

The University of Southampton Retirement Fund (USRF): Introductory information for new employees

This document provides introductory information only. For further details on the scheme itself or to discuss anything in more detail please contact the Pensions Team pensions@soton.ac.uk

What is USRF?

USRF is the University's own pension scheme provided by Royal London. The University operates a number of pension schemes and provides USRF for employees in roles at Levels 1-3. Eligible employees will be contractually enrolled into USRF.

Why will I be enrolled into a pension scheme?

To help people save for their retirement, all employers must provide a workplace pension scheme and must enrol workers into a scheme, through either contractual enrolment or auto-enrolment, if they meet certain criteria.

You are eligible for USRF, and will be contractually enrolled into the scheme, if:

- You are employed by the University at Level 1-3; and
- You are employed on a permanent or fixed term contract of employment of at least 6 months; and
- You are aged 18 or over, but under state pension age

The majority of employees at Levels 1-3 will meet these eligibility criteria, and will therefore be contractually enrolled into USRF. If you do not meet the USRF eligibility criteria, but:

- You are aged 22 or over but under state pension age; and
- You earn over £10,000 per year (£833.33 per month)[†]

You will be auto-enrolled into the National Employment Savings Trust (NEST) instead of USRF. Further information on NEST can be found at www.nestpensions.org.uk.

Even if you don't meet the criteria for contractual or auto-enrolment into USRF and NEST, 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) [†]; or
- You are aged 16 to 21 years, or over state pension age, regardless of your earnings.

[†] - This auto-enrolment earnings threshold is reviewed annually by the Department for Work and Pensions.

How do I join USRF?

If you meet the criteria for enrolment into USRF or NEST you don't need to do anything; the University will enrol you into the appropriate scheme.

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.

What happens if I don't want to join USRF?

If you don't want to join USRF you need to tell us within six weeks of your membership starting. Your membership will be reversed and we will arrange a refund of your contributions.

If you withdraw from USRF after six weeks membership you can:

- Leave your money invested in USRF with Royal London
- Make contributions by direct debit from your bank account into USRF (please note – employer contributions from the University will not be made)
- Transfer your USRF benefits to another pension scheme

If you need more details and/or you want to opt-out of USRF, please contact the Pensions Team who will be able to give you further information on the process.

This factsheet was last updated in March 2020. Whilst every effort has been made to ensure its accuracy, if there is any difference between this factsheet and any relevant legislation, pension scheme trust deed and/or rules, the latter will prevail.

The Pensions Team can be contacted at pensions@soton.ac.uk

Re-joining USRF

If you opt-out or withdraw from USRF you are able to re-join the scheme within six months of your decision. If more than six months has passed, you will need the University's agreement to re-join the scheme.

Automatic re-enrolment

The law requires us to automatically re-enrol you into a qualifying pension scheme at regular intervals (usually every three years). If you have previously opted-out or withdrawn from USRF, you will be automatically re-enrolled into an appropriate pension scheme, usually USRF or NEST, at these re-enrolment intervals. If you are re-enrolled and still don't want to be a member of a pension scheme, you'll need to opt-out again. We cannot accept previous 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 a pension scheme.

Frequently Asked Questions about USRF

What are the main benefits of the USRF scheme?	USRF is a defined contribution scheme. It is an affordable, flexible retirement savings arrangement. You and the University pay contributions into your own personal pension pot with Royal London. The money is invested according to your investment choices and can be accessed from age 55 as either an annuity or cash.										
What is an annuity?	An annuity is a type of retirement income product that you buy with some or all of your pension pot. It pays a regular retirement income either for life or for a set period.										
What are the USRF contribution rates?	<table border="1"><thead><tr><th>Employee Contribution Rate</th><th>Employer Contribution Rate</th></tr></thead><tbody><tr><td>0%</td><td>10%</td></tr><tr><td>2%</td><td>10%</td></tr><tr><td>4%</td><td>10%</td></tr><tr><td>6% <i>(default rate)</i></td><td>10%</td></tr></tbody></table>	Employee Contribution Rate	Employer Contribution Rate	0%	10%	2%	10%	4%	10%	6% <i>(default rate)</i>	10%
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What contribution rate will I pay?	Unless you choose otherwise when you join the scheme your contributions will be at the default rate of 6%. You will be able to change your contribution rate once each year. The University's contribution rate will be 10%, whatever rate you pay.										
Can I pay my contributions by salary sacrifice?	Unless you choose otherwise, you will automatically be included in the University's salary sacrifice arrangements for funding pension contributions from the fourth full month of your USRF membership. For further information see the factsheet: <i>Funding Your Pension via Salary Sacrifice</i> .										
What are the Death in Service Benefits in USRF?	If you die while you are employed by the University and you are an Active Member of USRF at the time of your death, a lump sum will be payable to your nominated beneficiary or beneficiaries. The lump sum will be equal to the value of: <ul style="list-style-type: none">• 5 x your annual Pensionable Salary at death; and• A refund of the value of your pension pot										
What is the retirement age in USRF?	You may access your pension pot at any time from age 55. For further information please contact the Pensions Team pensions@soton.ac.uk										

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Can I transfer funds from previous pension schemes into USRF?	It is possible to transfer benefits from a previous pension arrangement into USRF. Please contact the Pensions Team for further information. You are strongly advised to seek independent professional advice if you are considering transferring funds between pension schemes.
Can I make additional contributions into USRF?	Yes, you can pay additional contributions into the scheme. However, the University's contributions will remain at 10%. Please contact the Pensions Team for further information.

Further information about USRF can be found at <http://www.southampton.ac.uk/finance/services/index.page> or by contacting the University's Pension Team (pensions@soton.ac.uk)

Salary Sacrifice – Important – Please Note

The University operates a salary sacrifice scheme for funding USRF pension contributions. This allows you to make savings on your National Insurance contributions. You will automatically be included in these salary sacrifice arrangements from your fourth full month of employment, providing you are entitled to membership of USRF and have not elected to opt-out.

Contribution refunds – Important – Please Note

You should be aware that, unless you opt-out of the USRF scheme at the point of contractual or auto-enrolment (i.e. within 6 weeks of being enrolled), you will not be entitled to a refund of any contributions paid to date.

You should take this restriction on refunds into account when deciding whether to participate in these arrangements. For further information, please see the factsheet: *Funding Your Pension via Salary Sacrifice*

The University of Southampton Pensions team is not qualified to give financial advice and it is strongly advised that you seek independent professional advice if you are unsure about any aspects of your pension. The team aims to provide general information to help staff understand the various pension schemes administered by the University. The team makes every effort to ensure the information it provides is accurate, up to date and useful. However, please be aware that information or opinion expressed should be treated as general guidance only and not as financial or professional advice. Information is provided in good faith but cannot override pension scheme or HM Revenue & Customs rules which may change from time to time. It is the responsibility of individual members to seek independent financial advice; they should not undertake financial planning based on the information provided by the University Pensions Team alone.

VERSION CONTROL

Last updated:	11 March 2020		
Consulted:	Pensions	Date consulted:	
Owner:	HR Centres of Excellence		
Review Date	April 2021		

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