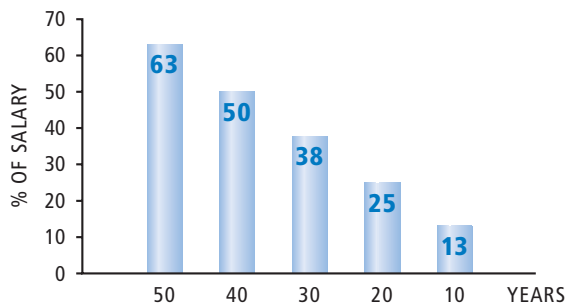


## Will your pension be enough?

### Potential Benefits

The chart below illustrates what pension you might receive as a percentage of your salary, dependent on your service in USS.



Of course, as standard you will receive 3 times these amounts as a tax-free cash lump sum, in addition to the pension although you might decide to take more or less cash and opt for a lower or higher pension instead.

Visit the USS website benefit modeller to obtain a full projection of your potential retirement benefits from USS ([www.usshq.co.uk](http://www.usshq.co.uk)).

### What if your pension isn't enough?

You have the opportunity as a USS member of paying extra contributions known as additional voluntary contributions (AVCs).

AVCs are a very tax efficient way to save as you will receive tax relief at the highest rate of tax you pay on any extra contributions.

There are two quite different AVC options available from USS.

The first option is to pay extra contributions to buy extra years and days service in USS, the second is called the money purchase AVC and is administered by Prudential, one of the UK's largest pension providers.

You should note that there are other forms of saving open to you and you may wish to consider these also before deciding to contribute to one of the USS AVC options. If you are in any doubt you should consider taking appropriate financial advice. Neither USS Ltd or your employer can advise you, visit the USS website to view a list of suitably qualified financial advisers in your area.

### Added years AVCs

This is the AVC that allows you to buy more years and days service in USS, which increases your pension and tax-free cash allowance and also any potential dependants' benefits. You can pay up to a total of 15% of your pensionable salary into this AVC, in addition to your normal contribution rate to the scheme.

The amount you receive is based on the service purchased and your pensionable salary at retirement.

### Money Purchase AVCs (Prudential)

This is another option for paying extra contributions. You can pay up to an extra 93.65% of your taxable pay into this AVC, the contributions are invested in a fund/funds of your choice from a selection provided by Prudential. This fund is then used at retirement to secure extra benefits either by buying an extra pension or extra tax-free cash. Importantly, it may be possible for you to take all this fund at retirement as tax-free cash (based on current HM Revenue & Customs rules). If you want to use the fund to buy a pension this can be purchased from Prudential, another insurer and also from USS when you retire.

Remember, you can pay into both the USS AVC facilities and also into another pension arrangement outside of USS so long as the total contributions don't exceed 100% of your gross taxable pay.

### Don't delay

The best way to find out more about the added years AVC option is to visit the USS website [www.usshq.co.uk](http://www.usshq.co.uk) and choose **modellers** and **added years AVC**. You will be able to find out how much additional service you can buy and the cost. More general information about AVCs can be found in factsheet one.

To get more information about the money purchase AVC facility call the Prudential help line on

**0845 070 0007**

Alternatively, visit the Prudential website at [www.pru.co.uk/universitiesavc/](http://www.pru.co.uk/universitiesavc/)

If you cannot access the USS website you should contact the person responsible for pensions at your institution who will be able to provide you with an illustration of the cost.