



For the future

USS is changing.

From 1 April 2016 a new scheme structure will be introduced; the revised scheme will provide a core [defined benefit](#) (DB) alongside a new [defined contribution](#) (DC) section.

These are significant changes, and USS want to give you time to understand how the different sections of the new scheme structure will contribute to your retirement saving. The changes will therefore be introduced in two phases.

Phase one

From 1 April 2016 the core DB provided by USS will be on a [career revalued benefits](#) (CRB) basis. For each year of service you will earn a proportion of your salary as pension and a proportion as a cash lump sum which can be taken tax free ([subject to certain restrictions](#)) on retirement.

[Your benefits will be increased annually to provide some inflationary protection.](#) The amount you receive from this section is not affected by investment performance. Between 1 April 2016 and 30 September 2016 you will earn this type of pension on your full pensionable salary.

Your contribution rate will increase to 8% of pensionable salary from this date (from 7.5% for final salary members and 6.5% for current CRB members). Employer contribution rates will also increase from 16% to 18%.

Phase two

From 1 October 2016 the scheme will provide benefits at retirement made up of two different elements: core [DB provided on a CRB basis](#) up to a salary threshold of £55,000 per annum (pa) and a new [DC section](#).

If you earn up to (and including) £55,000 pa, you will continue to earn core DB on a CRB basis on your full pensionable salary.



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If you earn more than £55,000 pa, you will continue to earn core DB pension and lump sum on your salary up to that level. Contributions paid on salary earned above £55,000 pa will go into the new DC section of the scheme.

Additional optional DC contributions

From 1 October 2016, you will have the option of making additional contributions into the new DC section. If you earn more than £55,000 pa these payments are in addition to the compulsory contributions you and your employer will make in respect of salary above the threshold. Your employer will match the first 1% of any additional contributions you choose to make.

For further information please visit [USS For the future](#), where you can find a section on DC Education as well as a [factsheet](#) on the salary threshold and contribution rates.

Benefits earned up to 31 March 2016 are protected in law and in the scheme rules. You will receive a statement of your benefits as at 31 March 2016.

If you are a member of the CRB section your statement will be issued as normal (ie in autumn 2016).

If you are a member of the final salary section your benefits earned up to 31 March 2016 will be calculated using pensionable service and pensionable salary as at that date. You will receive a statement confirming the value of benefits earned up to 31 March 2016 before the end of 2016. Going forward the benefits you have earned will receive [annual increases to provide some inflationary protection](#).

Contact USS

If you have any questions regarding this information or the [USS For the future website](#), please contact [USS Communications](#) or, for specific matters related to your own pension, please contact pensions@abdn.ac.uk