

Voluntary Severance 2011

Pensions FAQs

1. Can I start to receive my pension if my VS application is approved?

Yes, provided you are at least age 55 and have completed a minimum of 5 years pensionable service.

If you have been a member of USS continuously since 5 April 2006, you may be able to retire from age 50; the Pensions Office will confirm individual circumstances.

2. What benefits can I receive if I want to start receiving my pension immediately?

Your immediate pension and tax free cash sum will be calculated using your scheme service to the date of termination of your contract under VS and your final pensionable earnings which are normally your last 12 months earnings.

In UMSS, if you are under age 60, the benefits will be reduced for the period between the date of your retirement and age 60. Thus the closer you are to age 60, the smaller the reduction applied to your benefits. Any reduction will be incorporated into benefit quotations produced by the Pensions Office.

In USS, if you are under age 60 at the date of retirement, there is an Early Retirement Funding Charge (ERFC) that must be paid by the University to USS; this is payable in addition to the VS amount. There is a similar charge in GMPF.

3. Do I have to start receiving my pension if I meet the above criteria?

No, you do not have to start receiving your benefits immediately if you qualify for payment of your pension.

If you decide not to draw your benefits on leaving the University, they will be deferred in your pension scheme and revalued each year:

For USS and GMPF, members' benefits will increase in line with the CPI until retirement.

In UMSS, benefits will be revalued each year in line with the RPI, and if you request payment before age 60, they will be reduced for early payment.

4. How can I use my VS payment?

If you are retiring you may choose to forego some or all of your VS payment and instead ask the University to pay this into your pension scheme to improve your benefits. Benefit quotations from the Pensions Office will normally show the additional benefits that can be provided from one year's additional service and the cost of providing that benefit.

5. Can I use my severance payment to increase my AVC fund?

No, for pension purposes, VS payments can be used only to buy an additional period of service in your pension scheme, thereby increasing your pension and tax free cash sum.

6. Can I use my severance payment to increase my benefits if I am not retiring and drawing my pension?

No, additional pensionable service can be secured only on retirement from active service.