



THE UNIVERSITY *of* EDINBURGH
Finance

▶ Your Pension choices

For new employees on grades
UE06-UE10.





Welcome to the University of Edinburgh

This booklet has been created to help you understand your pension saving options as a new employee at the University of Edinburgh.

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Enrolment

Contractual Enrolment

If you are employed on an open ended or fixed term contract, we will automatically enrol you into the Universities Superannuation Scheme (USS) from the day you commence employment.

If you are employed on a Guaranteed Hours contract you will not be automatically enrolled into USS from the start date of your employment. You will be automatically enrolled when you satisfy the UK legislative auto-enrolment criteria, which is set out below:-

Auto Enrolment

If you are between the age of 22 and State Pension Age and you earn over £10,000 per year (£833 per month), we will automatically enrol you into the Universities Superannuation Scheme (USS). Once enrolled, you will remain in USS even if your earnings fall below the earnings threshold in any subsequent month.

Please be aware that each contract of employment is assessed in its own right so if you have multiple contracts of employment each one will be assessed individually.

New employees who are already in receipt of a pension from USS

If you are already receiving a pension from USS we will not re-enrol you into that Scheme. Instead, you will be automatically enrolled into the National Employment Savings Trust (NEST) when you satisfy the auto enrolment rules noted above. Further details can be obtained from the pensions office at pensionsmanager@ed.ac.uk



What Does USS offer?

USS is a Career Average Defined Benefit scheme with a Defined Contribution top up arrangement that offers a superior level of saving for retirement.

- A Defined Benefit pension at retirement calculated as $1/85^{\text{th}}$ of your salary up to a threshold, currently £40,000 for each year that you save into the Scheme plus a lump sum of 3 times your pension. For those earning above the threshold, 8% of the amount earned above the threshold will be paid into a Defined Contribution arrangement by you and 12% by the employer).
- Your Defined Benefit pension is paid to you based on the formula above, regardless of how your savings are invested.
- You can keep track of the benefit you have built up online at any time.
- You can contribute more to your USS benefit by making Additional Voluntary Contributions.
- You'll get a higher benefit at retirement than you would from saving in a personal Defined Contribution scheme only.

Where can I get more information?

You can get more information from the website at www.uss.co.uk

Here you can:

Find all the useful guides and factsheets about the structure of USS.

- ✓ **Find out how to maximise your pension benefits with USS.**
- ✓ **Access forms to register your dependants, transfer benefits from other schemes or to opt out of USS.**
- ✓ **Use benefit modellers and view your statements.**
- ✓ **Manage additional contributions.**
- ✓ **Make investment selections.**
- ✓ **Run annual allowance calculations.**
- ✓ **Once you receive your USS member number please register for My USS <https://www.uss.co.uk/members/login>**



What does it cost?

Date applicable	Employee Contribution	Employer Contribution
1 April 2022	9.8%	21.6%

Can I pay more?

You can pay Additional Voluntary Contributions (AVCS) over and above the normal contribution confirmed above. Please contact the Pensions office if you are interested in paying AVCs.





What is Pensions Plus?

Pensions Plus is a way for members of USS to pay their contributions in a way that will save National Insurance contributions (NI) and will, for many staff, increase take-home pay.

Pensions Plus works by you giving up an amount of your contractual gross pay equal to your pension contributions. In return, the University increases its contributions to cover both the employee and employer pension contributions.

Pensions Plus does not affect any other salary-related payments or benefits that you receive from the University such as salary increases, bonuses and overtime. These will be based on your **gross annual salary**. Your **pensionable salary** will be based on your annual salary including any other earnings that may be recognised by the University of Edinburgh as pensionable.

Your gross annual salary will also be the amount used in any personal official letters e.g. mortgage letters, loan applications or job references.

Should everyone participate?

The University of Edinburgh automatically opts you into Pensions Plus when you join the pension scheme as most employees benefit from it. Almost all scheme members for whom the scheme is advantageous choose to participate in Pensions Plus. There may be a few members for whom it is not advantageous, such as members who earn below the salary threshold for taxation, and if we think you will fall into this category you will not be automatically opted into **Pensions Plus** and will instead pay your monthly contributions directly into the pension scheme in the traditional way.

If you personally decide not to participate, you need to complete the **Pensions Plus** opt out form, available from the University's pensions office, as soon as possible. If you are unsure about whether or not you should participate in **Pensions Plus**, you should seek your own financial advice. Details of an independent financial adviser (IFA) near you can be found at: www.unbiased.co.uk. Remember, however, that **Pensions Plus** is designed so that most pension scheme members benefit from taking part.





Opting out

I don't want to be in a pension scheme, how do I opt out?

To obtain a refund of your contributions from date of joining, you must return your form within 3 months of joining.

Please complete the '[notice to opt out of pension saving form](https://www.uss.co.uk/members/members-home/resources/forms)', which can be found here:
<https://www.uss.co.uk/members/members-home/resources/forms>

If you wish to opt out of the Scheme after 3 months of joining, you must complete and return the "[Normal Withdrawal Form](https://www.uss.co.uk/members/members-home/resources/forms)" which can be found here:
<https://www.uss.co.uk/members/members-home/resources/forms>

Please note that if you transferred benefits from a personal pension into USS, or you have participated in the Pension Plus arrangement to make your USS contributions, you will not be able to receive a refund even if your qualifying service, including the transfer, is less than two years.

Please complete and return the opt-out / withdrawal form to the Pensions Office. We will accept a scanned copy (pensionsmanager@ed.ac.uk)

Automatic Re-Enrolment

If you decide NOT to remain in a pension scheme the University will be required to assess your earnings at 3 yearly intervals. If you are paid 'qualifying earnings' the University will be required to automatically re-enrol you into a pension scheme as is required by the Pensions Act 2011. Full re-enrolment details will be provided to affected employees prior to re-enrolment dates. Please note the University's re-enrolment date is a fixed date and will be applicable to all employees who have previously opted out of pensions savings regardless of their particular opt out date.

You can find a full listing of gross and take home pay details on the University's website at <https://www.ed.ac.uk/finance/about/sections/payroll/salary-calculator>







National Health Service Pension Scheme (NHSPS)

If you are currently a member of the National Health Service Pension Scheme (NHSPS) and are employed by the University as a lecturer or clinical researcher in the University's medical school it may be possible for you to remain a member of the NHSPS during your employment with the University.

If you think this applies to you please contact the Pensions Department at pensionsmanager@ed.ac.uk to check as you must make the application to remain in NHSPS within the first three months of employment.

Please note the University of Edinburgh has Direction Body status with NHSPS (Scotland). If you are currently employed in NHSPS (England & Wales) you will need to transfer future membership to NHSPS (Scotland) to continue your NHSPS membership. This Direction shall not apply or, as the case may be, shall cease to apply if at any time you become a participant in the Universities Superannuation Scheme (USS).

Should you have any enquiries regarding your active NHSPS membership, annual statements or your provisional retirement calculations please visit www.sppa.gov.uk and use the main menu to navigate to My Pensions – Online Member Services for National Health Service Pension Scheme.

The cost of membership of the NHSPS is calculated based on earnings at date of joining the Scheme and this is reviewed each year. Please contact Pensions for more information.





Contact information

CONTACT INFORMATION

Pensions Department / Charles Stewart
House / 9-16 Chambers Street /
Edinburgh, EH1 1HT

Email: pensionsmanager@ed.ac.uk

USEFUL WEBSITES

Our website
<http://www.ed.ac.uk/finance/pensions>

USS: www.uss.co.uk
NHSPS: www.sppa.gov.uk

Financial guidance

You may wish to seek independent financial advice regarding your pension benefits.
To find a local Financial Adviser, go to: <https://www.unbiased.co.uk/>

