

Aberdeen & your pension benefits

University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

Key information



A Guide for Members



Aberdeen & your pension benefits

ABOUT THIS GUIDE

This guide is prepared on behalf of the UASLAS Trustees and sets out a summary of the benefits provided.

DETAILED INFORMATION

A series of factsheets which contain more detailed information can be obtained from the UASLAS website at:

<https://www.abdn.ac.uk/staffnet/working-here/pensions-208.php>

or by writing to:

Pensions Office

Finance Department
University of Aberdeen
King's College
Aberdeen
AB24 3FX

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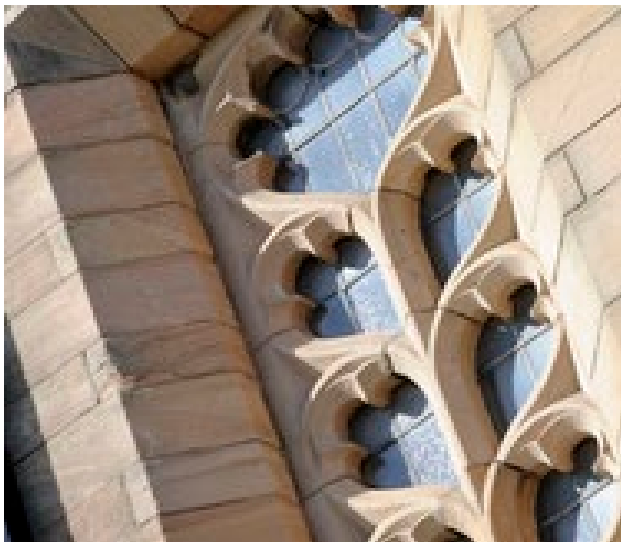
Introduction

All members of UASLAS will be provided with a pension and tax free cash sum at retirement. Benefits may also be paid if you die or if you are unable to work due to ill health.

If you die either before or after retirement, benefits will be payable to your dependants.

In addition to the benefits you build up in UASLAS, you will also earn State pension benefits. Please see the State Benefits factsheet for more information.

It is important to save for your retirement to ensure that you have an adequate standard of living when you are no longer working. As a member of UASLAS, you and the University will make contributions towards a pension for you.



When reading this guide please look out for the following symbols:



This means more detailed information is available in the factsheets provided on the UASLAS website or from the Pensions Office



This means you may need to complete a form to receive the appropriate benefits

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How can I join UASLAS?

If you work for the University of Aberdeen, and are not in the Universities Superannuation Scheme (USS), and are not currently a member of UASLAS, you may be entitled to join the Scheme provided you are aged between 18 and 60.

You may be able to join the Scheme before the age of 18 or after the age of 60. If you are in this position please contact the pensions office.



[See *Membership factsheet*](#)

If you have recently started working for the University you may be automatically enrolled into the UASLAS depending on your age and salary.



AUTO ENROLMENT

Regulations require every employer in the UK to automatically enrol the vast majority of their employees into a suitable pension arrangement. There are a number of requirements which must be met including pension scheme design and regulation.

The UASLAS meets or exceeds the requirements and is therefore a “qualifying” scheme. As a member of UASLAS you don’t need to do anything about auto enrolment unless you do not want to be part of the Scheme. Details of how you can opt-out will be provided to you by the University along with other key information as set out in the Government’s auto enrolment legislation.



[Complete opt out form](#)

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What are the main benefits?

PENSION

From 1 January 2019 you will build up a block of pension equal to $1/100^{\text{th}}$ of the pensionable salary you earn each year. The pension you have earned between 1 August 2011 and 31 December 2018 will be equal to $1/80^{\text{th}}$ of your pensionable salary for each year of service up to that date.

The blocks of pension that you build up from 1 August 2011 are revalued each year to protect your benefits against the effects of inflation. The pension you have earned before August 2011 will remain linked to your pensionable salary until you leave employment with the University.



TAX FREE LUMP SUM

From 1 January 2019 your cash lump sum earned will be in blocks of $3/100^{\text{ths}}$ of your pensionable salary for each year of service.

You will also build up a cash lump sum equal to $3/80^{\text{ths}}$ of your final pensionable salary for each year of service up to 1 August 2011. From 1 August 2011 to 31 December 2018 your cash lump sum earned will be in blocks of $3/80^{\text{ths}}$ of your pensionable salary for each year of service.

The blocks of cash that you build up from 1 August 2011 are revalued each year so that your benefits are protected against inflation. The cash sum you have earned before August 2011 will remain linked to your pensionable salary until you leave employment with the University.



see *Your benefits factsheet*

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What are the main benefits?

PENSION INCREASES

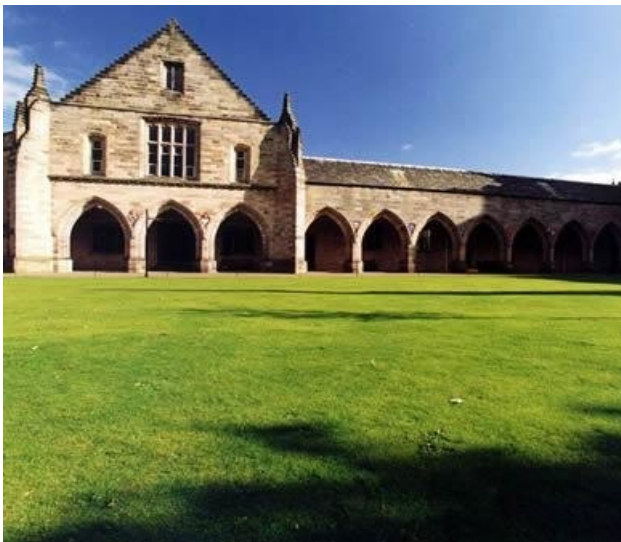
Your benefits will be protected against the effects of inflation after you retire.

The precise increase you will receive will depend on the period in which you built up your pension and the general increases in inflation. For this reason, different elements of your pension may increase at slightly different rates after retirement.

If you leave UASLAS, your pension and your cash lump sum will be protected against the effects of inflation in the period up to retirement.



[see *Pension increases factsheet*](#)



DEATH BENEFITS

If you die either before or after retirement, a pension will be payable to your dependants. In addition, a tax free lump sum will be payable. The Trustees are responsible for the payment of benefits to your beneficiaries.



[see *Death benefits factsheet*](#)

ILL HEALTH BENEFITS

If you are not able to work due to ill health you may be able to receive a pension and tax free lump sum.



[see *Early retirement factsheet*](#)

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What are the main benefits?

CONTRIBUTIONS

Your contribution rate to the Scheme is 8% of Pensionable Pay. You will get tax relief on your contributions, which means that the real cost is lower than 8% for most members. The contribution rate paid by your employer is set by the Scheme Actuary to ensure all benefits can be paid in full.



see **Contributions** factsheet

DIVORCE

If you divorce, your pension benefits will be taken into account when the courts assess and distribute your marital assets. It is likely that you would need to take some action with respect to your benefits.

For further details please contact the Pensions Office at the address on page 2.



EARLY RETIREMENT

You may be able to retire as early as age 55 instead of at your Normal Pension Age of 65. In addition, you may be able to retire early on grounds of ill health or incapacity.



see **Early retirement** factsheet

PAY MORE TO GET MORE

This scheme is now closed to new entrants. Some member can increase their benefits by paying additional voluntary contributions (AVCs) **only if** they are already a member of the AVC scheme.



see **Topping up your benefits** factsheet

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How do I calculate my retirement benefits?

As described on page 5 of this guide, your pension builds up while you contribute to the Scheme. Each year before 1 August 2011 you build up a pension equal to 1/80th of your final pensionable salary and a cash sum of 3/80ths of your final pensionable salary.

Each year from 1 August 2011 to 31 December 2018 you build up a block of pension equal to 1/80th of your pensionable salary and a cash sum of 3/80ths of your pensionable salary, and from 1 January 2019, a block of pension equal to 1/100th of your pensionable salary and a cash sum of 3/100ths of your pensionable salary. Each block of pension and cash you earn is increased every year in line with changes in the Consumer Prices Index (CPI), subject to an overall maximum of 5% a year up to 31 December 2018 and a maximum of 3% a year from 1 January 2019.

The following simplified example, which is based on a member with exactly 5 years of service in UASLAS, shows you how it works. We have assumed that CPI increases by 3% per annum

In this example, using a revaluation rate of 3.0%, the member has built up five 'blocks' of pension which total £1,270. The member has also built up five blocks of cash totalling £3,811 (which is three times the pension). The first three years use an accrual rate of 1/80, and the final two use an accrual rate of 1/100. These amounts will continue to increase both before and after retirement in line with changes in the Consumer Prices Index.



see *Your benefits factsheet*

Year	Salary in year	Pension earned in year	Cash earned in year	Pension revalued to end of year 5	Cash revalued to end of yr 5
2016	£20,000	£250	£750	£281	£844
2017	£20,400	£255	£765	£279	£836
2018	£20,800	£260	£780	£276	£828
2019	£21,200	£212	£636	£218	£655
2020	£21,600	£216	£648	£216	£648
Total annual pension at end of year 5				£1,270	£3,811

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Will I receive any State benefits?

For anyone who reaches State Pension Age after 6 April 2016 a new single tier state pension is payable. The previous system of the Basic State Pension and the State Second Pension (S2P) is still payable for anyone who reached State Pension Age before 6 April 2016. **The UASLAS was a contracted out pension scheme up until April 2016 which affects the amount of state pension received.**

STATE SECOND PENSION (S2P)

As a member of UASLAS you were contracted-out of S2P. You will still receive your Basic State Pension but, instead of receiving S2P as well, UASLAS will provide you with a Guaranteed Minimum Pension (GMP) for service up to April 1997. For any service after April 1997 your benefits paid from the Scheme must meet minimum criteria called the "Reference Scheme Test".



SINGLE TIER STATE PENSION

The single state pension will be reduced for any period of service in a contracted out scheme prior to 6 April 2016, including any service with UASLAS as it was contracted out.



[See State benefits factsheet](#)

NATIONAL INSURANCE CONTRIBUTIONS (NICs)

UASLAS stopped being a contracted out pension scheme with effect from 6 April 2016. After this date member's National Insurance contributions no longer receive the reduction that applied before April 2016 when the Scheme was contracted out.

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How do I increase my benefits?

In the past, UASLAS allowed members to pay additional voluntary contributions (AVCs) to increase your benefits at retirement.

Please note that the UASLAS AVC arrangement is no longer available to new members. If you currently pay AVCs to UASLAS *see **Topping up your benefits factsheet*** for more information.

It is important to note that there is an annual allowance limit on pension savings which, if breached, could result in a tax charge.

You may wish to take independent financial advice before deciding whether to make additional savings for retirement.

WHAT OTHER BENEFITS DO YOU HAVE?

In addition to your UASLAS benefits you may also have State pension benefits and you may have pension benefits in other arrangements, for example with previous employers. You should check that your total pension from all sources is on target to provide you with an adequate level of income when you retire.

OPTIONS FOR TOPPING UP YOUR PENSION

The UASLAS AVC arrangement is no longer open to new members. However, you may choose to pay AVCs to a Free Standing AVC (FSAVC) arrangement, usually provided by an insurance company of your choice.

You can also pay into a 'stakeholder' or personal pension plan while a member of UASLAS.

If you require more information or independent advice, the following websites may be useful:

<https://www.moneyhelper.org.uk/en>

<https://maps.org.uk/en>

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When can I take my benefits?

LATE RETIREMENT

You can choose to take your benefits after age 65. If you do, your retirement pension and lump sum will include the extra blocks built up after age 65 as well as those built up before age 65.

Alternatively, you can choose to stop accruing blocks of pension at age of 65 but take your benefits at a later date. Benefits taken in this way would be given an appropriate increase to take account of the later start date.

Your total pension will be checked to ensure you are no worse off than had you left the Scheme on your 65th birthday.

 [see *Late retirement factsheet*](#)

Normal Pension Age in the UASLAS is 65. However, it may be possible to take your benefits before or after age 65.

EARLY RETIREMENT

If you take your benefits before age 65 your benefits will be calculated in the same way as deferred benefits. Excluding retirement due to ill health, the pension and cash lump sum you receive before your Normal Pension Date may be reduced because the pension will be paid for a longer period of time. However, there are certain guarantees available within the UASLAS which may mean some elements of your benefits are not reduced. The minimum age for early retirement in UASLAS is currently 55 except for ill health circumstances.

 [see *Early retirement factsheet*](#)

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What happens if I die?



DEATH IN SERVICE

If you die while still in service of UASLAS, a lump sum of three times your salary at the date of your death is payable free of tax. A refund of your contributions to the Scheme will also be paid. In addition, if you are married or have a civil partner, your spouse or partner is entitled to receive a pension of 50% of the pension you would have received at your Normal Pension Date.

If you are not married or in a civil partnership, you may be able to nominate someone else to receive the spouse' pension. You should complete a Nomination of Beneficiary form if this is the case.



[complete Nomination of Beneficiary form](#)



[complete Potential Dependant Nomination form](#)



[see Death benefits factsheet](#)

DEATH AFTER RETIREMENT

If you die after your pension has started, a pension of 50% of your pension at death will be paid to your spouse or partner. Your pension will be reduced if you were 11 or more years older than your spouse.

If you die within five years of retirement then a lump sum will be payable equal to the balance of the first 5 years' worth of the pension being paid at the date of your death.



[see Death benefits factsheet](#)

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Pensions Plus

PENSIONS PLUS

The University operates Pensions Plus which is a salary sacrifice arrangement outlined in your contract of employment. Unless you asked not to join it or if your earnings fall below the pay protection limit, you will take part in this arrangement, which means your salary is reduced but the University pays your contributions to UASLAS

WHAT IS SALARY SACRIFICE?

Under the salary sacrifice scheme your salary is reduced by an amount equal to your contribution to the Scheme (i.e. 8%). Your employer then pays the contribution on your behalf. As a result, members can make savings on their National Insurance Contributions which in turn leads to an increase in take home pay.

The salary sacrifice scheme does not have any effect on the amount of your Scheme pension benefits.



see *Contributions factsheet*



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What happens if I leave the Scheme?

If you leave the Scheme either because you have left employment or because you opt out of the Scheme you have a number of choices with respect to your benefits.

 *see [Leaving service benefits factsheet](#)*

1. DEFERRED BENEFITS

If you have completed at least two years' service, you can leave your pension and lump sum in the Scheme and payment of your benefits will normally start the day after your Normal Pension Date. Between your date of leaving and receiving your benefits your deferred pension and cash sum will increase. Your AVC account will also remain invested until your deferred pension starts.



2. TRANSFER

You may be able to transfer your benefits to another approved pension arrangement. If you are considering a transfer it is important that you take independent financial advice. The following websites may be useful if you need independent advice:

<https://www.moneyhelper.org.uk/en>

3. REFUND OF CONTRIBUTIONS

If you have less than two years' service you may be able to obtain a refund of your contributions to the scheme.

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Important information

TAX

In the UK, pension contributions are exempt from tax. However, you may be liable for tax charges if the pension benefits you build up breach the annual or lifetime allowance limits set by HMRC.

More details on the annual and lifetime allowance limits set by HMRC can be found via their website www.gov.uk/government/publications/rates-and-allowances-pension-schemes/pension-schemes-rates

It is important that you seek independent financial advice in relation to your retirement planning. The relationship between tax and pension saving can be complex, and an independent financial advisor will be able to assist you.

DATA PROTECTION

The Trustees of the Scheme will use the details and personal information (including any sensitive personal data) you have provided in respect of the Scheme together with any other information about you in accordance with the Data Protection Act 1998 and the EU General Data Protection Regulation which came into effect on 25 May 2018. The information will be used in connection with the administration, servicing, risk assessment, fraud prevention and regulatory purposes in relation to the Scheme. We may also need to disclose your information to our other service providers (including the Trustees' advisors) for these purposes and to pass it to the sponsoring employer or the HM Revenue & Customs (HMRC) and as we are otherwise required by law to do.

You have a right to apply for a copy of your personal information and to have any inaccuracies corrected.



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Other Important information and contacts

SCHEME DOCUMENTS

Copies of all Scheme documents available to you can be found on the University of Aberdeen pensions website at:

<https://www.abdn.ac.uk/staffnet/working-here/pensions-208.php>

SCHEME QUERIES

If you have any questions relating to your benefits you can contact the Pensions Office using the email address below:

pensions@abdn.ac.uk

SCHEME COMPLAINTS

We have a formal procedure for dealing with member disputes and complaints. The appropriate forms are available from the Pensions Office.

In the first instance, if you have a problem or complaint relating to the Scheme, please write to the Pensions Office at the address given on page 2 of this guide. If the complaint is not resolved there is the opportunity to refer this to a full meeting of the Trustees.

SCHEME RULES

This guide provides a summary of your benefits. However, your legal rights are governed by the Trust Deed and Rules of UASLAS. If there are any differences between the Scheme Rules and this guide, the Rules will override the guide. A copy of the rules can be obtained from the Pensions Office



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Important information and contacts

THE PENSIONS REGULATOR

Is the regulatory body responsible for enforcing the law on occupational pension schemes such as UASLAS. Its address is:

The Pensions Regulator

Napier House

Trafalgar Place

Brighton BN1 4DW

Tel: 0345 600 0707

www.thepensionsregulator.gov.uk

THE PENSIONS OMBUDSMAN

May investigate any complaints or disputes of fact or law with respect to an occupational pension scheme. Its address is:

The Pensions Ombudsman

10 South Colonnade

Canary Wharf

EH14 4PU

0800 917 4487

www.pensions-ombudsman.org.uk



MONEY & PENSIONS SERVICE

May assist members and beneficiaries with any unresolved pension queries. Its address is:

Money and Pensions Service

Borough Hall, Cauldwell Street

Bedford

MK42 9AB

Tel: 01159 659 570

<https://maps.org.uk/en>

PENSION TRACING SERVICE

Is a central register to help people trace details of pension schemes they may have lost contact with. Contact details are:

Tel: 03300 538 618

www.pension-tracing-service-uk.co.uk

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List of detailed factsheets available

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2. Membership
3. Contributions
4. Topping up your benefits
5. Your benefits
6. Pension Increases
7. Early Retirement
8. Late Retirement
9. Death Benefits
10. Leaving Service Benefits
11. Transfers
12. State benefits

