

## University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

### Factsheet 10 – Leaving Service Benefits

You may leave the Scheme before retirement for several reasons. For example, you may leave employment with the University or you may decide to opt out of UASLAS membership.

This factsheet sets out what happens to your benefits when you stop contributing to UASLAS. It also provides details of the different options that may be available to you.

**If you wish to leave the Scheme but you are not leaving employment with the University, you should give the UASLAS Trustees as much notice as possible, and in any event no less than one month's notice.**

#### **AUTOMATIC ENROLMENT**

As required by auto enrolment legislation, you will have a statutory right to opt-out of the Scheme within an initial period of being automatically enrolled. Opting out in this way will result in a return of your contributions from the Scheme, which are subject to tax and national insurance contributions. The aim is to put you back in the position you would have been in had you not been automatically enrolled into the Scheme. Details of how you can opt-out, including how to obtain an opt-out notice, will be provided within the University's automatic enrolment communication to you.

#### **OPTIONS ON LEAVING**

If you stop paying contributions into UASLAS and leave the Scheme you will have a number of options available to you depending on the amount of Pensionable Service you have completed.

**If you have completed 2 years' Pensionable Service:**

- You may choose to defer your benefits;
- You may transfer your benefits to another approved pension arrangement;

Unless you take action to transfer your benefits you will become a deferred member of UASLAS and your benefits will come into payment when you reach Normal Pension Date. During this period, your benefits will increase to protect them against the effects of inflation.

**If you have completed less than 2 years' Pensionable Service:**

- You may transfer your benefits to another approved pension arrangement (provided you have completed 3 or more months of Pensionable Service);
- You may receive a refund of your contributions.

Each of the above options is described in more detail below.

#### **DEFERRED MEMBERSHIP**

If you leave the Scheme having completed at least 2 years' Pensionable Service you will have the option of deferring your benefits until you retire.

Your deferred benefits will be calculated in the same way as if you retired at your Normal Pension Date, but based on your pensionable salary and Pensionable Service at the date you leave.

#### **WHAT HAPPENS TO YOUR DEFERRED BENEFITS AFTER YOU LEAVE THE SCHEME?**

Your deferred benefits will be revalued between your date of leaving and your Normal Pension Date to protect them against the effects of inflation.

#### **Guaranteed Minimum Pension (GMP)**

Your GMP will increase each tax year in line with statutory requirements.

#### **CARE benefits**

Your CARE pension and lump sum will be increased in line with the Consumer Prices Index each year subject to a maximum of 2.5% a year up to your Normal Pension Date.

#### **Final Salary lump sum and pension**

Your Final Salary pension in excess of GMP and your Final Salary lump sum will be increased in line with the Consumer Prices Index each year subject to a maximum of 5% a year up to your Normal Pension Date.

#### **Additional Voluntary Contributions (AVCs)**

If you have paid AVCs into UASLAS then your AVC account will remain invested until your retirement.

## TRANSFER OUT

If you have completed 3 or more months of Pensionable Service then at any time between leaving UASLAS and your Normal Pension Date you can ask to transfer your benefits to another approved pension arrangement if you wish.

If you request a transfer you will be provided with a transfer value quotation, which represents the expected cost within UASLAS of providing your benefits.

If you decide to transfer your benefits you will give up all of the guarantees provided under UASLAS. As such, you may wish to take independent financial advice before making a decision.

More information on transferring your benefits is available in [Factsheet 11 – Transfers](#).

## REFUND OF CONTRIBUTIONS

If you have less than two years' service then you may receive a refund of your contributions to the Scheme with interest at a rate of 4%. However, if you have participated in the Pensions Plus arrangement you will receive this refund from the University instead of the Scheme.

Tax will also be deducted from this refund at the appropriate rate(s). Contributions refunded from your UASLAS AVC account will be taxed separately.

### If you were a member of the Scheme prior to 6 April 2016

If you were a member of the Scheme while it was contracted out, the National Insurance (NI) contributions you paid were smaller than they otherwise would have been. As a consequence of this, the amount of State benefit you would receive when you retire would be reduced.

Therefore, if you have less than two years' service and you choose to receive a refund of your contributions, an amount equal to the NI contributions you would have paid (had the Scheme not been contracted-out) will be paid to the State. This will ensure that your State benefits are not affected by the short period that you were a member of the Scheme while it was contracted out. For more information see [Factsheet 12 – State benefits](#).

To apply for a refund of contributions please contact the Pensions Office.

## WHAT HAPPENS IF I DIE AFTER LEAVING SERVICE?

If you die before retirement whilst you are a deferred member a lump sum is payable to your estate along with a pension which is payable to your spouse.

### Lump sum

The lump sum payable on your death consists of a refund of your contributions paid into the Scheme with interest at 4%.

### A pension for your spouse

If you die after leaving the Scheme and before your Normal Pension Date, your spouse or partner will be paid a pension for life. The pension will be half of your deferred pension including the revaluation you would have received on your pension up to the date of your death.

## IMPORTANT NOTE

This factsheet provides a summary of the benefits available on leaving service. 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 factsheet, the Rules will override the factsheet.

A copy of the Rules can be obtained from the Pensions Office.