

**EQUALITY IMPACT ASSESSMENT (EIA)
ON PROPOSED CHANGES TO USS**

November 2021 – January 2022

Durham University

(a) What is the workforce profile in relation to employees' declarations on being covered by one or more of the nine protected characteristics; race, disability, age, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion and belief, sexual orientation and sex according to scheme membership? (Report as individuals irrespective of hours worked, including fixed term contract staff employed at the time of the Assessment).

		Disability	Age	Race (below is none white – asian, black, mixed or other)	Gender reassignment	Marriage and civil partnership	Pregnancy and maternity	Religion and belief	Sexual orientation	Sex	
			See table below		Data not available				M	F	
1. USS Members		149		390						1537	1386
2. USS eligible members (those not currently in the scheme but who are eligible to join or rejoin)		74		183						613	732
3. Other scheme members	LGPS										
	TPS										
	SAT										
	SAUL										
	NHSPS										
	Other e.g. NEST, GPP (please specify)	56		11						252	646

	In house scheme (DUPS)										
	Other e.g. NEST, GPP (please specify) Auto enrolment – Aviva	63		32						197	391
4. Non scheme members / other staff		258		817						2099	2776

	Age <20	20-30	31-40	41-50	51-60	61-70	Age > 70	
1. USS Members	0	322	907	878	632	175	14	
2. USS eligible members (those not currently in the scheme but who are eligible to join or rejoin)	1	526	405	176	120	91	44	
3. Other scheme members	DUPS	0	107	220	190	261	119	1
	Aviva	0	184	127	107	127	43	0
4. Non scheme members	502	2981	634	251	222	207	78	

b) Gaps in data

Institutions to identify any gaps in the data and the possible reasons for the gaps.

For example: The above data excludes hourly paid staff due to [state reason]. There is also insufficient disclosure on staff records to provide meaningful data on x and x (insert relevant protected characteristics).

Disability data is informed by self-disclosure, we recognise disclosures are low both within DU and across the sector. We are reviewing systems and processes to support longer term approach to support staff to feel confident to self-disclose. Statistical analysis is limited in terms of evidencing impact – although recognise that living expenses can be higher for some disabled people.

There are gaps in data and evidence to inform wider analysis at this juncture to determine longer term disproportional impact on all identified staff groups, we also recognise that many staff have intersectional identities and therefore identifying impact is limited. The EIA is a living document that will be informed and updated through ongoing engagement and data analysis, mitigations will continue to be sought to respond to the impacts on those most likely to be disproportionately impacted by proposals as they emerge.

Template form for full Equality Impact Assessment of changes to the USS

Name of person completing this form: _____

Job title: _____

Department: _____

Telephone number: _____ N/A _____

Email address: _____

STEP 1 The proposed revisions to the USS are as follows:

(1) From 1 April 2022 the rate at which members will build up future benefits in the DB section (USS's retirement income builder section) will change from 1 April 2022 (to a lower rate of 1/85 of salary compared to the current 1/75 of salary, and a separate lump sum of 3/85 rather than 3/75, up to the Salary Threshold)

(2) From 1 April 2022, the Salary Threshold will reduce from £59,883.65 to £40,000

(3) From 1 April 2023, the Salary Threshold will continue to increase annually in line with official pensions, which are currently increased in line with the Consumer Prices Index (CPI), but subject to a lower maximum increase of 2.5% a year until 31 March 2025 or if earlier, the date of any change concluded by a review by the JNC of the amount of the Salary Threshold

(4) Benefits earned in the USS Retirement Income Builder from 1 April 2022 will continue to see increases applied annually before and after members retire, but subject to a lower maximum of 2.5% a year

(5) From 1 April 2022, there will be a change of benefits for those who are members of USS for a short period (more than three months but less than two years).

(6) The JNC has proposed changes to the scheme so that contributions won't need to rise significantly and impact affordability for members. However, in the absence of the JNC's (or other) proposed changes being executed by 28 February 2022, there is a proposed fall-back position, where contribution

rates will increase every six months from 1 April 2022. In the fall-back position, the increase would be from the October 2021 levels of 9.8% to 18.8% of salary for members by 1 October 2025. For employers, the increase would be from 21.4% to 38.2%.

	Members (% of salary)	Employers (% of salary)
From 1 April 2022 to 30 September 2022:	11.0%	23.7%
From 1 October 2022 to 31 March 2023:	12.9%	27.1%
From 1 April 2023 to 30 September 2023:	13.9%	29.1%
From 1 October 2023 to 31 March 2024:	15.0%	31.0%
From 1 April 2024 to 30 September 2024:	16.0%	33.0%
From 1 October 2024 to 31 March 2025:	17.1%	34.9%
From 1 April 2025 to 30 September 2025:	18.1%	36.9%
From 1 October 2025 onwards:	18.8%	38.2%

Additional information required

For example:

Comparability data for the proposed changes to the USS from the other pension schemes to which employees of the institution belong. The data should perhaps cover all of the areas of the proposed changes and the elements set out below are by way of example.

This institution has employees in the following schemes:

Scheme	DB accrual rate (and threshold if applies)	Indexation and revaluation of pensions	Benefits for those who leave the scheme with less than two years' service (more than three months)	Contributions for employers and members
<i>TPS (or regional equivalent)</i>				
<i>LGPS (or regional equivalent)</i>				
<i>SAT</i>				
<i>SAUL</i>				
<i>NHSPS</i>				
<i>Other e.g NEST, NOW Pensions, GPP etc (please specify) DUPS</i>	DB yes with no threshold	Yes	No	Yes
<i>Other e.g NEST, NOW Pensions, GPP etc (please specify) Aviva</i>	No	Yes	No	Yes

STEP 2 Analysis of the proposed reforms to the USS

Having regard to the duty to promote equality and eliminate discrimination, do the proposed reforms to the USS minimise unfairness? Do they have a disproportionate negative effect on people with one or more of the nine protected characteristics?

In completing the impact assessment using this form, if it is anticipated that the proposed reforms will have a negative impact on one or more of the protected groups, note the likely impact including whether there is direct or indirect discrimination and whether such discrimination can be justified, identify the range of options to address it in order to meet the general equality duties, identify the effect of each option, the preferred option and the reasons for preferring it. Possible options include feeding back to the USS Trustee on the basis of the impact that the reforms have at this institution that:

- (i) there should be no change to the proposed reform;
- (ii) the proposed reform should be adjusted in a particular way;
- (iii) that it should continue with the proposed reform; or
- (iv) that it should abandon the proposed reform (noting the implications and specifically the fall-back position stated by the USS trustee).

Any options chosen must be informed by the evidence available. Evidence may need to be supplemented by consultation, where appropriate, with affected groups. Sufficient evidence will be required to allow conclusions to be drawn. If the evidence is insufficient, consultation with affected groups may be necessary. Institutions must retain a record of evidence relied upon.

(1) Proposed reform:

From 1 April 2022 the rate at which members will build up future benefits in the DB section (USS's retirement income builder section) will change from 1 April 2022 (to a lower rate of 1/85 of salary compared to the current 1/75 of salary, and a separate lump sum of 3/85 rather than 3/75, up to the Salary Threshold).

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	
Anticipated impact of proposed reform on existing non-USS members			
	Positive	Negative	Neutral
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	

	Range of options	Preferred option	Reason for preferred option
	<p>If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:</p> <ul style="list-style-type: none"> • Range of options for addressing anticipated negative impact: • Preferred option for addressing likely negative effect: • Reason for preferring this option: <p>Although all contributors will be detrimentally impacted, certain staff members are more likely to be disproportionately impacted by the proposed changes to the scheme. An analysis of data, evidences that women are highly represented in G7 and G8 and therefore there is an impact of higher contributions against salary.</p> <p>In the case of USS there is an exclusivity clause which means that the University is unable to provide an alternative scheme to USS for employees who are eligible for USS membership. This exclusivity clause forms part of the Participation Deed between the University and USS and as a result the University is unable to make contributions to an alternative pension scheme.</p> <p>Disability data is informed by self-disclosure, we recognise disclosures are low both within DU and across the sector. We are reviewing systems and processes to support longer term approach to support staff to feel confident to self-disclose. Statistical analysis is limited in terms of evidencing impact – although it is recognised that living expenses can be higher for some disabled people.</p> <p>There are gaps in our data and evidence to inform wider analysis at this juncture to determine longer term disproportional impact on all identified staff groups, we also recognise that many staff have intersectional identities and therefore identifying impact is limited.</p> <p>The EIA is a living document that will be informed and updated through ongoing engagement and data analysis, mitigations will continue to be sought to respond to the impacts on those most likely to be disproportionately impacted by proposals as they emerge</p>		

(2) Proposed reform:

From 1 April 2022, the Salary Threshold will reduce from £59,883.65 to £40,000.

	Positive	Negative	Neutral
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	
	Positive	Negative	
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	
	Range of options	Preferred option	
Race	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	

Disability	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sex	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Age	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Gender reassignment	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Marriage and civil partnership	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Pregnancy and maternity	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Religion and belief	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sexual orientation	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
<p>Although all contributors will be detrimentally impacted, certain staff members are more likely to be disproportionately impacted by the proposed changes to the scheme. An analysis of data, evidences that women are highly represented in G7 and G8 and therefore there is an impact of higher contributions against salary.</p> <p>In the case of USS there is an exclusivity clause which means that the University is unable to provide an alternative scheme to USS for employees who are eligible for USS membership. This exclusivity clause forms part of the Participation Deed between the University and USS and as a result the University is unable to make contributions to an alternative pension scheme.</p>			

Disability data is informed by self-disclosure, we recognise disclosures are low both within DU and across the sector. We are reviewing systems and processes to support longer term approach to support staff to feel confident to self-disclose. Statistical analysis is limited in terms of evidencing impact – although it is recognised that living expenses can be higher for some disabled people.

There are gaps in our data and evidence to inform wider analysis at this juncture to determine longer term disproportional impact on all identified staff groups, we also recognise that many staff have intersectional identities and therefore identifying impact is limited.

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Grade	Male	Female	Grand Total
Grade 10	394	149	543
Grade 9	275	176	451
Grade 8	321	335	656
Grade 7	509	615	1124
Grade 6	458	643	1101
Grade 5	351	410	761
Grade 4	89	347	436
Grade 3	91	193	284
Grade 2	183	76	259
Grade 1	166	550	716
Casual	650	699	1349
Graded Casual pt2	423	628	1051
Minimum Wage	160	350	510
No rate	15	28	43
Grand Total	4085	5199	9284

(3) Proposed reform:

From 1 April 2023, the Salary Threshold will continue to increase annually in line with official pensions, which are currently increased in line with the Consumer Prices Index (CPI), but subject to a lower maximum increase of 2.5% a year until 31 March 2025 or if earlier, the date of any change concluded by a review by the JNC of the amount of the Salary Threshold.

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	
Anticipated impact of proposed reform on existing non-USS members			
	Positive	Negative	Neutral
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	
	Range of options	Preferred option	Reason for preferred option

Race	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Disability	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sex	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Age	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Gender reassignment	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Marriage and civil partnership	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Pregnancy and maternity	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Religion and belief	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sexual orientation	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	

If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:

- Range of options for addressing anticipated negative impact:
- Preferred option for addressing likely negative effect:
- Reason for preferring this option

This could have a negative impact on all USS members depending upon CPI rates.

Although all contributors will be detrimentally impacted, certain staff members are more likely to be disproportionately impacted by the proposed changes to the scheme.

Disability data is informed by self-disclosure, we recognise disclosures are low both within DU and across the sector. We are reviewing systems and processes to support longer term approach to support staff to feel confident to self-disclose. Statistical analysis is limited in terms of evidencing impact – although it is recognised that living expenses can be higher for some disabled people.

There are gaps in our data and evidence to inform wider analysis at this juncture to determine longer term disproportional impact on all identified staff groups, we also recognise that many staff have intersectional identities and therefore identifying impact is limited.

At present, Durham University employs proportionally more men in higher earning positions (as detailed above) and therefore there will be a disproportionate impact. This is also likely to affect longer serving staff more in addition.

Those closer to retirement will be less impacted as there will a shorter period of time accruing on the lower rate of benefits.

In the case of USS there is an exclusivity clause which means that the University is unable to provide an alternative scheme to USS for employees who are eligible for USS membership. This exclusivity clause forms part of the Participation Deed between the University and USS and as a result the University is unable to make contributions to an alternative pension scheme.

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(4) Proposed reform:

Benefits earned in the USS Retirement Income Builder from 1 April 2022 will continue to see increases applied annually before and after members retire, but subject to a lower maximum of 2.5% a year.

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	
Anticipated impact of proposed reform on existing non-USS members			
	Positive	Negative	Neutral
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	
	Range of options	Preferred option	Reason for preferred option

Race	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Disability	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sex	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Age	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Gender reassignment	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Marriage and civil partnership	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Pregnancy and maternity	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Religion and belief	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sexual orientation	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	

If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:

- Range of options for addressing anticipated negative impact:
- Preferred option for addressing likely negative effect:

- Reason for preferring this option

Although all contributors will be detrimentally impacted, certain staff members are more likely to be disproportionately impacted by the proposed changes to the scheme.

Disability data is informed by self-disclosure, we recognise disclosures are low both within DU and across the sector. We are reviewing systems and processes to support longer term approach to support staff to feel confident to self-disclose. Statistical analysis is limited in terms of evidencing impact – although it is recognised that living expenses can be higher for some disabled people.

There are gaps in our data and evidence to inform wider analysis at this juncture to determine longer term disproportional impact on all identified staff groups, we also recognise that many staff have intersectional identities and therefore identifying impact is limited.

At present, Durham University employs proportionally more men in higher earning positions and therefore there will be a disproportionate impact. This is also likely to affect longer serving staff more in addition.

Those closer to retirement will be less impacted as there will a shorter period of time accruing on the lower rate of benefits.

In the case of USS there is an exclusivity clause which means that the University is unable to provide an alternative scheme to USS for employees who are eligible for USS membership. This exclusivity clause forms part of the Participation Deed between the University and USS and as a result the University is unable to make contributions to an alternative pension scheme.

The EIA is a living document that will be informed and updated through ongoing engagement and data analysis, mitigations will continue to be sought to respond to the impacts on those most likely to be disproportionately impacted by proposals as they emerge

(5) Proposed reform:

From 1 April 2022, there will be a change of benefits for those who are members of USS for a short period (more than three months but less than two years).

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race	Y		
Disability	Y		
Sex	Y		
Age	Y		
Gender reassignment	Y		
Marriage and civil partnership	Y		
Pregnancy and maternity	Y		
Religion and belief	Y		
Sexual orientation	Y		
Anticipated impact of proposed reform on existing non-USS members			
	Positive	Negative	Neutral
Race	Y		
Disability	Y		
Sex	Y		
Age	Y		
Gender reassignment	Y		
Marriage and civil partnership	Y		
Pregnancy and maternity	Y		
Religion and belief	Y		
Sexual orientation	Y		

	Range of options	Preferred option	Reason for preferred option
Race	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Disability	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sex	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Age	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Gender reassignment	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Marriage and civil partnership	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Pregnancy and maternity	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Religion and belief	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sexual orientation	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
<p>If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:</p> <ul style="list-style-type: none"> • Range of options for addressing anticipated negative impact: • Preferred option for addressing likely negative effect: 			

- Reason for preferring this option

Proposed reform 5 will have a positive impact for those individuals that leave USS with more than three months' but less than 2 years' qualifying service. This is because their deferred pension and lump sum benefits would be based on their length of service and salary, rather than the current value which is calculated based on member contributions paid (or salary sacrifice contributions paid by the employer), multiplied by an actuarial factor, but does not include the employer's normal contributions paid during the period.

On average, the calculation based on service and salary will result in a larger deferred benefit for early leavers. Under the proposal there would still be refund options (if applicable), and the option to transfer to another registered pension arrangement or recognised overseas pension scheme.

An improvement of benefits for those with a short length of service may be attractive to those who are early career and potentially more mobile, who value flexibility. This may make joining the scheme for a short period more attractive.

In the case of USS there is an exclusivity clause which means that the University is unable to provide an alternative scheme to USS for employees who are eligible for USS membership. This exclusivity clause forms part of the Participation Deed between the University and USS and as a result the University is unable to make contributions to an alternative pension scheme.

(6) Proposed reform:

The JNC has proposed changes to the scheme so that contributions won't need to rise significantly and impact affordability for members. However, in the absence of the JNC's (or other) proposed changes being executed by 28 February 2022, there is a proposed fall-back position, where contribution rates will increase every six months from 1 April 2022. In the fall-back position the increase would be from the October 2021 levels of 9.8% to 18.8% of salary for members by 1 October 2025. For employers, the increase would be from 21.4% to 38.2% (further details are set out in the USS Trustee's formal information notice.

Anticipated impact of proposed reform on existing USS members			
	Positive	Negative	Neutral
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	
Anticipated impact of proposed reform on existing non-USS members			
	Positive	Negative	Neutral
Race		Y	
Disability		Y	
Sex		Y	
Age		Y	
Gender reassignment		Y	
Marriage and civil partnership		Y	
Pregnancy and maternity		Y	
Religion and belief		Y	
Sexual orientation		Y	

	Range of options	Preferred option	
Race	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Disability	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sex	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Age	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Gender reassignment	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Marriage and civil partnership	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Pregnancy and maternity	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Religion and belief	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
Sexual orientation	No change to the reform, continue with the reform, abandon the reform, change the reform	Continue with the reform	
<p>If it is anticipated that the proposed reform will have a negative impact on one or more of these protected groups, please provide below the:</p> <ul style="list-style-type: none"> • Range of options for addressing anticipated negative impact: • Preferred option for addressing likely negative effect: 			

- Reason for preferring this option

Likely to be unsustainable for most and therefore lead to significant withdrawals, negatively impacting on retirement savings. This applies to the University as well as to members. Benefits would remain as is which is likely to be considered as positive but then likely to be outweighed by increased contributions.

Younger people may be less likely to invest in the scheme due to higher costs and pressure upon incomes. This could impact upon the sustainability of the scheme long-term. More women in lower grade positions therefore likely to have higher impact on women in terms of affordability. Women also more likely to take career breaks, potential for widening impact on longer term benefits, with substantive risk in terms of affordability with women more likely to take a part time position to support caring responsibilities.

A lower cost option is being looked at with UUK and UCU representation

In the case of USS there is an exclusivity clause which means that the University is unable to provide an alternative scheme to USS for employees who are eligible for USS membership. This exclusivity clause forms part of the Participation Deed between the University and USS and as a result the University is unable to make contributions to an alternative pension scheme.

STEP 3

Could the impacts identified in Step 2 above be minimised or removed or equality be promoted in some other way?

(1) Proposed reform:

From 1 April 2022 the rate at which members will build up future benefits in the DB section (USS's retirement income builder section) will change from 1 April 2022 (to a lower rate of 1/85 of salary compared to the current 1/75 of salary, and a separate lump sum of 3/85 rather than 3/75, up to the Salary Threshold).

Group	Action required
Race	Mitigate by running pensions education sessions, highlighting the benefits of the scheme and possibly cost comparisons with other sectors.
Age	
Sex	
Gender reassignment	
Marriage and civil partnership	
Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

(2) Proposed reform:

From 1 April 2022, the Salary Threshold will reduce from £59,883.65 to £40,000.

Group	Action required
Race	Work is being undertaken to demystify promotions to support progression – data shows increase in women promoted over the last 3 years, and links directly with work undertaken to reduce gender pay gap. Proportionally more women on G7 & G8 contracts – need to evaluate against age groups. We also know that there are a small number, but proportionally a potential higher number of BAME academic staff within these grades (and at a G6) who might be disproportionately impacted – There is a need to review data at a local level to understand the impact, but recognise that DU position may not be reflected across the sector.
Age	
Sex	
Gender reassignment	
Marriage and civil partnership	
Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

(3) Proposed reform:

From 1 April 2023, the Salary Threshold will continue to increase annually in line with official pensions, which are currently increased in line with the Consumer Prices Index (CPI), but subject to a lower maximum increase of 2.5% a year until 31 March 2025 or if earlier, the date of any change concluded by a review by the JNC of the amount of the Salary Threshold.

Group	Action required
Race	Work on progression and gender pay is likely to adjust the balance over the long-term.
Age	
Sex	
Gender reassignment	
Marriage and civil partnership	

Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

(4) Proposed reform:

Benefits earned in the USS Retirement Income Builder from 1 April 2022 will continue to see increases applied annually before and after members retire, but subject to a lower maximum of 2.5% a year.

Group	Action required
Race	Mitigate by running pensions and Financial education sessions, highlighting the benefits of the scheme and possibly cost comparisons with other sectors.
Age	
Sex	
Gender reassignment	
Marriage and civil partnership	
Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

(5) Proposed reform:

From 1 April 2022, there will be a change of benefits for those who are members of USS for a short period (more than three months but less than two years).

Group	Action required
Race	Promote benefit of flexibility
Age	The University and College Union (UCU) reported in late 2021 that casualisation remains a problem for all academic staff groups and that the use of fixed-term contracts for research staff, and zero-hours and hourly-paid contracts for teaching-only staff is endemic.
Sex	
Gender reassignment	
Marriage and civil partnership	The University recognises that precarious employment can in some cases curtail ability to contribute to pension schemes, especially when there is high inflation and increases in costs of living.
Pregnancy and maternity	Following the casualisation work in 2019/20 the default is an employment contract with casuals recruited to a very narrow definition of roles.
Religion and belief	All colleagues are paid on the pay scales, including cost of living increases.
Sexual orientation	
Disability	
	<p>DU has introduced a number of proactive career development approaches. These include the creation of 14 “trainee” career development roles, typically spanning two grades.</p> <p>These actions provide greater financial security and will help to mitigate a number of issues (recognising that a high proportionate of those people currently on casual contracts will not meet the eligibility criteria for this pension scheme).</p>

	Wider activity to support progression through access to development opportunities for academic staff.
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(6) Proposed reform:

The JNC has proposed changes to the scheme so that contributions won't need to rise significantly and impact affordability for members. However, in the absence of the JNC's (or other) proposed changes being executed by 28 February 2022, there is a proposed fall-back position, where contribution rates will increase every six months from 1 April 2022. In the fall-back position the increase would be from the October 2021 levels of 9.8% to 18.8% of salary for members by 1 October 2025. For employers, the increase would be from 21.4% to 38.2% (further details are set out in the USS Trustee's formal information notice.

Group	Action required
Race	Unlikely to be able to mitigate impact
Age	
Sex	
Gender reassignment	
Marriage and civil partnership	

Pregnancy and maternity	
Religion and belief	
Sexual orientation	
Disability	

STEP 4

How will the reforms to the USS be monitored in the future and by whom? (consider a periodic (perhaps five-yearly) review of membership demographics and a repeat of the EIA?)

Reforms will continue to be monitored by the Payroll and Pensions Manager. Equality Impact Assessments will be considered as required.

March 2022