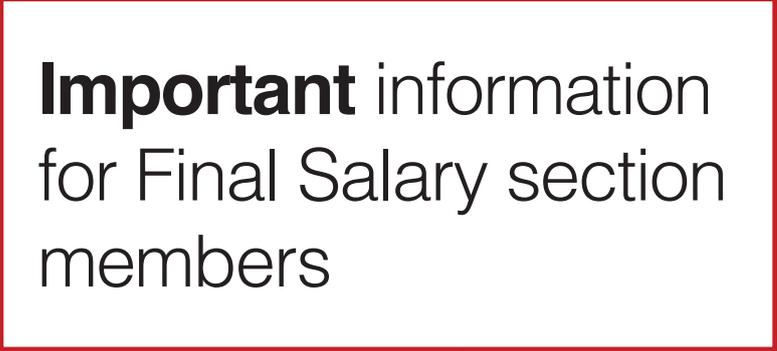


USS



Important information for Final Salary section members

Scheme changes

From 1 April 2016, the benefits provided by Universities Superannuation Scheme are changing.

Going forward USS will provide benefits on a career revalued benefits (CRB) basis, alongside a new defined contribution (DC) section.

Further information is available on forthefuture.uss.co.uk and uss.co.uk

Transitional changes

Before the changes to the scheme are introduced there are a number of changes which will be made to existing pension arrangements in order to prepare for the new structure.

These transitional arrangements affect final salary section members who wish to transfer pension in to USS from certain other types of pension scheme. Note, it does not affect those who have already transferred-in pension rights. It also affects final salary section members who wish to start a new added years additional voluntary contributions (AVC) arrangement in order to secure additional pensionable service within the final salary section.

Important information for final salary section members - transfers-in and added years additional voluntary contributions (AVCs)

Added years AVCs

Added years AVCs enable members of the final salary section to purchase additional benefits either by paying a one-off lump sum or committing to make additional contributions in regular instalments.

However, from 1 April 2016 the final salary section of USS will be closed to future accrual. This means you will no longer be able to build up pension on a final salary basis after this date. Any pensionable service you have at this date (including any added years purchased through an AVC arrangement) will be linked to your pensionable salary as at 31 March 2016.

In the light of the forthcoming changes, the provision for final salary section members to commence new added years AVCs, both on a lump sum and regular instalment basis, will come to an end, and in fact will do so from 1 November 2015. Please note this does not affect added years AVC arrangements that have already been entered into.

Starting a new Added Years AVC before the deadline

For those members who wish to begin a new added years AVC before this option is removed on 1 November 2015, the following administrative procedures will apply.

USS will provide quotations for the cost of such arrangements up to 30 October 2015 for both regular instalment and lump sum added years AVC contributions. Any quotations requested after 30 October 2015 will be returned.

The latest commencement date for which USS will provide a quote for regular instalment added years AVC arrangements will be 1 November 2015.

The latest payment date for lump sum added years AVCs will be 31 October 2015. Lump sum contributions must be deducted from October salary payments. If you choose this option you must therefore ensure that arrangements are in place for your employer to make this deduction from your salary in October 2015.

Although lump sum added years AVCs will not be accepted beyond 31 October 2015, when calculating the amount of lump sum that can be paid, you can pay up to 15% of your anticipated salary up to 31 March 2016. If when you request a quotation you do not stipulate the amount you wish to pay USS will provide a quotation based on 15% (the maximum permitted under the rules) of your anticipated salary up to 31 March 2016.

If you choose to pay a regular instalment added years AVCs, the application form should be received by USS no later than 30 November 2015 with the commencement date being no later than 1 November 2015. The trustee will return any application forms received after 30 November 2015.

Quotations may already have been provided for payment/commencement dates beyond the deadline. These quotations are no longer valid and you should request a revised quotation in line with the timeframes noted above. All quotations that are in progress with a commencement date outside of the closing window will be adjusted accordingly.

You are strongly urged to take independent financial advice before making any decisions regarding your pension rights.

Transfers-in

There are two types of pension transfers; firstly those from schemes for employers linked to the public sector like the pension arrangements for the NHS and teachers - these are called 'club transfers' and secondly transfers from any scheme outside of the public sector, called 'non-club' or private transfers.

Non-club transfers

No new non-club transfers-in for final salary members will be accepted after 1 November 2015.

Request forms for transfers-in for final salary section members must be received by USS no later than 30 October 2015.

Transfer statements from a former scheme must be received no later than 18 December 2015 to enable sufficient time to calculate the corresponding service credit in USS and to gain your acceptance of the transfer.

The acceptance of the transfer must be received by USS before 15 January 2016 with the final date for payments to be made being no later than 26 February 2016.

Club transfers

A club transfer is a transfer of pension rights from a scheme which is a member of the Public Sector Transfer Club and the transfer is made under the terms of the 'club' rules. Such transfers are subject to specific rules including, for USS members, a two year window for transfers-in from the start date of USS membership. This window remains the same and requests for a 'club' transfer will be accepted up until two years after the date you join USS, with transfer requests accepted up until 30 March 2018 (this would apply for members who joined on 31 March 2016).

Importantly however, although we will still accept transfers under the club system, benefits from the transfer will be calculated using your pensionable salary as at 31 March 2016.

After 1 April 2016

Once the first phase of the scheme changes has been implemented on 1 April 2016, all active members will be able to transfer-in previous pension benefits to secure additional pension on a career revalued benefits (CRB) basis.

This provision will remain in place until the date that the new defined contribution (DC) section is introduced (which shall be no later than 1 October 2016), after which transfers-in will only be accepted on a DC basis.

You are strongly urged to take independent financial advice before making any decisions regarding your pension rights.

Important dates

Added Years AVCs

- **30 October 2015** - latest date that USS will provide quotations for regular or lump sum added years AVCs. Quotation requests received after this date will be returned.
- **31 October 2015** - latest payment date for lump sum added years AVCs. Lump sum contributions must be deducted from October salary.
- **1 November 2015** - latest start date for regular instalment added years AVCs
- **30 November 2015** - latest date by which USS must receive an application to commence regular instalment added years AVCs. Application forms received after this date will be returned.

Transfers-in

- **30 October 2015** - latest date by which USS must receive request forms for transfers for final salary section members (for non-club transfers)
- **18 December 2015** - deadline for USS to have received a transfer value quotation from transferring scheme
- **14 January 2016** - latest date for USS to receive your acceptance to a transfer offer
- **26 February 2016** - deadline for transferring scheme to make payment of transfer value to USS
- **1 April 2016** - non-club transfers-in only accepted by USS on a career revalued benefits (CRB) basis
- From **1 October 2016** (or sooner if the DC section is introduced before that date) - transfers-in will only be accepted on a DC basis.
- **30 March 2018** - last date that a transfer-in on a club basis can proceed or no later than two years after commencing USS membership (if earlier).