

## Pension FAQ's

### 1. Which Pension Scheme am I eligible to join?

If you are Grades 1 – 5, and meet the criteria, you will automatically be enrolled into NOW: Pensions, but you do have the right to join the University of St Andrews S&LAS.

If you are Grades 6 – 9, you will automatically be enrolled into USS.

### 2. If I am a member of USS, and earn over the salary threshold of £55,000, what happens to my contributions?

If your salary is above the salary threshold which is currently £55,000, then you will continue to contribute 8% on your full salary. Contributions will then be split at USS. Contributions up to the salary threshold will go into the USS Income Builder (defined benefit section) and the contributions on your salary above the threshold will go into the USS Investment Builder (defined contribution section).

### 3. What are the contribution rates?

The Schemes are funded through a combination of your contributions which are tax-free and contributions from your employer.

The contribution rates for employees in the scheme are:

Scheme	Employees	Employer
USS	8%	18%
S&LAS	7.77%	20.23%
NOW: Pensions	1%	1%

### 4. What are AVC's?

Additional Voluntary Contributions (AVC's), is a facility in addition to your standard pension contributions whereby you can save more for your retirement. By paying AVCs you can enhance your retirement pension. More information on AVCs can be obtained from the Pensions Administrator.

### 5. What should I do if I wish to investigate a transfer of accrued benefits from another scheme to my University pension scheme?

You should contact the Pensions Administrator who will ask you to complete a transfer in request form giving as much information about your previous scheme as possible. This information will then be sent to the Administrators of the scheme. They will contact the company or employers given on the transfer form for all the information they need to make you an offer. Once the scheme has received the transfer quote, a calculation will be produced and an offer will be issued for your consideration. You should then seek advice from an Independent Financial Advisor to discuss if this is a valuable offer. If you wish the transfer to go ahead, this will be completed and confirmation sent to you in writing.

**6. Do I receive tax relief on my pension contributions?**

The scheme is fully approved by the Inland Revenue, which means you do receive tax relief on your pension contributions. To achieve this, your contributions are deducted from your salary before you pay tax.

**7. What will my benefits be when I retire?**

**S&LAS**

The S&LAS pension scheme is a defined benefit (Final Salary) scheme which means that the pension is based on your final pensionable salary and your years of service.

Your retirement benefits are in two parts:

An annual Pension calculated as:-

- $1/80 \times$  pensionable service  $\times$  final pensionable salary

A one-off, tax-free Lump-sum:

- $3/80 \times$  pensionable service  $\times$  final pensionable salary

**USS**

From April 2016, USS provides benefits based upon your salary each year that you are a member. At the end of each scheme year in which you have been a member, benefits are calculated using the following formula:

An annual Pension calculated as:-

- Pensionable salary (up to £55,000)  $\times$   $1/75$

A one-off, tax-free lump sum:

- 3  $\times$  annual pension

This is added to any previous years' benefits, and each year your benefits are revalued until you retire.

Plus a defined contribution fund if you earn over £55,000 and/or have elected to take out an AVC through the USS Investment Builder.

Benefits accrued prior to April 2016 are protected as either final salary or career revalued as at 31 March 2016.

**8. What should I do about my pension if I leave the University?**

We will advise the scheme administrators of your leaving date. The scheme administrators will send details of options available to you, such as deferring or transferring your benefits.

**9. Can I have a refund of contributions?**

You can only have a refund of contributions if you have been a member of a pension scheme for less than two years. Please note if you have been contributing to USS for more than 3 months through salary sacrifice, then you are not eligible for a refund of contributions.

#### 10. Can I transfer my pension?

You may transfer your benefits to another pension arrangement approved by HMRC such as a personal pension or Stakeholder arrangement, or to a new employer's occupational scheme if the trustees of that scheme agree to accept it (**they are not obliged to**). **You cannot receive the transfer value personally as cash**; it must be transferred to a pension arrangement approved by HMRC to provide you with retirement benefits. If a payment is made to another arrangement, you will no longer be entitled to any further benefits under the Scheme.

#### 11. When am I entitled to my State Pensions?

The current state pension age for women is currently increasing gradually from 2010, so that by 2020 it will be age 65. The increase in the State Pension age will not affect women born on or before 5 April 1950. Women born between 6 April 1950 and 5 April 1955 (inclusive) will have a State Pension age between 60 and 65. Women born on or after 6 April 1955 will have a State Pension age of 65.

The State Pension age for both men and women is to increase gradually from 65 to 68 between the years 2024 and 2046.

You can check your State Pension Age here - <https://www.gov.uk/calculate-state-pension>

#### 12. Where can I find information about a pension with a previous employer?

If you previously had benefits in a pension scheme from another employer which you are missing, there is a service which helps you trace 'missing' pensions. You can either contact them in 3 ways:

1. Call them in 0845 600 2537
2. Going to **Pension Services** - <https://www2.dwp.gov.uk/tps-directgov/en/contact-tps/pension-tracing-form.asp>
3. Write to:  
Pension Tracing Service, Future Pension Centre  
Room TB001, Tyneview Park  
Newcastle Upon Tyne  
NE98 1BA

#### 13. Personal Changes

Please keep the Scheme Administrators informed of changes to your name and address, and more importantly any changes to your beneficiaries.

**To find more general information about pensions, tax relief, financial planning and other ways of saving: some useful sites are:**

- Department of Work and Pensions contains information about pensions, savings and other state benefits - <https://www.gov.uk/government/organisations/department-for-work-pensions>
- Pension Services is solely about pensions and provides help for different groups of people - <http://www.pensionsadvisoryservice.org.uk/>
- HMRC shows details on Tax and National Insurance issues - <http://www.hmrc.gov.uk/>

- Unbiased is the official site for finding personal independent financial advice. You can ask for general advice or source contact details for an advisor in your area - <https://www.unbiased.co.uk/find-an-adviser?gclid=CLO5hfC6wMECFcKWtAodbDUAbA>

***"if you are considering leaving the pension scheme we would suggest that you consult an independent financial adviser before taking any action."***