

## **NEST Pension Scheme: Introductory information for University employees not eligible to join USS or PASNAS**

*This document provides introductory information only. For further details on the scheme itself or to discuss anything in more detail please contact the Pension Team [pensions@soton.ac.uk](mailto:pensions@soton.ac.uk)*

### **What is NEST?**

NEST (the National Employment Savings Trust) is the workplace pension scheme set up by Government. The University of Southampton provides a number of pension schemes, and offers NEST for those individuals employed by the University who are not eligible to join our other pension schemes. Depending on certain criteria, you will either be auto-enrolled into NEST, or you will be able to ask the University to enrol you into NEST.

### **What is auto-enrolment?**

To help people save for their retirement, all employers must provide a workplace pension scheme and must automatically-enrol workers into a scheme if they meet certain criteria.

You will be auto-enrolled into NEST if:

- You are employed at Level 1-3 on a fixed-term contract of less than 12 months; and
- You are aged 22 or over, but under state pension age; and
- You earn at least £10,000 per year (£833.33 per month)<sup>†</sup>

Even if you don't meet the criteria for auto-enrolment, you may still be eligible to join NEST. You can ask the University to enrol you into NEST if:

- You are aged 22 years or over, but under state pension age, and earn less than £10,000 per year (£833.33 per month)<sup>†</sup>; or
- You are aged 16 to 21 years, or over state pension age, regardless of your earnings.

<sup>†</sup> - This auto-enrolment earnings threshold is reviewed annually by the Department for Work and Pensions.

### **How do I join NEST?**

If you meet the criteria for auto-enrolment into NEST you don't need to do anything; the University will automatically enrol you.

If you are eligible to join NEST, but don't meet the criteria for auto-enrolment, you can ask the University to enrol you. Please contact the Pension Team to do this.

Once you have been enrolled into NEST, you will receive a welcome pack through the post explaining how NEST works and how you can start making the most of being a member.

### **What happens if I don't want to join NEST?**

If you meet the criteria for auto-enrolment, the law requires us to automatically enrol you into the scheme. If you don't want to join NEST, you have six weeks from being sent your welcome pack to opt-out of NEST.

If you wish to opt-out of NEST you must notify NEST direct. All the information you require will be supplied in your welcome pack. NEST will then instruct the University's Pension Team to reverse your membership and arrange for any refund of contributions that may be due to you. Please note, you can only opt-out once you have joined the scheme and the first deduction has been made.

### **Re-joining NEST**

If you opt-out or withdraw from NEST you can re-join at any time. NEST is a defined contribution scheme which is an open account that members pay into through their employer. A member can choose to opt-in and out as they wish.

### **Automatic re-enrolment**

The law requires us to automatically re-enrol you into the scheme at regular intervals (usually every three years). If you are re-enrolled and still don't want to be a member, you'll need to opt-out again. We cannot accept previous

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opt-out requests as a continual opt-out; you must expressly opt-out after each re-enrolment if you still don't want to be a member of the scheme.

### Frequently Asked Questions

<b>What are the NEST contribution rates?</b>	<p>Member contributions for NEST are currently 4% of pensionable pay. Employer contributions for NEST are currently 3% of pensionable pay. You will also get tax relief, an amount equal to 1% of your monthly pay. This means the payments into your pension will be a total of 8% of your monthly pay. If you opt-in to NEST and earn £5,824 or less you will not be entitled to employer contributions.</p> <p><b>Please Note: NEST contributions are not available under the University's salary sacrifice arrangements.</b></p>
<b>What are the Death in Service benefits in NEST?</b>	<p>NEST does not provide members with death in service benefits.</p>
<b>What is the retirement age in NEST?</b>	<p>You are able to take your money from age 55. At this point you will have various options and will be able to gain free impartial advice from Pension Wise. For further information please contact the Pension Team <a href="mailto:pensions@soton.ac.uk">pensions@soton.ac.uk</a></p>
<b>Can I transfer funds from previous pension schemes into NEST?</b>	<p>Yes, from April 2017 NEST have allowed members to move money from other pension pots into NEST. You are strongly advised to seek independent professional advice if you are considering transferring funds between pension schemes.</p>
<b>Can I make additional contributions into NEST?</b>	<p>As well as regular contributions, one-off contributions of at least £10 are also allowed.</p>

Full information about NEST can be found at [www.nestpensions.org.uk](http://www.nestpensions.org.uk) or by contacting the University's Pension Team ([pensions@soton.ac.uk](mailto:pensions@soton.ac.uk))

It is strongly advised that you seek independent professional advice if you are unsure about any aspects of your pension.

### VERSION CONTROL

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