benefit accrual for existing members as at 31 July 2013. Any final salary pension benefits accrued by current members up to 31 July 2013 would be protected and would not be affected by the proposed changes.

Current and prospective members will be offered membership of the Universities Superannuation Scheme ("USS") from 1 August 2013 under their defined benefit Career Revalued Benefits ("CRB") section.

Pension benefits already built up in USPS are not being eroded or removed. Under the proposal the University will continue funding the USPS deficit and fulfilling all its obligations to current and future pensioners in USPS to ensure it is fully addressed. This commitment is irrespective of what else happens to the scheme.

#### Why is change necessary?

During the last ten years an increasing shortfall has arisen in USPS which means that the assets of the scheme are not sufficient to meet the estimated liabilities to pay future benefits to members at their current levels. The last actuarial valuation in August 2009, recorded total assets of £38.9m and liabilities of £52.1m, and therefore a deficit of £13.2m and a funding level of 75%. This compares to a deficit of £9.2m in 2006 and £2.6m in 2003 illustrating a deteriorating position.

At the same time the contribution rates paid into the scheme have increased substantially from 16.8% in 2003 to the current level of 29.9%. The valuation due on 1 August 2012 is currently progressing and it is expected that a sizeable deficit is remaining and that there will be upward pressure on the contribution rate.

#### Key Dates:

Consultation		Post-consultation	
10 April 2013	10 June 2013	July 2013	1 August 2013
Consultation starts: <ul style="list-style-type: none"><li>• Read this document</li><li>• Visit the website</li><li>• Give your response</li></ul>	Consultation ends: <ul style="list-style-type: none"><li>• Deadline for receiving your response</li></ul>	Court considers outcome of consultation and agree any changes to proposals, subject to USPS trustees' approval to amending the terms of the scheme to permit the changes.  Members receive information on final proposed changes	Proposed date of implementation of changes