

## USS Communications on Early Retirement Factors

In the January 2024 Employer Update, we advised that the Early Retirement, Late Retirement, commutation, and reverse commutation factors would be changing with effect from 1 April 2024. Subsequent to that communication, the Trustee received joint correspondence from UCU and UUK requesting a delay to the implementation of the new Early Retirement Factors (ERFs).

Having considered the points raised by UCU and UUK, the feedback received from employers via the IAP, and having further considered the advice of the Scheme Actuary, the Trustee is minded on this occasion, due to the exceptional set of circumstances which apply, to delay the implementation of the new ERFs to 1 October 2024. For the avoidance of doubt, changes to other factors (Late Retirement Factors, commutation, and reverse commutation) will take place on 1 April 2024. **We would ask that you communicate this decision to impacted members as quickly as possible in order that they can make informed decisions in relation to their retirement plans.**

We anticipate that this decision may lead to an increase in work through our retirement teams and although we would hope that it can be managed to maintain the service levels (SLAs) we hold ourselves to, there is a risk that a delay to the ERFs generates additional requests for retirement quotations and subsequent delays in the processing of work through the operational teams. As we have issued in excess of 2,000 quotations since January it is not practical to reissue every quotation. Revised quotations will be produced upon request if there is a genuine intention to retire before 1st October 2024. However, it should be noted that should the team be inundated with requests our ability to meet our SLAs will be impacted. **We would therefore request your support in minimising this risk by only requesting re-quotations where these are necessary and avoid raising requests for multiple speculative quotations.**

It should also be noted that it is too late in the process of updating the online benefit calculator (to reflect 1 April 2024 benefit changes) to have the ERFs which will now apply until later this year in place from 1 April 2024. There will be a short period therefore where the benefit calculator will be understating member benefits for early retirements. We will add a note to this effect on the benefit calculator until such time as the ERFs have been updated.

Finally, the Trustee will consider the current process that applies, in terms of the timetable and communications, when factor changes are being reviewed and will look to engage further with stakeholders to consider if the overall process can be refined in advance of the next review of a factors due later this year following completion of the 2023 valuation.