

# Important information for members purchasing additional voluntary contributions through Prudential

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USS currently offers members the option to pay money purchase additional voluntary contributions (MPAVC) through Prudential by making regular instalment or lump sum contributions. Prudential offers an investment-based facility in which the member has a choice of investments. If you currently pay into Prudential please read the information below.

## Key points

- If you currently have a money purchase AVC you will be able to continue to make additional payments on a defined contribution basis.
- The option at retirement to use your individual money purchase AVC to purchase additional defined benefits will be restricted to the value of your money purchase AVC built-up before 31 March 2016. This includes the value of any contributions made prior to 31 March 2016 and any investment returns on those contributions.
- Any defined benefits purchased using a money purchase AVC built-up before 31 March 2016 will not be linked to final salary upon retirement. Defined benefits purchased using a money purchase AVC will be linked to your **pensionable salary** as at 31 March 2016.

## Money purchase AVCs

Presently your money purchase AVC can be used in different ways to supplement your benefits at retirement, for example you may wish to take the money saved in your money purchase AVC as a tax-free cash lump sum (subject to certain limits) or purchase additional defined benefits within the scheme.

You are also able to transfer your money purchase AVC to another pension scheme whilst leaving your main USS pension within the scheme or you could choose to use your money purchase AVC to purchase additional pension in the form of an annuity. You should always seek independent financial advice before transferring your pension savings.

## If you are currently paying additional voluntary contributions into a money purchase arrangement

If you currently have a money purchase AVC you will be able to continue to make additional payments on a defined contribution basis after 31 March 2016. From 1 October 2016, there will be a new facility allowing members to pay additional voluntary contributions into the new defined contribution (DC) section of the scheme. Further details will be provided in due course.

However, the option at retirement for you to use your individual money purchase AVC to purchase additional defined benefits through the purchase of extra service in the scheme will be restricted to the value of your money purchase AVC built-up before 31 March 2016, including any investment returns received on those savings.

From 1 April 2016 you will be able to continue to pay additional contributions under the scheme. However, you will not be able to use any money paid in after that date or any investment returns earned on the money paid in after that date to purchase defined benefits within the scheme. Any defined benefits purchased using a money purchase AVC built-up before 31 March 2016 will not be linked to final salary upon retirement, but will be linked to your pensionable salary as at 31 March 2016. For further information about the end of final salary provision within USS please refer to the relevant section on the **For the future** website.