Dear Alistair

Consultation on the proposed Technical Provisions and Statement of Funding Principles for the 2018 actuarial valuation

Please find attached the official consultation document on the proposed Technical Provisions and Statement of Funding Principles, which forms part of the 2018 actuarial valuation of the scheme.

The valuation is being carried out in accordance with the requirements of the Scheme’s Trust Deed and Rules and the Pensions Act 2004, and this document sets out the Trustee’s key considerations in setting the scheme’s future contribution requirements.

Note that this incorporates deficit recovery contributions, but a formal consultation on the Recovery Plan and the Schedule of Contributions will follow later in the valuation process.

The consultation will commence on 2 January and we will require UUK’s response to it no later than 17.00 hours on 28 February 2019.

In particular, the Trustee looks forward to receiving comments from UUK on the amount of risk that employers are willing to support in funding the scheme, and the contingent support they are willing to provide in doing so – as these will be critical factors in determining the Trustee’s final position (for the reasons we set out in the report).

This consultation presents a framework for contingent support. Further analysis will be completed and shared in January to support discussions with UUK in order to agree the parameters that would determine the value that can be ascribed to any such support. We anticipate that this will be an iterative process.

My colleagues and I stand ready to support UUK in its engagement with employers on these important matters.
The Trustee will continue to engage with the stakeholders, and the Joint Negotiating Committee, throughout the consultation with the aim of completing the 2018 valuation on a timely basis.

The statutory deadline for completing the 2018 valuation is **30 June 2019**.

Yours sincerely

Bill Galvin  
Group Chief Executive Officer  

Sir David Eastwood  
Chairman  

Encs.