



USS

*For members, for the future.*

# Your guide to the Universities Superannuation Scheme



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About this guide	3
Structure of the scheme	4
Understanding USS	5
USS at a glance	9
Joining the scheme	11
How much will be paid when you retire?	15
How much might you save with the Investment Builder?	18
If you work part-time?	21
USS pension increases	22
When can you retire?	23
Bereavement benefits	27
Transferring savings to USS	29
What if you decide to leave USS?	30
Moving employment between USS employers	34
Increasing your retirement savings	35
Tax relief on your pension	36
Other information	38
The small print	40
Glossary	43
Contact us	45



Just so you know, this document is just for general guidance. It's not a legal document and it doesn't explain all situations or eventualities. USS is governed by a trust deed and rules- if there's any difference between this publication and the trust deed and rules the latter shall prevail.

This guide will give you the basics of the Universities Superannuation Scheme (USS), and will help you understand the benefits available to you as a member of the scheme.

## Introduction

There's a wide range of resources on our [website](#) to help you find out more about how USS works and what you're entitled to as a member.

On the following page, you'll find key information and answers to some of the questions you may have about USS.

Take a few minutes to review this, before reading further, as this guide provides additional details to support the resources available online. You can also find an explanation of some of the key terms used throughout this guide on page 43.



## When did you join USS?

This guide, and the resources highlighted on the following pages, focus on the current structure of USS, which came into effect from 1 April 2016 onwards and includes two sections that work alongside each other:

- The Retirement Income Builder (launched on 1 April 2016); and
- The Investment Builder (launched on 1 October 2016).

## When did you become a USS member?

### Before 1 October 2011

You built up defined benefits through a Final Salary pension until 31 March 2016

### From 1 October 2011 to 31 March 2016

You built up defined benefits through a Career Revalued Benefits (CRB) pension until 31 March 2016.

### On or after 1 April 2016

Everyone started building their benefits in the Retirement Income Builder, the defined benefit part of USS, on 1 April 2016. On 1 October 2016, the salary threshold was introduced. If you earn above the salary threshold, a percentage of what you pay in will go into the Investment Builder, the defined contribution part of USS – on top of building your benefits in the Retirement Income Builder.

Your Annual Member Statement will show you the value of what you build up in each part of the scheme.

When you're approaching retirement, you'll receive a statement that shows your Retirement Income Builder pension and lump sum, as well as any Investment Builder savings you have. If you've built up benefits in the Final Salary and/or CRB sections, these will be included too.

You can also see an estimate of what you'll get in retirement by using the [Benefit Calculator](#) on our website.



## What is USS?

USS is the workplace pension for the Higher Education sector. There are two main different types of workplace pension: a defined benefit (DB) pension, which is calculated by reference to a fixed formula and gives you an income for life once you retire, and a defined contribution (DC) pension, where contributions are invested into your own savings pot and calculated by reference to those contributions together with any investment returns (the total amount of which is not guaranteed). We have both, making USS a hybrid pension scheme and giving you the best of both worlds.

Watch the [USS overview](#) video on our website to find out more.

## What is the Retirement Income Builder?

The Retirement Income Builder is the defined benefit (DB) part of USS. Here you'll build up benefits that'll give you a regular income and a one-off lump sum when you retire. Our website contains more detail about how the Retirement Income Builder works. You can also watch our video on [how you build benefits in the Retirement Income Builder](#).

## What is the Investment Builder?

The Investment Builder is the defined contribution (DC) part of USS that works alongside the Retirement Income Builder to give you another way to save. If you earn above the salary threshold, or you transfer funds from another scheme into USS, you'll build a savings pot in the Investment Builder.

Whatever your salary, you can also make additional contributions to the Investment Builder to help you towards your long-term savings goals. You have flexibility with the Investment Builder, as there's a range of ways for you to access your pot. From the age of 55 (rising to 57 in 2028) you can take your savings when it suits you, even if you're still working. Find out more about the Investment Builder on our website and watch our video on [what happens when you join the Investment Builder](#).

## What benefits might I be entitled to?

As well as a regular retirement income from the Retirement Income Builder and any savings you build up in the Investment Builder, you'll also get life cover, which could include a lump sum payment and a pension for your dependents. Find out more on our website and read about life cover on page 10 of this guide.

## Do I get any other benefits?

We may also be able to support you if you can't work because of ill health. Find out more on page 25 of this guide. Plus you get life cover while paying in to USS and other benefits for your dependants, should the worst happen. See more on page 27 of this guide.

## Can I transfer benefits from other pension schemes I'm a member of into USS?

If you are an active member of USS (i.e. you are currently making contributions to USS) and have pension savings elsewhere that you haven't started taking yet and your previous scheme is registered with HMRC, you could transfer those benefits to the Investment Builder, subject to the consent of USS.

The funds you transfer will go into your Investment Builder pot. You can find out more on our website.

## Can I make additional contributions into USS?

If you would like to save more for your future, you can do this by making additional contributions into the Investment Builder. These contributions can be made from your salary either as one-off payments or as regular monthly contributions. You can also make further contributions in the form of The Match. Log into [My USS](#) to manage your additional contributions.

## What are MPAVCs?

Until 30 September 2016 members could elect to make additional contributions to USS's money purchase AVC (MPAVC) arrangement, administered for USS by Prudential. Since 1 October 2019, it's not been possible to pay any further MPAVCs into any Prudential funds. We changed the MPAVC arrangement with Prudential because we believe the Investment Builder offers better value for you. We launched the Investment Builder in October 2016 to give you a flexible way to top up your pension, let you choose the level of control you have over your investment strategy and open up new ways for you to access the funds you build up.

See the [MPAVCs](#) page of our website to find out more.

## What investment options do I have within the Investment Builder?

You can choose how your savings in the Investment Builder are invested, from selecting and managing your own funds to picking an option where we manage your investments for you. There are ethical options available too. If you choose to let us manage your funds, we take a lifestyling approach to your investments. More information about lifestyling and your investment options are available on our website and in our [Guide to investing in the Investment Builder](#).

## What is The Match?

The Match is one way to make additional contributions to the Investment Builder – it allows you to pay an additional 1% of your salary in every month. Employers used to match members' 1% additional contributions, but from 1 April 2019, this arrangement stopped. You can still choose, or may still have, The Match, but your employer will no longer match your contribution.

## What is My USS?

My USS is where you can manage your membership online. You can see the value of your benefits in the Retirement Income Builder and manage any savings in the Investment Builder, plus much more. To get started with My USS visit our [website](#).

## What is my Target Retirement Age (TRA)?

Your Target Retirement Age is the age at which you want to start using your Investment Builder pot. It's important, because if you've selected USS to manage your funds, it tells us when we should start switching your investments to prepare for retirement. We also use your TRA when we project what your Investment Builder funds could be worth in your statements. Find out more online and in the guide to Investing in the Investment Builder, which can be found on our website.

To find out what your TRA is set to and to change it, log into [My USS](#).

## When can I retire?

More information on retiring before or after the Normal Pension Age (NPA) is included on page 23 of this guide. You should also read the appropriate retirement information on our website, if you're considering retiring.

## What options will I have when I retire?

There is a range of options available in both the Retirement Income Builder and the Investment Builder. And with the Investment Builder you have a little more flexibility when it comes to taking your savings. You can find out more on our website.

## How much will I get from USS when I retire?

Your latest Annual Member Statement from us will show you the value of your USS benefits and savings. You can also see these, by logging into [My USS](#).

There's a range of modelling and illustration tools on our website, and you can use them to see an estimate of what you might get in retirement, and to see different options that might work for you.

## What happens if I leave my current job before I retire?

Details of what happens if you stop working for your employer before you retire are included on page 34 of this guide.

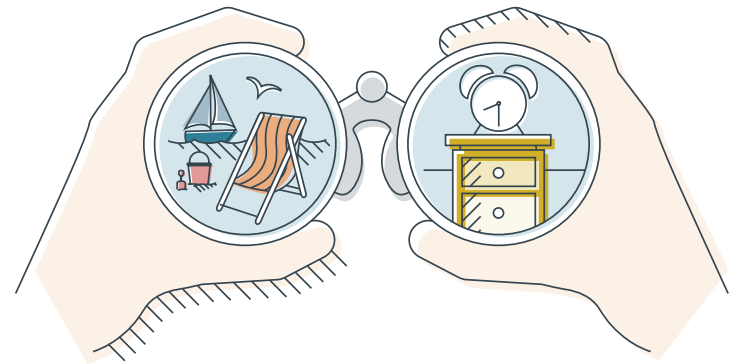
## Who can I talk to about my pension?

See page 45 of this guide for our contact details and page 42 for third party sources of information and support.

## Where can I get guidance and advice relating to my USS pension?

Neither your employer nor USS are allowed by law to provide you with financial advice specific to your personal circumstances.

If you want to seek guidance or take financial advice on any of the topics covered in this guide, [visit our website](#) where you'll find a range of resources to support your planning. If you need financial advice, you can also find information on how to access an independent financial adviser.





Now you've read a bit about the rules of the scheme and how it's run, we'll give you an overview of the benefits you can expect to earn as a member.

USS is a tax-efficient way to save for your retirement. Here's a quick overview of our main features.

## A regular income for the rest of your life

You build up a pension of 1/75 of each year's salary in the Retirement Income Builder, limited to a salary threshold. The value of each year's pension is then revalued up to the point you retire. Find out more in the 'pension increases' section on page 22.

## Flexible savings with the Investment Builder

If you earn above the salary threshold, you'll build up a savings pot in the Investment Builder, which provides a range of flexible ways for you to access your savings from age 55 (rising to 57 in 2028). You can also choose to contribute to the Investment Builder even if you earn below the salary threshold, by making additional contributions via My USS.



## Tax-free cash

In addition to a pension, as standard you'll receive three times your gross pension from the Retirement Income Builder as a one-off tax-free cash lump sum (up to HMRC limits). You've got the option to swap some of this lump sum for more pension, or you can swap some of your pension for more cash (within limits). Visit our website for more information.

## Immediate life cover

If you die whilst paying into USS, your beneficiaries will receive a lump sum of three times your annual salary (this will be your full salary ignoring the threshold).

Your surviving spouse or civil partner and any eligible children may also receive an income, should the worst happen. An income may also be payable to a financial dependant if you're not married or you don't have a civil partner. Find out more on page 27.

## Ill health cover

If you're unable to work because of partial or total ill health, you could receive a pension and a tax-free lump sum. More information is available on page 25.

## Pension increases

Your Retirement Income Builder increases both as you save and once your pension is in payment. We explain how this works in the pension increases section on page 22.

## A significant contribution from your employer

Your employer currently pays a monthly contribution of 14.5% of your salary, while you currently pay 6.1% of your salary. You get tax relief on your contributions at your highest marginal rate of income tax you pay.

## Early retirement

Depending on circumstances, you can retire and start receiving your pension from the Retirement Income Builder before the Normal Pension Age (NPA). But you don't have to retire to start taking any Investment Builder savings you have, so you could take these before you take your pension. Information on the flexibility you'll have around how you receive your pension can be found on page 24.

This section explains who can join USS, how much you and your employer will pay in and what happens if you don't wish to join.

## Membership

Eligibility for membership and joining arrangements varies between employers but usually all employees of an appropriate grade can join USS and do so automatically. This includes members who work part-time and those on fixed-term, or regular/variable-time contracts.

Membership is voluntary. However, government legislation means most members will automatically join the scheme. This is known as 'auto enrolment', and if you don't want to be a USS member, you will have to actively opt out once you've joined. In specific circumstances, for example if you're on a variable-time contract, you may not join automatically. If you're unsure, please speak to the USS pensions contact at your employer.



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

If within the first three months of membership you tell your employer you wish to opt-out, your membership will be reversed and your employer will arrange for any refund of contributions that may be due to you.

The law requires your employer to automatically re-enrol eligible employees in USS at regular three-year intervals during your employment, so if you still don't want to be a member you'll need to opt-out again.

If you're considering leaving USS, it's worth having a think about the benefits you'll be missing out on that are exclusive to members who are building their pension with us.

You can also use the [Benefit Calculator](#) to find out what your retirement benefits could be and you can also talk to your employer's pension team.

For more information on automatic enrolment and how to opt-out, please visit our website.

## I'm already a member but want to withdraw

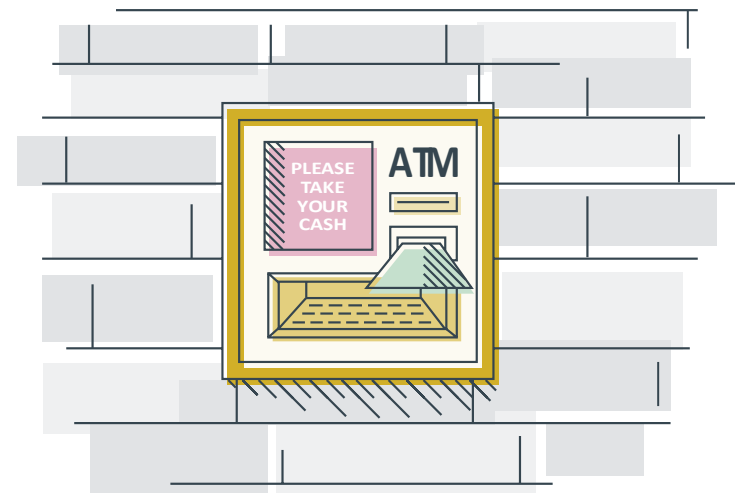
If you've been a member for more than three months you can withdraw from USS at any point, even if you haven't left employment, but you must give your employer sufficient notice. You'll need to contact your employer directly and they'll make the necessary arrangements.

Please see 'What if you leave USS' on page 30 to find out more about leaving and what happens to your pension with us after you withdraw.

## Re-joining USS

If you've opted-out of USS, as stated, and you're an eligible employee, your employer has a legal duty to re-enrol you every three years. If you want to re-join before then you can do so by letting your employer know.

Please be aware that you may not qualify for a full ill health pension if you have less than five years' active membership since last becoming a member and you retire as a result of a medical condition known to you or your employer at the time that active membership commenced/re-commenced.



## What will it cost me?

You'll currently pay 6.1% of your salary in to USS as a contribution towards the cost of providing benefits.

You'll receive tax relief on all your contributions, including any additional contributions. For example, if you make a contribution of £100, as a standard-rate UK tax-payer this will cost you £80 from your take-home pay (£79 if you live in Scotland). If you're a higher-rate UK tax-payer the cost will be £60 (£59 if you live in Scotland), based on current income tax rates.

You can also choose to increase the value of your retirement savings by paying more in to USS. Any member can make additional contributions into the Investment Builder and these will benefit from tax relief at the highest marginal rate applicable to the member.

If you contribute to the Investment Builder, either in respect of salary above the threshold, or through additional contributions, investment management charges may apply which will be met through a charge to your Investment Builder funds. These charges will vary depending on the type of investment fund. The charges are subsidised through the employer contribution and are made clear in the Quarterly Investment Report available on My USS.

The remaining cost, including the day-to-day running and administration of USS is met by your employer. For more information on these charges, please read our [Guide to investing in the Investment Builder](#).

## How much do employers pay?

Your employer currently pays a monthly contribution of 14.5% of your salary.

## Can contribution rates change?

Your employer is committed, together with all the other employers participating in USS, to making contributions that will ensure that the value of USS is sufficient to meet our future pension payment obligations.

The overall contribution rate is determined on the basis of independent actuarial advice. It reflects what is needed to ensure we meet members' benefit entitlements and to provide a good quality pension scheme. The contribution rates for both members and employers are reviewed at least every three years.

## End of contracting-out

From 6 April 2016, we stopped being contracted-out. This is because the government introduced a new State Pension from April 2016. As part of these changes, the second part of the State Pension, to which contracting-out applied, ceased to exist. Since April 2016, you must now pay the full rate of National Insurance. Please see the [gov.uk](http://gov.uk) website for full details about the State Pension and contracting-out.

## Salary sacrifice

If your employer offers salary sacrifice, you can agree to give up the part of your salary that you would pay towards your pension, and your employer will pay your contributions for you. If you choose to do this, you (and your employer) could pay lower National Insurance contributions. We'll still use your full salary to calculate your pension.

However, there are reasons why this may not be right for you. For example, if you're a member for less than two years, and you use salary sacrifice, you'll still be able to choose to keep pension benefits in USS or transfer them to another scheme, but you won't have the option to get a refund of contributions when you leave. It may also affect the amount you're eligible to borrow, if you're looking for a mortgage or other finance. You should speak to your employer for more details.

Your employer may also operate salary sacrifice for other benefits, like childcare vouchers. If that's the case, then the same principles apply, and we still use your full salary to work out your benefits.

See our website and the information provided by your employer about their own arrangement for more details.

## Factors

We use factors to calculate the cost and benefits of some of the options available to you in USS. They are generally set by the Trustee, having taken advice from the scheme actuary. They are reviewed regularly to make sure they remain appropriate, taking into account (amongst other things) the rules of the scheme, legislation, economic factors and the approach to funding.

We will continue to review and update our factors as appropriate. As such, they are subject to change from time to time.





## The Retirement Income Builder

This section explains how we work out your benefits in the Retirement Income Builder. This part of USS is what's known as a defined benefit scheme. A defined benefit scheme is one where the benefits are worked out using a formula. Any contributions made to the Investment Builder, the defined contribution part, and any returns on investments made with those contributions, are in addition to this – please see page 18 for more information.

You can use the [Benefit Calculator](#) to see how much you may receive when you retire on our website. Visit the [Retirement Income Builder](#) section of our website to find out how it works.

When you retire, you'll receive a pension and tax-free lump sum from the Retirement Income Builder, which will be based on your pensionable salary each year (up to the salary threshold). Your benefits within this part of USS, build up gradually over time and are calculated annually on 31 March.

**This is how it works. Every year you earn:**

The infographic consists of a light blue rounded rectangle. On the left, a red circle contains the fraction '1/75'. To its right, text reads 'A pension of 1/75 x your salary (up to the threshold); plus'. Below this, text reads 'A tax-free cash sum of 3 x your pension'. To the right of this text is a teal circle containing '3x'.

Each year you're a member of USS, the benefits you've earned are banked and added together.

The pension you build up in your first year may seem small, but it will add up over time, so the longer you're a member, the more income you can expect to receive when you retire.

In addition, your pension will receive an increase each year in line with inflation – see the pension increases section on page 22.

This helps protect the value of your pension in the future. You'll only earn benefits in the Retirement Income Builder based on your salary up to a limit called the salary threshold (£70,296 from 1 April 2024 to 31 March 2025).

The salary threshold will be revalued each April in line with USS pension increases, explained on page 22, but those increases will be subject to an annual cap of a maximum of 10%.

Your salary for these purposes normally means the aggregate of your gross fixed salary or salaries and fixed cash allowances (other than those taken in place of benefits in kind).



# How much will be paid when you retire?

## How much will be paid when you retire?

The following example is based on a member with four years of service. When he joined he was earning £37,500 a year. He is now earning £60,000 a year.

This is how we've worked out his pension in the Retirement Income Builder.

	Salary	Calculation	Pension for year
Year 1	£37,500.00	£37,500 X 1/75	£500.00
Year 2	£39,375.00	£39,375 X 1/75	£525.00
Year 3	£40,000.00	£40,000 X 1/75	£533.33
Year 4	£60,000.00	£60,000 X 1/75	£800.00

The table below shows how the Retirement Income Builder benefits earned are increased each year, using assumed rates of future increase.

Pension for year	Assumed increase	Inflation calculation	Pension plus revaluation
£500.00	N/A	£500.00x 1*	£500.00
£525.00	2%	(£500.00 x 1.02) + £525.00	£1,035.00
£533.33	3%	(£1,035 x 1.03) + £533.33	£1,599.38
£800.00	2.5%	(£1,599.38 x 1.025) + £800.00	£2,439.36
Total annual pension			£2,439.36

\* Pension increases only applied after 12 months, so there is no increase applied in Year 1.



## Working out your tax-free cash sum

In addition to your pension from the Retirement Income Builder, you receive as standard three times the gross value of your pension from the Retirement Income Builder as a one-off cash lump sum when you retire. This is tax-free (unless HMRC limits are exceeded).

You may have the option at retirement to take more tax-free cash. If you've built up savings in the Investment Builder, you may be able to take some of those savings as an additional tax-free cash sum. You can usually take up to a maximum of 25% of the total value of your retirement savings (i.e. both within the Retirement Income Builder and the Investment Builder). This limit is set by HM Revenue & Customs, which defines it as 25% of the 'capital value' of your retirement savings to a maximum of £268,275. We will calculate this for you in respect of any pension earned or savings held within USS. If you have any Prudential money purchase AVCs then these will also be taken into account.

As well as taking any Investment Builder savings as tax-free cash, you may wish to maximise your tax-free cash by also swapping part of your pension in the Retirement Income Builder for an additional lump sum.

Alternatively, you can choose to take less cash from the Retirement Income Builder and maximise your pension instead – it's up to you. You'll have a number of options for how you then choose to access any savings you have in the Investment Builder, including taking this as cash or using the funds to secure a regular income.

For more information visit our website.

## The salary threshold

The salary used to work out your pension within the Retirement Income Builder will be your salary up to and including the threshold of £70,296 from 1 April 2024 to 31 March 2025. The salary threshold will be revalued each April until 31 March 2028 or if earlier the outcome of a review by the Joint Negotiating Committee in line with USS pension increases, explained on page 22, but those increases will be subject to an annual cap of 10%.

If you earn more than the salary threshold, you'll build both Retirement Income Builder benefits and Investment Builder savings. This means you'll have a hybrid pension. We'll only use your salary up to the threshold to work out your Retirement Income Builder benefits. Your employer will pay in 13.9% of your salary above the salary threshold and you'll pay 6.1% of your salary above the threshold into the Investment Builder. So your retirement savings within USS will be made up of two parts that work alongside each other:

- 1 Retirement Income Builder benefits in respect of your salary up to the threshold; plus**
- 2 Investment Builder savings in respect of your salary over and above the threshold.**

We check every month to see if you are earning above the salary threshold. If that month's salary is more than 1/12 of the annual threshold applied at the time, then the threshold will apply to you for that month. For variable-time members please refer to page 21.

If you work part-time then we test your actual salary against the salary threshold and not its full-time equivalent.



## Investment Builder

You'll build a flexible savings pot here if:

- You earn more than the salary threshold; and/or
- You wish to boost your retirement savings by paying additional contributions and/or
- You've transferred in benefits from another scheme.

When your salary exceeds the salary threshold in any year, 13.9% of your employer's contribution and 6.1% of your contribution in respect of salary above the threshold will go into your Investment Builder pot. This means you'll build both Retirement Income Builder benefits (the defined benefit part) and Investment Builder savings (the defined contribution part), giving you a hybrid pension and the best of both worlds. It's also worth knowing that a small portion of your overall contributions are used to cover the costs of running the Retirement Income Builder. Remember, you'll earn a regular pension income and cash lump sum based on your salary below the threshold in the Retirement Income Builder alongside this.

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**You don't have to earn above the salary threshold to pay into the Investment Builder, you can choose to do so at any time.**

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This is explained in the Increasing your retirement savings section of this guide.

To find out more visit the [Investment Builder page](#) on our website.

# How much might you save with the Investment Builder?

In the examples here, we show two members who invest in the Investment Builder (defined contribution) for different reasons. For ease we've ignored tax relief and National Insurance – so the real cost to both members will be less than we show here.

This member is investing in the Investment Builder because their salary is above the salary threshold.



Mary earns £80,000 a year at a time when the salary threshold is £70,296. She pays 6.1% of her salary to USS (£406.66 a month) which is automatically divided between the two parts as follows:

**Amount saved in the Investment Builder**

$(£80,000 - £70,296) \times 6.1\% / 12 = £49.32$  a month.

The employer will also pay £112.40 a month into the Investment Builder  $(£80,000 - £70,296 \times 13.9\% / 12)$ .

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So, in total, £161.72 a month is paid in to this member's Investment Builder account and is invested to provide retirement savings.


**Amount paid into the Retirement Income Builder**

$£406.66 - £49.32 = £357.34$  a month towards the cost of funding the Retirement Income Builder.

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The employer's contribution is £854.27 a month  $(£80,000 \times 14.5\% / 12)$  minus the part paid into the Investment Builder (see adjacent box).

This member earns £35,000, which is below the salary threshold, but wants to save more towards his retirement.



Michael wants to save 3% of his salary as additional contributions.

These additional amounts are paid into his Investment Builder.

The member pays  $£35,000 \times 3\% / 12 = £87.50$  a month which is paid into his Investment Builder.

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Remember, if you earn less than the salary threshold then you do not automatically contribute to the Investment Builder. But you may choose to do so by making additional contributions via My USS.

Your Investment Builder savings are flexible, so there are different ways you can access them, anytime from the age of 55 (rising to 57 in 2028), even if you keep working.

See Using your Investment Builder pot in the member section of our website for more information.

## How much might you save with the Investment Builder?

USS

The value of your Investment Builder pension savings (and any Prudential Money Purchase AVCs, which are also defined contribution savings) will depend on several factors, including the amount of contributions paid, the performance of your investments, the age at which you access your pot and any charges payable. Currently, your employer subsidises many of the investment fund charges so you may not have to pay these – visit [My USS](#) for further details about our range of funds and any charges.

If you choose to buy an annuity from another provider, the amount you will receive will depend on the conversion rates applicable at the time. If you choose to transfer your pension savings to another scheme, you may have to pay certain costs which could affect the value of your savings.



## If you work part-time?

You pay a contribution to USS based on your salary during the year. This is based on whatever your salary is for the 12 months up to 31 March each year.

Any pension built up in the Retirement Income Builder is limited to the salary threshold. For part-time members we use your actual salary received and not its full-time equivalent to work out if you're above the salary threshold or not. To do this we look at each month of salary and check if it's above the monthly equivalent of the salary threshold – if it is then contributions from you and your employer will automatically be paid into the Investment Builder in that month.

### Variable-time workers

You're a variable-time worker if you don't have fixed hours and so your employment and earnings are not predictable. However, just like any other member, your pension within the Retirement Income Builder is worked out as 1/75 of your salary up to the salary threshold in the 12 months to 31 March each year.

The only difference is how we assess your salary against the salary threshold. As it's impossible for us to predict how much you might earn, we apply the salary threshold retrospectively at the end of each scheme year (to 31 March).

If your total salary at the end of the year is more than the salary threshold, we then allocate part of your (and your employer's) contributions to the Investment Builder.





# USS pension increases

## Standard USS pension increases are applied to your benefits in the Retirement Income Builder. This section explains how they work.

Standard USS pension increases are applied to:

- The pension from any past membership you may have built up in USS until 31 March 2016;
- The pension you build up in the Retirement Income Builder;
- The value of your regular pension income benefits once in payment; and
- The value of your pension if you leave the scheme and have a deferred pension.

USS pension increases are reviewed each year and are currently linked to increases in official pensions.

Official pensions increases are those paid to retired public sector employees such as teachers, civil servants or NHS employees. The annual increases to official pensions, usually effective from each April, are linked to changes in the consumer price index, which is a measure of inflation over the 12 months up to each September.

The table below sets out what how much we will pay depending on the size of the pension increase.

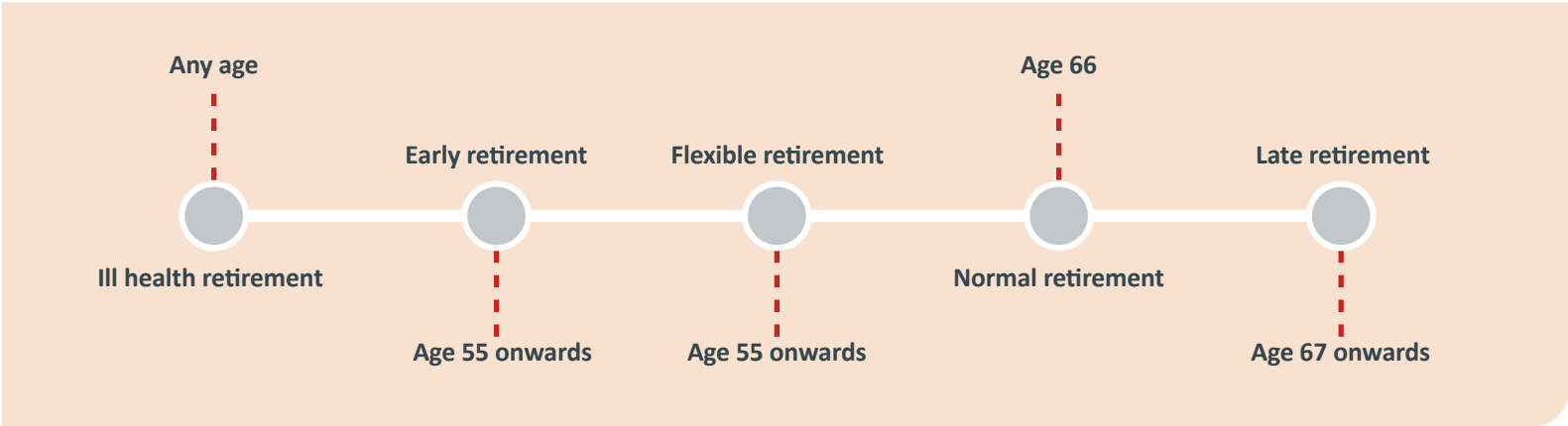
Your pension will not be reduced during periods of negative inflation. The USS pension increases are currently used to increase the salary threshold subject to a cap of 10%

Pension increase	How much we pay
Less than 5%	The same increase
5%	5%
More than 5% but less than 15%	5% plus one-half of the excess percentage increase over 5%
15% or more	10%

# When can you retire?

This section explains when you can normally take your pension from the Retirement Income Builder and what happens if you wish to retire either earlier or later than this. It also explains how we work out your benefits if you need to apply for early retirement due to ill health. If you have Investment Builder savings too then you can choose if you'd like to take them before or after you retire, or at the same time. You can start taking them from the minimum pension age onwards, and you don't have to retire from the Retirement Income Builder to do so.

The Normal Pension Age (NPA) in USS is currently 66 (from October 2020). However, you could retire before or after this age.



## Normal retirement

If you retire at the NPA you can take your Retirement Income Builder benefits in full.

The NPA in USS will rise in the future, broadly in line with increases to the State Pension age for men and women. This means that the pension you've

built up in the Retirement Income Builder for service after October 2020 will be reduced if you retire before age 66. The pension you have built up in the Retirement Income Builder before this date will only be reduced in line with the NPA applied to savings before October 2020.

The same principle will apply to any further increase to State Pension age in the UK.

## Early retirement

The earliest you can start taking your benefits and any savings is age 55 (unless you're retiring because of ill health). This age will rise to 57 for some members from 6 April 2028.\*

If you've been made redundant, you may be able to retire from age 50 – as long as you've been an active member with us for at least five years and have been paying in continuously since 5 April 2006.

If you retire before the NPA (excluding retirement due to ill health), any pension you receive from the Retirement Income Builder will be reduced as you will be receiving your pension for a longer period of time.

The current early retirement reduction is approximately 3.5% for each year you take your pension savings before the NPA. However, this reduction varies and may change from time to time, please contact USS for an accurate quote. There are exceptions to this, in particular for some former final salary section members. Please see our website for full information on how the early retirement calculations work.

\*If you were a member of USS on or before 3 November 2021 you may have a Professional Pension Age (PPA) of 55. If you have a PPA this means that you retain the right to take your USS benefits from age 55 even after the rise in Minimum Pension Age to age 57 on 6 April 2028. If you joined USS on or after 4 November 2021 you will not have a PPA on benefits accrued into USS, but you may have a PPA on benefits that you have transferred into USS.

## Early retirement due to ill health

If you're unable to continue working because of long-term illness or injury, you could receive early payment of a pension and a tax-free cash lump sum. These benefits won't be reduced for early payment and, in some circumstances, you may be eligible for enhanced benefits. See page 25 of this guide.

## Flexible retirement

Flexible retirement allows you, with your employer's agreement, to take up to 80% of your pension in the Retirement Income Builder as long as you agree to reduce your hours and salary by at least 20%. You must be 55 or older and have at least two years' qualifying service.

You can take up to two flexible retirements and continue working, but if you want to take any more of your Retirement Income Builder benefits you would then have to fully retire. If any of your flexible retirements are before your normal pension age, they may be reduced for early payment.

A member on flexible retirement has the same options as at full retirement in respect of their Retirement Income Builder and their savings in the Investment Builder.



## Late retirement

Active members of USS can choose to retire later than the NPA, so while you are in USS eligible employment and contributing to USS, this option is open to you.

If you choose to retire after the NPA, you may continue to contribute to the Retirement Income Builder and the Investment Builder. Your employer will also continue to contribute on your behalf. This option is not available to you if you have left USS.

Any Retirement Income Builder benefits built up at NPA (including your benefits in the former final salary and CRB sections) will be increased for each month beyond the NPA that they aren't paid out to you.

Any savings invested in the Investment Builder will continue to be invested up until you retire.

If you plan to retire later and you have savings in the Investment Builder, you should review your Target Retirement Age (TRA) in [My USS](#).

## Your Investment Builder savings

As long as you're not retiring due to ill health, there are a number of ways you can take your Investment Builder savings alongside your Retirement Income Builder pension. Take a look at our page on [taking your benefits and savings](#) for information on taking them together or separately and your options.

## Ill health retirement

If you're unable to continue working due to a long-term illness or injury, you could receive a pension and a tax-free cash lump sum. Your pension will be calculated using your full pensionable salary, rather than being limited by the salary threshold.

As a result of this an adjustment is made to your savings in the Investment Builder, as explained on the following page.

In order to be eligible for a pension on the grounds of ill health you must meet all of the following criteria:

- Be under age 65;
- Have completed two years' active membership in USS at the date it is proposed your employment should end; and
- In the opinion of your employer and USS be suffering from long-term sickness or infirmity.

The pension you receive will depend on whether you retire on the grounds of partial or total [ill health](#).

You may not qualify for total ill health benefits if you've fewer than five years' active membership since you joined USS and retire as a result of a medical condition known to you or to your employer when you joined USS. This also applies if you re-join USS. If you think this may apply to you, you should read the ill health retirement information on our website as you may need to take prompt action.

## Partial ill health

Partial ill health is when you are unable for the long term to carry out your current job or a similar role.

If you qualify for early retirement due to partial ill health, we will pay you a pension plus a tax-free lump sum. These benefits will be worked out based on the total benefits built up under the former final salary and CRB sections (membership before 1 April 2016) plus Retirement Income Builder benefits from 1 April 2016 up to retirement.

The benefits from 1 April 2016 are calculated using your full salary, even if your actual benefits for this period in the Retirement Income Builder were restricted by the salary threshold.

## Total ill health

Total ill health is when you are unable for the long term to carry out any form of employment that would pay you more than a small fraction (typically around 10%) of your existing salary.

If you are suffering total ill health, an enhanced pension and tax-free lump sum will be paid. We will pay you partial ill health benefits, plus the Retirement Income Builder benefits you could have earned had you remained an active member to age 65 (or to 40 years' service if less).

Importantly, as with partial ill health, when calculating your ill health pension, we use your full salary ignoring the salary threshold.

## Savings in the Investment Builder on ill health retirement

Any savings you've built up in the Investment Builder in relation to contributions automatically paid in respect of salary above the salary threshold (by you and your employer) will be credited back to us in lieu of the fact that your ill health pension is worked out based on the Retirement Income Builder, using your full salary.

Any funds you have built up in the Investment Builder based on additional contributions paid by you (including any amounts transferred to USS) will be available to provide additional benefits (but not including the Match from your employer built up before 1 April 2019).

For further information on ill health retirement please refer to our website.

## Retirement due to serious ill health

If you are retiring due to serious ill health and have impaired life expectancy, you may be able to convert (commute) the pension that would be payable to you for a one-off lump sum.

For further information please refer to our website.

## Your beneficiaries are covered by a package of protection in the event that you die whilst paying into USS.

### Lump sum payment

When you join USS, you automatically qualify for life cover equal to three times your salary so long as you remain an active member paying into USS. In the event of your death, this is paid tax-free to your beneficiaries as nominated by you.

You should complete an [Expression of Wish form](#), available on My USS to let us know where that lump sum should be paid. We recommend you do this regularly, around every three years, even if your wishes haven't changed.

In the event of your death, and a lump sum payment being triggered, the salary threshold would not apply – we use your full annual salary to calculate the payment. If you work part-time this will be the actual salary you receive, not the full-time equivalent.

Any savings built up as a result of any additional contributions you made to the Investment Builder (including any amounts transferred to USS, but not including the Match from your employer) would also be paid to your beneficiaries. Any Prudential money purchase AVC funds will also be paid to your beneficiaries.

We can decide who to pay the lump sum to. However, you can tell us who you would like the lump sum to be paid to and we will take this into account when making our decision. As this lump sum is paid at our discretion, it does not form part of your estate for inheritance tax purposes and is therefore usually paid tax-free to your beneficiaries.

More information is available on our website.

### Pensions for your dependants

If you die whilst paying into USS and you're married or have a civil partner, your spouse or civil partner can receive a regular pension income from USS. The pension will be 50% of the pension you would have received had you been able to continue paying into USS until age 65, up to a maximum period of 40 years.

This estimated pension at 65 is calculated ignoring the salary threshold. Part of any funds built up under the Investment Builder will be credited back to USS as described on the next page.

If you're not married or do not have a civil partner at the time of your death, a pension may be payable to a financial dependant at our discretion. If you think this may apply to you, please complete and return a [Registration of potential dependant form](#) available on My USS.

If you have at least five years' qualifying service, an enhanced spouse's/civil partner's pension is paid for the first three months equal to the rate of salary at your death.

More information is available on our website.

## Children's pensions

In addition to the dependant's pension, an income is payable to your eligible children if you die before normal pension age. If you leave one eligible child, the income will be half of 75% (i.e. 37.5%) of the pension you would have received had you been able to continue paying into USS until age 65 up to a maximum period of 40 years. If you leave two or more eligible children, they'll share the 75% of your potential pension at age 65. If you die after the normal pension age but you're still paying into the scheme, a different calculation applies. Our bereavement benefits factsheet available on our website has more information.

## Calculating your dependants' pension and the treatment of any savings you have in the Investment Builder

When calculating pensions for dependants and children, we use your full salary. Your salary is not restricted by the salary threshold. However, any savings you've built up in the Investment Builder in relation to contributions paid in respect of salary above the salary threshold (by you and your employer) will be credited to us in lieu of the fact that the pension benefits have been worked out using your full salary. Any savings in the Investment Builder built up as a result of your own additional contributions (but not including the Match from your employer built up before 1 April 2019) will be paid to your beneficiaries as part of the lump sum.

## What happens if I don't leave a dependant?

If you're not married, don't have a civil partner and have no dependants except eligible children, the children's pensions will be increased by one third.

If you leave no dependants, the lump sum payable to your beneficiaries may be increased depending on your age.

## Death after retirement

If you die after you've retired, we will pay a pension to your spouse or civil partner of generally half the pension you were entitled to as standard when you retired, plus increases up to the date of your death. This pension refers only to the Retirement Income Builder and will be the pension worked out each year based on your salary subject to the salary threshold. Any remaining funds under the Investment Builder or the Prudential money purchase AVC arrangement will normally be paid as a lump sum to your beneficiaries.

If you were a USS member for at least five years, an enhanced spouse's/civil partner's pension is paid for the first three months. This means that for the first three months following your death, the pension your spouse or partner will receive from the Retirement Income Builder will continue at the full rate.

If you're not married or do not have a civil partner at the time of your death, a pension may be payable to a financial dependant at our discretion. If you think this may apply to you, please complete and return a [Registration of potential dependant form](#) which you can find and access by logging into My USS.

Additionally, if you die within the first five years of your retirement, a lump sum may be payable. Generally, this is equivalent to the value of retirement benefits for the first five years of your retirement, less the value of any pension and lump sum you've already received.

More information on what happens to your pension with USS when you die can be found on our website.



You can transfer savings from any pension scheme that has been deemed acceptable by HM Revenue & Customs 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.

## Transfer into the Investment Builder

If you are an active member of USS (i.e. you are currently making contributions to USS) and want to transfer another pension to USS, these transfers will go into the Investment Builder and are subject to USS's consent.

Transfers into the Investment Builder will not benefit from the employer subsidy of investment management costs, unless these are moved in from the Prudential money purchase AVC arrangement.

You'll be able to manage and access any savings that you've transferred into the Investment Builder in the same way as if you'd earned them in the Investment Builder from the outset.

## How do I request a transfer?

To transfer other pensions you may have into USS you'll need to complete and return a [Transfer request form](#) which can be found on our website. Alternatively, you can speak to the USS pensions contact at your employer.

# What if you decide to leave USS?

If you leave USS before Normal Pension Age, either by ending employment or withdrawing from it, there are various options available to you depending on the amount of service you have upon leaving.

## Before you withdraw

USS provides an excellent range of benefits and you should consider what you would be missing out on before you withdraw, including a significant contribution from your employer and pension increases when you receive it.

By being a member you also get valuable protection for your loved ones should you pass away whilst paying into USS and protection if you have to retire early owing to ill health. If you opt out of USS, you will no longer be eligible for this cover.

If you decide to withdraw, you can do so by giving your employer and USS at least 28 days' written notice. Your withdrawal will be effective at the end of the month in which the notice expires.

Once you leave USS your employer will let us know. We'll then write to you to confirm what you are entitled to and where to find out more. Further information is available on our website or on request.

## Leaving within two years of joining

If you've less than two years' qualifying service when you leave you may choose any one of the following options:

- A refund of your own contributions, but not those paid by your employer, less statutory deductions of tax. If any of your contributions have been paid under a salary sacrifice arrangement, you won't be able to receive a refund of these. And if you transferred savings from a personal pension into USS, you won't be able to receive a contribution refund (as in that case under legislation you automatically become entitled to a deferred pension and lump sum).

If you choose to take a refund then, in respect of your Investment Builder contributions, you'll receive the accumulated value of your savings (including any investment returns), less statutory deductions of tax.

- **A deferred pension and lump sum in USS**, these benefits are payable from either Normal Pension Age, or, if you left USS after 1 April 2022 and you'd like to retire early, you can still receive your benefits. But they must be taken by NPA and are increased in line with USS's standard pension increases (see page 22). You'll have the same options at retirement as other members, so you can choose to swap some of your pension for more lump sum, or vice versa. And if your benefits are small, you may also have the option of taking these as a one-off lump sum. If you've got any Investment Builder savings, you'll have the same options in relation to these as well (see page 15), but you won't be able to make any further contributions.

- **A transfer of the value of your full USS benefits** to another registered pension arrangement. If you're over 55, you could also choose to transfer this to an annuity provider. You don't have to take a transfer straight away – you could choose the deferred benefit option initially, and then choose a transfer at later date, but the transfer value will be recalculated and could be higher or lower than when you left service.

## Leaving two or more years after joining

If you've over two years' service, a refund won't be available to you, and your pension and lump sum will be calculated and confirmed to you in writing.

If you leave your pension accrued in the Retirement Income Builder this is what we call a deferred pension. Any pension you've built up at that point will be increased in line with USS's standard pension increases, which are explained on page 22. You'll have the same options at retirement as active members, so you can choose to swap some of your pension for a bigger lump sum, or vice versa.

If the value of your pension is small, you may also have the option of receiving it as a one-off lump sum. These benefits are payable at Normal Pension Age, but you can request early payment from age 55 (rising to 57 in 2028) or earlier if you're suffering from ill health.

Any savings in the Investment Builder (and any Prudential money purchase AVC funds) you've built up will continue to be invested for you and you'll still be able to manage these investments as usual, but you won't be able to

contribute further. You'll be able to take these in the same way as if you'd remained an active member – see page 15.

You can transfer your deferred benefits to another registered pension arrangement. This includes most UK pension schemes and some overseas arrangements.

## Transferring your benefits to another scheme

If you've got deferred benefits, you can choose to transfer these to another registered pension arrangement. This includes most UK pension schemes and some overseas arrangements. If you're over 55, you may also be able to transfer your benefits to an authorised annuity provider. You can transfer your deferred benefits at any time before Normal Pension Age.

If you've got an Investment Builder pot or Prudential money purchase AVC funds, you can transfer these independently of your pension in the Retirement Income Builder.

If you want to transfer your Retirement Income Builder benefits, you may be required to take independent advice before you can transfer these to another pension scheme with a view to acquiring a right or entitlement to flexible benefits.

For more information about transferring out of USS, visit our website.

# What if you decide to leave USS?

## Financial advice if you're considering transferring out of USS

You are encouraged to take financial advice before moving your retirement savings. It is a legal requirement to take financial advice when transferring defined benefit rights from a scheme like USS to a defined contribution scheme, when the defined benefit transfer is £30,000 or more.

Neither your employer nor USS are allowed by law to provide you with financial advice specific to your personal circumstances.

However, if you want to seek guidance or take financial advice on the options available to you, visit our Guidance, Advice and Flexibilities webpage on our website, where you'll find a range of resources to support your planning and if you need, specific advice on your investment choices.

Alternatively, you can also find a registered financial adviser.

## Can I continue to pay into USS if I leave my job?

No. Once an employment that entitles you to USS membership ends you can no longer pay into USS. If you've withdrawn from USS but continue in an employment which entitles you to USS membership you can re-join the scheme at any time. Further information is available on our website.

If you've ceased working for an employer contributing to USS, you'll still be able to contact USS using the contact details on page 45.

## What if I'm suffering from ill health after I leave USS?

If you have at least two years' qualifying service, you can receive early payment of your USS pension if you are suffering total ill health. Although your pension will not be reduced for early payment, you will not receive any total ill health enhancement.

For more information visit our website.

## What happens if I die while I'm a deferred member?

If you die when you're entitled to benefits you built up before leaving USS, a lump sum will be payable to your beneficiaries. The lump sum will be the value of your deferred lump sum, increased from the date you left USS to the date of death. If you have any Investment Builder or Prudential money purchase AVC funds, these will also be paid as a lump sum.

You should complete an [Expression of Wish form](#), available on My USS to let us know where that lump sum should be paid. We recommend you do this regularly, around every three years, even if your wishes haven't changed. We will pay a pension to your spouse or civil partner equal to half your deferred pension, increased from the date you left USS to the date of death.

If you're not married or do not have a civil partner at the time of your death, a pension may be payable to a financial dependant at the discretion of USS.



# What if you decide to leave USS?

USS

If you think this may apply to you, please complete and return a Registration of potential dependant form which you can find and access by logging into [My USS](#).

If you were a USS member for at least five years, an enhanced spouse's/civil partner's pension is paid for the first three months equal to the full rate of your deferred pension.

If you have any eligible children at the date of death, they will receive a pension equal to 37.5% of your deferred pension each for up to two children, or an equal share of 75% of your deferred pension if there are three or more children. These benefits will be increased by a third if a pension is not payable to a surviving spouse/civil partner or dependant.

For more information visit our website.



If you transfer to another employer that participates in USS and there is less than one calendar month between posts, you can remain in USS without a break in your membership.

Should this happen, you don't have to do anything (unless you have opted for and want to continue to take the Match or a voluntary salary cap), but it would be a good idea to let your current employer know the name of your new employer. As it may help to speed up the process and ensures that, if your break is less than a month, you're not treated as having left USS.

Your former employer will then notify your new employer that you're transferring your pension arrangements. If there's more than one calendar month between posts, you'll be classed as having left USS and your options will be the same as for any other leaver.





## You can increase the amount you save with USS for your retirement at any time.

If you want to save more for your future you can make additional contributions in My USS. These extra payments will be made into the Investment Builder and will be added to any automatic contributions you and your employer may pay if you earn above the salary threshold.

You'll need to login to My USS to increase or start making contributions to the Investment Builder.

For more information on saving more with USS visit our website.

## Tax relief

An incentive to pay more in to USS is that you will receive tax relief on those contributions.

For example, if you make a contribution of £100, as a standard-rate UK tax-payer this will cost you £80 from your take-home pay (£79 if you live in Scotland). If you're a higher-rate UK tax-payer the cost will be £60 (£59 if you live in Scotland), based on current income tax rates.

There are a number of resources on our website that talk about the tax options available to you on your USS contributions.

All of your contributions, including any additional contributions, are currently eligible for tax relief at the highest rate of tax that you pay.

Retirement lump sums (up to 25% of the value of your total pension, subject to HMRC limits) are paid tax-free. Tax is payable on all pension income (including certain lump sums in excess of the tax-free allowance) unless your tax office advises us otherwise.

## Tax limits

HM Revenue & Customs sets a limit on the maximum amount you can build up in a single year in a tax-preferential way, called the Annual Allowance.

There are also limits on the maximum value you can build up in a tax preferential way over your lifetime for your retirement, called the Lifetime Allowance. From 6 April 2023 the LTA tax charge was abolished and there is no longer a requirement to pay an LTA charge if you exceed the LTA, but you

may still need to pay some tax depending on how you take your benefits in excess of the LTA. There are also limits on the maximum value you, or your beneficiaries, can take from your pension benefits and savings as a lump sum before paying tax, called the Lump Sum Allowance (for lump sum benefits paid in your lifetime for example, on retirement) and the Lump Sum and Death Benefit Allowance (for lump sum benefits payable on your Serious Ill Health, or to your beneficiaries on your death).

You should also be aware that there's a limit to the amount of tax-free cash you can take at retirement.

## Annual Allowance

The Annual Allowance (AA) is the limit to pension savings that receive tax relief each year. Most members can build up to £60,000 in a given tax year, with anything above that being subject to a tax charge.

While the AA is currently £60,000 for most members (the government may change this limit in the future), it may be less for certain members with an annual income in excess of £200,000. In addition, if you have taken savings flexibly from your Investment Builder pot, or any other defined contribution benefits you hold with another provider, you may also be subject to the Money Purchase Annual Allowance (MPAA), currently £10,000, which is the maximum amount of defined contribution savings you can make without incurring a tax charge.

More information on the AA and the MPAA can be found [on the pension tax pages of our website](#).

## Lump Sum Allowance and Lump Sum Death Benefit Allowance

From 6 April 2024, the Government abolished its existing framework setting out the limit on the amount you can take from your pensions savings before you're changed tax, known as the Lifetime Allowance. In its place, the government introduced two new allowances, the Lump Sum Allowance (LSA) and the Lump Sum and Death Benefit Allowance (LSDBA).

The LSA places a limit of £268,275 on the total amount of certain tax-free lump sums that you will be able to receive during your lifetime (for example, tax-free cash as retirement). Whilst the LSDBA places a limit of £1,073,100 on the total amount of tax-free lump sums that can be paid in respect of your pension savings, before and after your death.

You can learn more about the [Lump Sum Allowance and Lump Sum Death Benefit Allowance](#) on our website.



### I have more than one job with more than one USS employer, how does this work?

You earn benefits each year within the Retirement Income Builder based on 1/75 of your salary (up to the threshold) for each job you hold with an employer contributing to USS. These benefits are added together to create your total pension.

The salary threshold will apply to your total salary from all jobs with USS contributing employers, so part of the contributions on your total salary above the threshold (6.1% employee and 13.9% employer) will automatically be allocated to the Investment Builder.

### What will I get from my State Pension?

The pension you build up with USS is in addition to your State Pension or any benefits you may also be entitled to from the state social security system. For details about your State Pension entitlements visit [gov.uk/state-pension](https://gov.uk/state-pension).

### Can I assign my pension for the purposes of a loan?

No. You may not assign or charge your pension under USS or use your benefits as security for a loan.



## What happens if my marriage or civil partnership ends?

Your USS pension may be subject to a court order requiring us to share or set aside part of your retirement and/or death benefits under USS for the benefit of your former spouse or civil partner. Please refer to our [getting divorced](#) page on our website for more information.

## Information about USS

USS is an occupational pension scheme for the Higher Education and related sectors provided by more than 360 UK universities, higher education and research institutions. It was established collectively by universities in 1975 and is one of the largest pension schemes in the UK. USS provides a combination of defined benefit and defined contribution pension products to help you save for your retirement as well as protection in the event of your death or incapacity.

Universities Superannuation Scheme Ltd (the trustee company) manages the scheme and has a board of directors.

The board is comprised of between ten and 12 members as follows:

- Four of the directors on the board of the trustee company are appointed by Universities UK (UUK); a representative organisation for the UK's universities supporting the work of universities and promoting their interests;

- Three directors are appointed by the University and College Union (UCU); a trade union and professional association for academics, lecturers, trainers, researchers and academic-related staff working in further and higher education throughout the UK. At least one UCU appointee must be a USS pensioner member; and
- A minimum of three and a maximum of five directors are independent directors, appointed by the board.

The scheme is supervised in terms of its conduct of operations and financial reporting by the Pensions Regulator.

There are:

- No shareholders (and, therefore, no dividends to pay out);
- No commission charges;
- No set-up administration charges; and
- No exit fees to pay if you transfer your pension somewhere else.

USS Investment Management Ltd is a subsidiary of Universities Superannuation Scheme Ltd. It operates the investment arm of the business from its London office. It is regulated by the Financial Conduct Authority.

Government legislation requires that all pension schemes provide members with certain essential information.

## **USS annual report and accounts**

Copies of the USS pension scheme's annual report and accounts are available on request from the company secretary at the trustee company or available to download from our website, along with a short-animated video that summaries some of the main points.

## **Amendment and termination**

The trustee company may amend the rules of USS at any time. No such amendment can prejudice the pension you have already built up within USS and any amendment requires the consent of the Joint Negotiating Committee. For more information about the Joint Negotiating Committee please refer to our website.

If USS is discontinued, the assets will be used for the benefit of the members and their dependants in accordance with the trust deed and rules.

The funding position of the scheme is reviewed on a regular basis and employers and members may be required to contribute additional amounts, or make other changes, if the funding level of the Retirement Income Builder were found to be insufficient.

In the event of your employer's insolvency, the benefits due for your past service are covered by USS as a whole.

If USS were to be fully wound up, and there were insufficient funds to pay the pensions earned within the Retirement Income Builder section, protections are provided by the Pension Protection Fund.

Any funds built up in the Investment Builder remain within that section until such time as you wish to access them.

## **Tax Registered Scheme**

USS is a tax registered scheme under the Finance Act 2004.

## **Pension Protection Fund**

The government established the Pension Protection Fund (PPF) in 2005 to provide benefits in the event that a pension scheme's sponsoring employer or employers become insolvent without there being sufficient funds available in the scheme to pay the benefits due to be paid.

USS is recognised by the PPF as a multi-employer scheme with a joint, or shared, liability. This joint liability is based on the 'last man standing' concept, which means that it would only become eligible to enter the PPF in the extremely unlikely event that the vast majority (if not all) of the scheme's employers were to become insolvent.

If such circumstances were ever to occur, the PPF would take over the payment of pension benefits to members, but the benefits received might be less than the full benefits earned within USS. The precise amount that the PPF would pay to each member would depend on the member's age, status, the period over which the benefits were earned and the total value of benefits.

Further information and guidance about the PPF is available on its website at [pensionprotectionfund.org.uk](http://pensionprotectionfund.org.uk).



## Data Protection

As the trustee of USS, we collect and use personal information of members of the scheme so we can run the scheme effectively and meet employer and member requirements. We are committed to protecting your privacy and have appropriate procedures in place to ensure your information and rights are protected. We will keep to the requirements of the General Data Protection Regulation (GDPR) when we collect and process your personal information.

To view our privacy notice in full, which includes details on the information we collect, what we use it for, and who we share it with, please visit our website at [uss.co.uk](https://uss.co.uk).

## Resolving a query or dispute

In the first instance we recommend you speak with your USS pensions contact at your employer, who may contact the trustee on your behalf. We aim to respond to any queries quickly and comprehensively.

If you're dissatisfied with any aspect of the response you receive, please get in touch with us at:

Universities Superannuation Scheme Ltd, Royal Liver Building, Liverpool L3 1PY

Tel: 0151 227 4711

(local rate call charge number)

We have a formal dispute resolution procedure if a problem cannot be resolved to your satisfaction. This is a two-stage process.

In the first instance you should contact USS to request form IDR1 which you will need to complete and send to:

Pensions Operations Executive  
Universities Superannuation Scheme Ltd  
Royal Liver Building  
Liverpool  
L3 1PY

Your complaint will be considered by the Pensions Operations Executive or another senior officer.

If you're dissatisfied with this response, within six months you can ask for your complaint to be considered by USS's Advisory Committee. To do this you will need to submit form IDR2 which is available on request. The Advisory Committee has six members, three appointed by the University and College Union and three appointed by Universities UK. For dispute resolution purposes, the committee is augmented by two directors from the trustee board.

If you then wish to escalate your complaint further, you can submit your complaint to the Pensions Ombudsman.

You can find out more about our IDR procedure on our website.

## The Pensions Ombudsman

The Pensions Ombudsman (TPO) is an independent organisation which may investigate and determine certain complaints or disputes in relation to workplace pension schemes, such as USS. It can also consider complaints about the actions and decisions of the Pension Protection Fund and about some decisions made by the Financial Assistance Scheme.

Before a complaint can be considered by TPO it must usually have first been considered under USS's internal dispute resolution procedure.

[pensions-ombudsman.org.uk/making-complaint](https://pensions-ombudsman.org.uk/making-complaint)

[CentralSupportMailbox@pensions-ombudsman.org.uk](mailto:CentralSupportMailbox@pensions-ombudsman.org.uk)

The Pensions Ombudsman, 10 South Colonnade, Canary Wharf, London, E14 4PU

## MoneyHelper

MoneyHelper brings together three bodies of financial guidance: Pension Wise, the Money Advice Service and The Pensions Advisory Service.

MoneyHelper is available at any time to assist members and beneficiaries with pensions questions, and with issues they've been unable to resolve with the scheme's trustee.

[moneyhelper.org.uk](https://moneyhelper.org.uk)

MoneyHelper, Holborn Centre, 120 Holborn, London, EC1N 2TD

## The Pensions Regulator

The Pensions Regulator (TPR) is the UK regulator of workplace pension schemes. It works with trustees, employers, pension specialists and business advisers, providing guidance on what is expected of them. TPR may intervene in the running of schemes where trustees, managers, employers or professional advisers have failed in their duties.

[thepensionsregulator.gov.uk](https://thepensionsregulator.gov.uk)

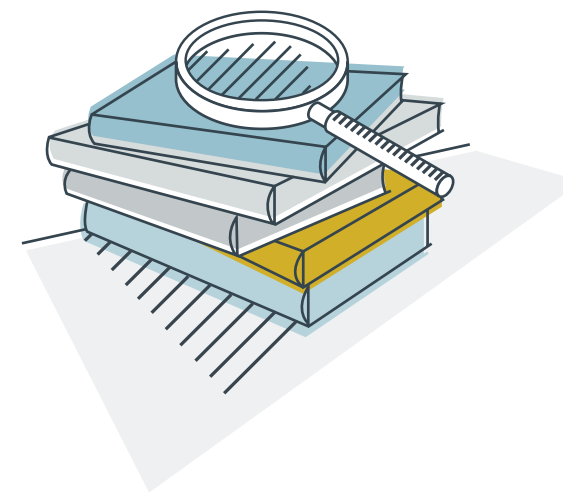
The Pensions Regulator, Napier House, Trafalgar Place, Brighton, BN1 4DW  
**Pension Tracing Service**

This is a central register to help people trace details of pension schemes with which they may have lost contact over the years.

[gov.uk/find-pension-contact-details](https://gov.uk/find-pension-contact-details)

## Guidance and Advice

If you want to seek guidance or take financial advice on any of the topics covered in this guide, visit the [Guidance and Advice resources page](#) on our website. You'll find a range of resources to support your planning and if you need specific advice on tax matters, you can also find an independent financial adviser.



Here you can find an explanation of some of the defined terms we have used in this guide.

## Beneficiaries

When you die, a pension may be payable to your surviving spouse/civil partner or dependant, as well as your eligible children. A lump sum may also be payable. USS can decide who to pay the lump sum to.

However, you can tell USS who you would like the lump sum to be paid to and USS will take this into account when making its decision. As well as anyone nominated by you, USS can consider paying the lump sum to dependants, certain relatives, or your personal representatives.

You can complete an [Expression of Wish form](#) by logging into My USS.

## Dependant

A dependant is a person who, in USS's opinion, was at the time of a member's death, wholly or partly either financially dependent on the member, or dependent on the member due to physical or mental disability.

If you think someone may be your dependant, please complete and return a [Registration of potential dependant form](#) available when you log into My USS.

## Eligible child

This is a child (born or unborn) who is your lawful or adopted child; is your dependent stepchild; has been accepted by you as a member of your family; or is a dependent child of a surviving spouse or civil partner and is:

- under the age of 18; or
- over the age of 18, but unable, owing to illhealth, to be in full-time education or self-supporting; or
- over age 18 but under age 23 and in full-time education or training approved by the trustee.

## Factors

We use 'factors' to calculate the cost and benefits of some of the options available to you in USS. They are generally set by the Trustee, having taken advice from the Scheme Actuary. They are reviewed regularly to make sure they remain appropriate, taking into account (amongst other things) the rules of the scheme, legislation, economic factors and the approach to funding. We will continue to review and update our factors as appropriate. As such, they are subject to change from time to time.

## Normal Pension Age (NPA)

The NPA is the earliest age you can get your Retirement Income Builder (defined benefit) pension without it being reduced (except in special circumstances, such as ill health). It goes up in line with increases to the State Pension age. The USS NPA is 66. It will increase automatically in line with any future whole-year changes to the State Pension age (e.g. when State Pension age increases to 67).

## Prudential Money Purchase AVCs

Before the Investment Builder was introduced in October 2016, members of USS could choose to make additional voluntary contributions into a defined contribution (also known as money purchase) section of the scheme,

administered for USS by Prudential. We call this the Prudential money purchase AVC arrangement. Some members may still have Prudential money purchase AVCs, although it is no longer possible to make new contributions or transfers to that arrangement.

### **Qualifying service**

This is normally the calendar period you have been a member of USS, counted at its full-time rate regardless of any part-time service. It will include any period of contributory absence and your calendar service in another pension in respect of which a transfer value has been paid to USS.

It will not include any non-contributory absence.

### **State Pension age**

This is the age you are entitled to receive your State Pension. Historically, this was 60 for women and 65 for men, but this was equalised so that it was 65 for women and men by 2018. It was raised to 66 from 6 October 2020 and is gradually increasing for men and women, and is due to reach 67 by 2028. The Government keep the State Pension age under review, which

means it could change again in the future. For more information visit [gov.uk](https://www.gov.uk).

### **USS**

USS is the name by which Universities Superannuation Scheme is commonly known. In this guide, where the context admits, it also means Universities Superannuation Scheme Ltd, the trustee company responsible for administering the scheme.

### **Variable-time employee (VTE)**

This is an employee that is not remunerated either by a fixed annual salary or in such a way that it would be reasonably practicable for a part-time service fraction to be determined.

If you're in employment at an institution contributing to USS, please get in touch with your employer's pension team in the first instance to discuss any questions you have. If you're not sure how to contact your pension team, let us know using the contact details on this page and we can put you in touch.

Before contacting us, please visit [uss.co.uk](https://uss.co.uk), which has a range of resources and tools to help you.

You can contact us via our online form: [uss.co.uk/contact-us](https://uss.co.uk/contact-us).

### You can also write to us at:

Universities Superannuation Scheme Limited  
Royal Liver Building  
Liverpool  
L3 1PY

### Or you can call us:

For all queries call  
+44 (0)151 227 4711 (local rate call charge number)  
(All lines are open 9:00am – 5:00pm Monday – Friday)

**A large print version of this booklet  
and alternative forms are available.  
To obtain a copy please contact USS.**

### Disclaimer

This publication is for general guidance only and provides a summary  
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of the key elements of USS. It is not a legal document and does not explain all situations or eventualities. USS is governed by a trust deed and rules and if there is any difference between this publication and the trust deed and rules the latter shall prevail. You are advised to check with your employer contact for the latest information regarding the scheme, and for any changes that may have occurred to its rules and benefits.

We recommend that you visit [www.uss.co.uk](https://www.uss.co.uk), where you'll find a wealth of information about USS, including a copy of the scheme's trust deed and rules.

### Electronic communications

Universities Superannuation Scheme Limited, the trustee of USS, need to send you statutory information about your pension, for example your Annual Member Statement, and we intend to do this electronically. Where possible, we'll do this via your contact email address or our website, but there may be instances when we need to send you communications by post. If you'd prefer statutory information to be sent by post you can let us know by setting your preferences in My USS, or by writing to us at, Pensions Operations, Universities Superannuation Scheme Limited, Royal Liver Building, Liverpool, L3 1PY. Please note, electronic communication means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa) by means of an electronic communication network or by other means but while in electronic form. We'll use your contact email address to send you service based emails, for example changes to the scheme or your contributions, you won't be able to unsubscribe from these.