

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

Key points

- It will not be possible to enter a new lump sum or regular instalment AVC arrangement after the 30 October 2015.
- Regular instalment added years AVC arrangements in place as at 31 March 2016 will continue unless the trustee company is informed otherwise.
- The benefits earned from AVC arrangements will be based upon total service secured by the AVC and pensionable salary as at 31 March 2016.
- Should you decide to cease your regular instalment AVC arrangement, the service secured will be pro-rated to the date of cessation.
- Contributions for regular instalment AVCs, which remain in place after 31 March 2016, will be based upon your actual salary which can differ from pensionable salary, please refer to the [glossary](#) for definitions.

Added years AVCs

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

From 1 April 2016 the final salary section of USS will be closed to future accrual and 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 (which includes any added years purchased through an AVC arrangement) will be linked to your pensionable salary as at 31 March 2016. Importantly, pensionable salary as at 31 March 2016 is not frozen but will be increased annually by reference to official pensions which is currently linked to the consumer prices index (CPI) please refer to the [revaluation factsheet](#) for further details.

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 on 30 October 2015.

Please note that added years AVC arrangements which have already been entered into will continue as a default unless the scheme is informed otherwise. The trustee company will write to members with regular instalment AVC arrangements in the New Year to provide further information and a form to be completed by those who wish to cease making AVC payments.

Commencing a new added years AVC

For those members who wish to begin a new added years AVC arrangement before this option is removed, the following administrative procedures will apply:

- USS will provide added years AVC quotations for any requests received up to and including 30 October 2015 for both regular instalment and lump sum added years AVC contributions. Any quotations requested after 30 October 2015 may 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 and therefore lump sum contributions must be deducted from October salary payments. If you decide you wish to commence a new added years AVC arrangement, you must therefore ensure that your employer is able to make this deduction from your salary in October 2015. Please be aware your employers' payroll deadline is likely to be sometime before this – check with the person who usually manages USS pensions for your employer.
- You can contribute a maximum of 15% of salary to an added years AVCs. When calculating the maximum amount you can contribute towards a lump sum added years AVC arrangement, you can use your anticipated salary up to 31 March 2016 rather than the amount you have earned up to and including 31 October 2015.
- 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.
- 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 time frames outlined in this factsheet. All quotations that are in progress with a commencement date outside of the closing window will be adjusted accordingly.

You should always consider taking independent financial advice before making any decisions regarding your pension rights.

Currently paying AVC contributions

If you continue to pay regular instalment AVC contributions beyond 31 March 2016 the service to be purchased will remain unchanged so long as you continue your contributions to the expected end date. However, the benefits earned will be based upon pensionable salary as at 31 March 2016 (uprated annually as described above).

If you are currently paying a regular instalment added years AVC, the trustee company will write to you in the New Year with further information and provide details of how to provide notification of a cancellation. If you wish to continue paying your regular instalment added years AVC you do not need to take any action, the default position will be that all AVC arrangements will continue unless the trustee company is notified otherwise.

You are able to cancel your regular instalment AVC at any time, where a regular instalment AVC is cancelled, the service secured from the arrangement will be based upon the original amount of service it was due to secure, pro-rated by the amount of time elapsed.

Important dates

- **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. Please be aware your employers' payroll deadline is likely to be sometime before this – check with the person who usually manages USS pensions for your employer.
- **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 may be returned.