**USS Pension Consultation 2015**

**Consultation Workshops – Frequently Asked Questions**

***Q. What would happen to my defined contribution scheme if I left the University?***

A. The scheme is yet to be specially determined, but with normal defined contribution schemes you would take the pot of money with you and this would continue to increase in value (subject to market conditions).

***Q. I still feel that the valuation deficit has been over calculated, will this be re-calculated and will we see more transparency in respect of the Investments made?***

A. This was part of the negotiations. It is clear that the actuaries have made some assumptions- they have to do this to be able to get an indicative figure of what the deficit will look like if no changes are made. Different actuaries will make different assumptions, and USS may appear to have been prudent in some of their assumptions but they feel that these assumptions are appropriate to achieve a realistic figure in terms of the valuation deficit.

***Q. What is the reason for the £55K Cap?***

A. It is to ensure financial sustainability of the scheme.

***Q. Can the pension terms change again?***

A. With anything, there can always be further changes in the future.

***Q. I am a clinical academic and the NHS pension will now be significantly better, will this not encourage clinical academics to go back to the NHS?***

A. The NHS pension scheme is also going through changes at the moment, however yes it is likely this will still be better than the USS pension. There are further discussions happening around this, so this doesn’t have an impact on the University’s ability to attract and retain clinical academics. There is however also no guarantee that there won’t be further changes to the NHS pension schemes.

***Q. When I left the NHS I transferred my pension pot to USS, can I transfer it back again?***

A. This would only be possible if you were employed by the NHS.

***Q. Is there a time limit imposed on the increased employer contributions?***

A. No- there is no time limit on this proposed.

***Q. The notice period for changes to be implemented following the consultation period seems tight- will this change?***

A. At present the proposed date for the changes to be implemented is 1st April 2016. There have been no communications regarding any changes to this at present.

***Q. Will the proposed measures be enough to cover the shortfall and has the shortfall been caused by high salaries?***

A. The shortfall cannot be attributed to high earners alone.  People are living longer so the pension scheme has to pay pension in retirement for longer than planned.  The challenging global economic climate has also had a detrimental impact on the value of USS assets.    The scheme is unsustainable as is, and the proposed measures are intended to address this going forward.

1. **What happens with AVC’s under these changes?**

A. The USS consultation website has recently been updated and choices available are detailed, there is still the ability to buy AVC’s but these will not be linked to your final salary.  Any changes in regard to AVC’s had not been agreed at the beginning of the consultation and therefore not contained in the presentation.

1. ***Has the change in retirement age been factored into the calculations?***

A. Currently the USS retirement age is 65 and the national retirement age is changing, USS plan to phase in the national retirement age but this does not form part of this consultation.  The DWP website will have information on personal retirement ages as they differ depending on age.

1. ***We are now working longer due to the change in retirement ages, has this been considered by the actuaries?***

A. The actuaries will have taken this into consideration.

1. ***There is now no compulsory retirement age, what impact will this have?***

A. This is correct, and as long as you continue to work you can continue to contribute to your pension fund.

1. ***The last USS changes in 2011 were deemed to be taking into account what was necessary to remedy any issue, are these changes now right for the pension?***

A. USS have stated that they will not make further changes until at least 2020.

1. ***Are pension fund admin costs increasing with inflation?***

A. This is not known, but the information will be furnished.

1. ***Is it possible to make an appointment with the Independent Financial Advisor?***

A. All slots over the next two days are booked; however if there is a requirement for more this can be arranged, please contact Debbie Dyker should this be required.

1. ***Can you give us more information on Pension Plus?***

A. This is similar to a salary sacrifice scheme, whereby the University of Aberdeen pays your contribution at source making this more tax efficient for the employees.

1. ***Within the presentation there was mention of single point valuation of the fund in a volatile market, surely this is an incorrect way to measure the value?***

1. There is a statutory requirement to undertake the evaluation every three years and this is the requirement that USS comply with.

1. ***When the Final Pension Scheme is frozen, what happens after March 2016?***
2. The Final Pension Scheme will be frozen and increased by CPI and calculated at 1/80th and further funds will be subject to a secondary calculation at CRB rates.

1. ***Is our pension safe and legally guaranteed?***

A. The Pension Regulator has an overview on pensions and would take the appropriate action should it be necessary to protect the fund,