

STUDENTS' UNION SUPERANNUATION SCHEME (SUSS) NEWSLETTER

Issue No. 13 – November 2020

From the Chair of the SUSS Trustees

Dear Colleagues



Since our last communication in October 2019, there has been lots of activity in relation to SUSS, including the Annual Members Meeting, completion of the Actuarial Valuation, a review of the investment strategy, as well as sign off of the 2019 Report and Accounts.

It is evident that COVID-19 continues to have a meaningful impact on our communities and the way in which all businesses operate, and in particular, the higher education sector. In light of this the Trustees have received a handful of formal requests for suspension of deficit repayment contributions. Each formal request is reviewed in detail and considered by the Trustees and the scheme advisers. To date no suspension has been implemented, although applications remain under review. Further information is available later in this newsletter if you are considering applying for a suspension of your deficit repayment contributions. The Trustees continue to monitor the risks that Covid-19 imposes on SUSS and the impact of the current situation on you, the employers.

We would like to take this opportunity to reassure you that we are working closely with our advisers to monitor and limit the impact of these events on both the funding and the administration of the member's pension benefits. In particular, for pensioner members, this means ensuring that as members come to take their pensions, payments are set up and paid in full and on time and any bereavement cases are processed promptly.

We can confirm that all members affected by the 7% increase changes have now received a lump sum payment for the increases they've missed out on to date, and adjustments have been implemented for pensions going forward according to the choice each member made. This includes updating benefit statements for those deferred members.

This year the Trustees carried out an extensive review the investment strategy. The Trustees continue to seek additional returns within acceptable risk tolerances, to improve the funding level, while considering the environmental, social and governance criteria of the Scheme's investments.

The Trustees continue to work hard to protect the benefits provided by and due from SUSS. We appreciate there may be colleagues who are new and may have queries regarding SUSS therefore we are happy to help any participating union with their understanding of how SUSS is governed and managed in order to meet the obligations to members. To assist with this, each year we produce a briefing note for students' union sabbaticals and student trustees; a copy of this can be requested at the email address below.

Please email suss@rosstrustees.com if you would like to get in touch with the Trustees.

Susan Andrews
Chair, SUSS Trustees



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SUSS News

Actuarial Valuation

The actuarial valuation as at 30 June 2019 has been signed by the Trustees and NUS as Principal Employer, and this has been submitted to the Pensions Regulator.

The financial position of the Scheme as at the date of the actuarial valuation is as follows:

Funding position	Actuarial Valuation as at 30 June 2019
Market value of assets	£119.1m
Scheme liabilities	£260.0m
Deficit	£140.9m
Funding level	46%

Suspension of Deficit Repayment Contributions

If your union is considering applying for the suspension of your deficit repayment contributions please email suss@rosstrustees.com who will provide you with the application and information request forms. In advance of applying for a suspension you should also consider the Pension Regulators updated guidance which Trustees must follow when consideration applications.

<https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/db-scheme-funding-and-investment-covid-19-guidance-for-trustees>

Investment Strategy Changes

A key role of the Trustees is to monitor the investment strategy to ensure that member benefits can be paid as they fall due. It is important that the Trustees find the right balance between taking enough risk in order to grow the value of the Scheme's assets while not taking too much risk that it may not protect members benefits as well as it should. A further consideration is to ensure that the Scheme's assets grow in order to keep your contributions at an affordable level, and the Trustees always balance this with making sure member benefits are protected.

The 2019 review of the Scheme provided an opportunity to step back and assess the Scheme's investment strategy using up to date information on the Scheme's liabilities. With the guidance of the Scheme's advisers the Trustees have made some key changes to the investment strategy including, but not limited to, selling the UK commercial property fund and increasing investments in private markets.

As part of the review the Trustees considered the environmental, social and governance (ESG) criteria of the scheme's investments, acknowledging that investments that are not conscious of these factors will have a negative effect on future expected investment returns. As a result of this the Scheme will no longer invest in companies that in any of the following:



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1. Pure coal extraction;
2. Cannot meet the minimum requirement of the Paris Agreement on climate change following a period of engagement;
3. Violated the [UN Global Compact](#) for a period of at least three years;
4. Generate more than 10% of their revenue from controversial weapons.

The Trustees, as always, continue to monitor the scheme's assets in order to protect the members' benefits, while managing the scheme's affordability to you the employers.

Trustee Report and Accounts

RSM, the auditors of SUSS, found no material issues with SUSS and the Report and Accounts, as at 31st June 2019, were therefore unqualified and signed by the Trustees. The Report & Accounts are available upon request. The Trustees' are regularly asked to provide assistance with Student Union's annual audit process; unfortunately, the Trustees are unable to provide assistance or disclosure wording for individual SU's accounts; this is the Union's own responsibility.

The Role of a Trustee

The role of a Trustee is a rewarding one, as a Trustee you are contributing to the maintenance and creation of secure retirement for students' union employees at all levels in those organisations. A successful candidate will be required to attend at least 4 meetings per year plus the annual meeting, which usually requires an overnight stay. Ahead of these meetings a significant level of reading will be expected in preparation for your attendance. Although specialist pension knowledge is not a prerequisite of the role, trustees are required to develop knowledge and understanding of investment conditions and the workings of financial markets and of the legislative framework affecting both employment and pensions. Support in gaining this knowledge is provided through detailed advice papers and training session provided by the schemes advisers. In addition completion of the Trustee Toolkit is required by The Pensions Regulator and must be completed within 6 months of the Trustee's appointment date. Trustees are covered by appropriate insurance in respect of liabilities they might incur in respect of the role of Trustee.

Trustee Elections

In May 2020 the Trustees welcomed Mark Crook as a new employer nominated trustee (ENT).

Mark is an experienced qualified accountant and currently the Director of Finance and Information Systems at Warwick Students Union. Having qualified with the Chartered Institute of Public Finance and Accountancy at Walsall MBC in 1996, Mark gained considerable experience across a range of public sector organisations over the past 24 years, including the Learning and Skills Council, BECTA and North Warwickshire Borough Council. This has been broader than the finance remit, including strategic planning, governance, change management, Information Technology Strategy, systems development, quality assurance and organisational development. Having moved to the University of Warwick in March 2016, Mark has been part of the Executive Management Team at Warwick SU since October 2017, and is Company Secretary for the Union and its two subsidiary companies, Membership Solutions Limited and Students Union Services Warwick Limited. Mark is also a co-opted governor for Hereward College in Coventry and a full governor for King Edward VI College, Nuneaton. Outside of his work and voluntary



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activities Mark's main vice is golf.

David Malcolm's term as an ENT came to an end in August 2020. The Trustees would like to take this opportunity to thank David very much for his contribution and hard work over the past 6 years.

Nominations for the available ENT position were open over the summer and closed on 16th October 2020. We will update in due course on the results of those nominations.

A member nominated trustee (MNT) election will also be held in the next year as the term of Hugh Boyes expires in May 2021. The Trustees will issue nomination forms to members with an explanation of how to apply in the new year. If there is more than one nomination, a full ballot will take place.

Annual Meeting

The Annual Meeting date will be on the 25th February 2021. Currently we expect that the meeting will be held at Birmingham Guild, however we are considering a contingency plan if government guidelines do not allow for the meeting to happen in person. We will shortly be issuing formal invites and will keep you informed of the details. Please add the date to your diaries.

Communications

The Trustees welcome the opportunity to discuss the running and governance of SUSS with any participating union. If you have any queries on SUSS, the issues faced by the Trustees and would like a deeper understanding on how SUSS has evolved over the years, please get in touch with the Trustees via an email to suss@rosstrustees.com. As noted at the Annual Meeting, the Trustees continue to engage with BUFDG to seek to ease your conversations with your parent institutions Finance Directors.

Regulatory News

The Pensions Regulator (TPR)

In April 2020, TPR published its annual funding statement which covered, amongst other items, an update on the DB funding code consultation, guidance in regards to Covid-19, market conditions, affordability and managing deficits when looking at covenants and risk management. The statement can be found at the link below:

<https://www.thepensionsregulator.gov.uk/en/document-library/statements/annual-funding-statement-2020>

PPF Levy

As you may recall from the Annual Meeting, the levy funds the Pension Protection Fund and is affected by the risk that an employer might have of entering the Fund, therefore the PPF Levy is based on the Experian score of individual participating Union's. The SUSS Trustees apportion the levy amongst the participating unions in line with their proportion of the overall liabilities. We will write to you in November to confirm what your share of the PPF levy is; for Unions that pay deficit contributions monthly, the PPF levy amount will be added to your usual monthly direct debit, and collected in January 2021. The PPF Levy and how it is measured can be found here:

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<https://www.ppf.co.uk/levy-payers/levy-2020-21>

As noted above, your Experian insolvency score has a big impact on the amount of PPF levy your union will need to pay each year, so it is very important that you monitor your score to ensure that it is correct.

It is the responsibility of individual unions to check their score is correct, not the Trustees. We recommend that you use this portal to check the information that Experian hold in relation to your union. The information held should include the union's latest financial data, the union's rating under the model ("Pension Protection Score"), and the scorecard used by Experian to calculate this rating – most SUSS employers will be on the "not-for-profit" scorecard.

The insolvency score is translated into a levy band between 1 and 10 – with band 1 being the best possible score, and band 10 the worst. Your levy band affects the amount of levy you pay each year.

If any of the information is incorrect or out-of-date, you should contact Experian directly about this using the details below. You may need to submit copies of your accounts directly to them. Further guidance on Experian and accessing your Experian score can be found here:

<https://www.ppfscore.co.uk/>

Contact Information and Feedback

If you have any comments or queries in relation to this newsletter, or SUSS in general. Please contact the Trustees initially via email: suss@rosstrustees.com or telephone: 0203 709 9036. Your query will either be dealt with directly or passed to the Scheme advisers, Barnett Waddingham.

**Hugh
Boyes**



**Peter Shilton
Godwin**



**Susan
Andrews**



**Nick
Gash**



**Mark
Crook**

