

## USS Pension Scheme: 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 Pension Team [pensions@soton.ac.uk](mailto:pensions@soton.ac.uk)*

### What is USS?

USS (the Universities Superannuation Scheme) is the principal pension scheme for universities and other higher education institutions in the UK. The University of Southampton operates a number of pension schemes and provides USS for roles at Level 4 and above. Eligible employees will be enrolled into USS.

### 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 USS if:

- You are employed by the University in a post at Level 4 or above; and
- You are aged 22 or over but under state pension age; and
- You are earning more than £10,000 per year (£833.33 per month)<sup>†</sup>.

The majority of employees at Level 4 and above will meet these criteria for auto-enrolment into USS. If you do not meet these criteria, but

- You are aged 16 to 21 years, or
- You are over state pension age, up to age 74

You can opt-in to USS or opt-in to NEST (the National Employment Savings Trust), another pension scheme the University administers. For further information please contact the Pension Team.

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

### How do I join USS?

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

Once you are enrolled you will be sent your USS membership number which you should use to register for My USS at [www.uss.co.uk](http://www.uss.co.uk). My USS is the self-service portal where you can go to make your contribution and investment choices and update your personal details.

#### **Salary Sacrifice – Important – Please Note**

The University operates a salary sacrifice scheme for funding USS 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 USS and have not elected to opt-out.

You should be aware that, if you were to leave USS with **less than two years' service**, having been funding your pension via these salary sacrifice arrangements, you would not be able to claim a full refund of your pension contributions, however, you would still have the option of transferring your pension benefits to another pension scheme.

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

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

If you meet the eligibility criteria we will enrol you into the scheme. If you don't want to join USS, you need to tell us within your first three months of employment; your membership will be cancelled and we will arrange for any refund of contributions that may be due to you.

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 Pension Team can be contacted at [pensions@soton.ac.uk](mailto:pensions@soton.ac.uk)

If you leave the scheme at a later date, either by ending employment or withdrawing from the scheme, there are various options available to you depending on the amount of service you have upon leaving, and whether you have been funding your pension via salary sacrifice.

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

### Re-joining USS

If you opt-out or withdraw from USS you can re-join at any time.

### 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 of USS, you will be automatically re-enrolled into 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

<p><b>What are the main benefits of the USS scheme?</b></p>	<p>USS has two sections that work together to provide you with benefits at retirement:</p> <p>All members join the <b>USS Retirement Income Builder</b>, which provides defined benefits based on a formula using your salary (up to a threshold<sup>§</sup>) for each year that you are a member.</p> <p><i>§ - The USS salary threshold is £58,589.70 for 2019/20. This threshold is reviewed each April.</i></p> <p>Each year you will accrue a pension of 1/75<sup>ths</sup> of your pensionable salary (up to the threshold) and a cash lump sum of three times this pension. At the end of each year your benefits for that year are calculated and added to previous years. This is then revalued every year in line with standard USS pension increases.</p> <p>All members also gain access to the <b>USS Investment Builder</b>, which is the defined contribution section of the scheme where you have choices as to how your pension contributions are invested. The USS website provides more details about the investment choices available to you.</p> <p>If you earn more than the salary threshold, contributions on salary in excess of the threshold will automatically be paid into the <b>USS Investment Builder</b>.</p> <p>In addition, any member can choose to pay extra money into the <b>USS Investment Builder</b>, regardless of their salary level (see also: 'Can I make additional contributions into USS?').</p>						
<p><b>What are the USS contribution rates?</b></p>	<p>Member contributions for USS are currently 9.6% of pensionable pay. Employer contributions for USS are currently 21.1% of pensionable pay (12% is paid into the USS Investment Builder for salary in excess of the USS salary threshold).</p> <p>Contribution rates are currently scheduled to increase as follows:</p> <table border="1" data-bbox="469 1563 1463 1648"> <thead> <tr> <th>Date</th> <th>Member contribution</th> <th>Employer contribution</th> </tr> </thead> <tbody> <tr> <td>From 1 October 2021</td> <td>11.0%</td> <td>23.7%</td> </tr> </tbody> </table> <p><b>Please note:</b> Unless you choose otherwise, you will automatically be included in the University's salary sacrifice arrangements for funding pension contributions. For further information see the factsheet: <i>Funding Your Pension via Salary Sacrifice</i>.</p>	Date	Member contribution	Employer contribution	From 1 October 2021	11.0%	23.7%
Date	Member contribution	Employer contribution					
From 1 October 2021	11.0%	23.7%					
<p><b>What are the Death in Service Benefits in USS?</b></p>	<p>If you die whilst you remain a member of USS, a lump sum of three times salary will be payable (which is not subject to USS salary threshold).</p> <p>A dependant's pension and child's pension may also be payable, depending on circumstances.</p>						

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 Pension Team can be contacted at [pensions@soton.ac.uk](mailto:pensions@soton.ac.uk)

<b>What is the retirement age in USS?</b>	The normal pension age in USS is currently 65. However, you could retire before or after this age. For further information please refer to <a href="https://www.uss.co.uk/members/members-home/retiring">https://www.uss.co.uk/members/members-home/retiring</a>
<b>Can I transfer funds from previous pension schemes into USS?</b>	You can transfer benefits from most pension schemes that have been deemed acceptable by HMRC into USS. This includes most schemes offered by an employer, as well as personal pensions. You may also be able to transfer overseas pension arrangements into USS, although you should be aware that it is not possible to transfer state pension benefits. For more information please refer to <a href="https://www.uss.co.uk/members/members-home/maximising-your-pension/transferring-benefits">https://www.uss.co.uk/members/members-home/maximising-your-pension/transferring-benefits</a> . You are strongly advised to seek independent professional advice if you are considering transferring funds between pension schemes.
<b>Can I make additional contributions into USS?</b>	Yes, you can make additional contributions into the USS Investment Builder (the defined contribution section of the scheme), regardless of your salary level. You can make your contribution and investment choices through the My USS self-service portal.  Please contact USS or the University's Pension Team for further information.

Further information about USS can be found at <https://www.uss.co.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

<b>Last updated:</b>	11.03.2020		
<b>Consulted:</b>	Pensions	<b>Date consulted:</b>	N/A
<b>Owner:</b>	HR		
<b>Review Date</b>	1 April 2020		

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 Pension Team can be contacted at [pensions@soton.ac.uk](mailto:pensions@soton.ac.uk)