

in touch

Universities Superannuation Scheme Newsletter 2010



Last year I opened this newsletter by talking about recent events in the financial markets and took the opportunity to reassure you that your pension remained secure. Well, the 12 months since then have been challenging not only for pension funds but for the UK economy as a whole and we have experienced a long period of recession. Once again I can reassure you that your pension remains secure. As a long-term investor USS is well placed to ride these short-term falls in markets and we have sufficient assets to continue paying pensions.

USS pensions have always been increased at least in line with the rise in the Retail Price Index (RPI) over the previous year. RPI increases mean that your pension retains the same purchasing power regardless of increases in price inflation. Some of you may recall as far back as 1975, when inflation was running so high that USS gave pension increases in excess of 25%. Of course this also means that pension increases are small when price inflation is low, as it has been for many years. Unusually we have had a period of negative inflation, or deflation, in the 12 months ending in September 2009. This doesn't mean we have reduced your pension; instead we have treated it as though inflation was at 0% and so no increase has been applied to the majority of pensions. The increase for 2011/12 will be determined by the change in the RPI over the 12 months to September 2010.

The work of the USS Joint Review Group to modernise USS so that it remains an affordable defined benefit pension scheme continues and they are committed to ensuring that the scheme continues long into the future. A speech given by the group's chairman, Sir Andrew Cubie, outlining the principles and measures being considered can be found on the USS website. Let me assure you that any changes will not affect any pensions already in payment.

In this edition, we're pleased to introduce our new pensioner director and we have articles on a range of subjects. This is your newsletter and we welcome your feedback. You can write to me, or email communications@uss.co.uk with your comments or suggestions. In the meantime I hope you enjoy this edition of 'in touch'.

Colin Busby
Communications Manager

Paying too much tax on your savings?

You may have paid tax that you didn't need to pay and might be due some money back.

This is because banks and building societies usually take 20% tax off your interest before they pay it to you – so you only get 80p of every £1 interest you earn. But if you or your partner are on a low income you may not need to pay any tax at all – or you may be eligible to pay less than 20% tax.

You may already have received a letter and documents about this from HM Revenue & Customs (HMRC).

HMRC have been running a campaign called Taxback to encourage pensioners to investigate whether or not they should be paying tax on their savings.

Does this apply to you?

You don't need to take any action if any of the following apply to you:

- you receive all of your savings interest without any tax taken off
- you fill in a claim form (R40) each year
- you already fill in a Self Assessment tax return each year

In these cases HMRC will already know about your income and you will be paying the correct tax.



“..if you or your partner are on a low income you may not need to pay any tax at all – or you may be eligible to pay less than 20% tax.”

However, if you or your partner are on a low income and none of the above applies to you, then you might want to contact HMRC to find out if you have a claim.

If you haven't made a claim already then you can claim as far back as the tax year 2004-05.

For more information and guidance you can either visit the HMRC website at www.hmrc.gov.uk/pensioners/taxback.htm or if you don't have access to the internet give HMRC a call on 0845 366 7850 (open from 8.30am to 5.00pm, Monday to Friday).

New USS website

www.uss.co.uk

Since the last newsletter, we have launched our new website at www.uss.co.uk. We still have lots of useful information for our members on the website including modellers and Pensions TV but it's a lot easier to find. The new design was created with extensive user testing so we could be sure we created a website that was user friendly and accessible.

There's a whole section for our retired members and beneficiaries 'Pensions already in payment'. It has lots of useful information about your pension and you can access booklets, factsheets and forms that may be of use to you, as well as lots of general information about USS.



The website is the first phase of our ongoing project to launch USSonline to enable online processing for institutions and ultimately online access for members to their record. We're very proud of our new website and we'd welcome your feedback, we're always looking for ways to improve the service we offer to our members.

New pensioner director **Bill Trythall**



Bill Trythall was appointed pensioner director of USS in October 2009. Before he retired Bill was a lecturer in history at the University of York, where he

specialised in modern Spanish history.

Bill returns to the board of USS with considerable knowledge and experience of the scheme. He previously served on the board as an AUT representative from 1988 to 2005 and was on the Joint Negotiating Committee (which considers

and approves amendments to the rules of USS) for 20 years. On leaving the board in 2005 he served as the UCU representative on the USS rules committee. Bill was on the national executive committee of the AUT for many years and was its president from 1989 to 1990.

The board of USS is made up of four representatives from Universities UK, three from UCU of whom one must be the pensioner director, one representative from the funding councils and a minimum of two and a maximum of four co-opted independent directors.

Protecting your personal data



We hear in the media about identity theft and what can happen when your personal details are stolen.

Increasingly the organisations we deal with are doing more to protect our data when it's transmitted and to make sure that any updates and requests are legitimate. USS is no exception and you can see in the article 'Keep 'in touch' with us!' on page 8 some of the things we do to help make sure that your data is protected. But what can you do? Well we can all take very simple steps to protect ourselves from malicious misuse of our personal data.

- You wouldn't leave your valuable jewellery or your laptop on open view when you weren't there; treat your bank statements, pension information and other financial documents with the same security.
- Shred any bank statements or other confidential documents before you put them in the rubbish or recycle bin.
- If you are online be careful with your passwords and watch out for 'phishing' emails, do not respond to emails requesting password and account information. For example HM Revenue and Customs (HMRC) has recently been the victim of a phishing attack and has issued a warning advising people not to respond to emails from 'HMRC Online services – test@test.com' as it directs them to a fraudulent website requiring the user to enter user name and password details.
- If you are using your computer online, make sure to keep your virus protection software and firewall up to date.



“You wouldn't leave your valuable jewellery or your laptop on open view when you weren't there; treat your bank statements, pension information and other financial documents with the same security.”

USS doesn't share your data with any other agency except as required to provide your pension and we always store, transmit and handle your data securely.

Living abroad?

Lots of our members already live outside of the UK and others may be thinking of moving to enjoy a retirement in sunnier climes. You can still receive your USS pension if you live overseas.



USS pension payments are made using an automated credit system (BACS) which requires them to be paid to a UK bank account. If you live overseas however we are able to make your pension payment direct into your overseas bank account using Citibank's Worldlink Payment Service.

If you are planning to move abroad please let us know so we can update our records and advise you on the Citibank and tax exemption procedures. Please keep your UK bank account open until you have received your confirmation that the payment will be made via Citibank so you can be sure your pension continues to reach you.



Happy Birthday!

In the last year we have been pleased to celebrate the 100th birthdays of four more USS pensioners and beneficiaries.

Dr John Barclay (November 2009)

Professor Christopher Evans
(November 2009)

Mrs Maude Turner (February 2010)

Mrs Christine Coulson (March 2010)



About your pension



Pensions payroll



USS has a dedicated pensions payroll team to look after all our pensions in payment and the members receiving them; we pay out a staggering £76.5 million each month in pensions. Mike McGreal is our Payroll Manager and he's been looking after our retired members and beneficiaries since he started with USS in 1989.

"I have been at USS for over 20 years and have seen many changes which I have thoroughly enjoyed being a part of. When I first started, the payroll consisted of just over 15,000 pensioners and beneficiaries, we now have over 55,000! There were no computers, or automated systems – things we take for granted today. We are always pleased to hear from our pensioners and try to take on board any comments we receive on how we can improve the quality of our service."

If you have any queries or problems with your pension you can contact Mike's team who will be happy to help. Please have your pensioner number or your national insurance number to hand to help us respond quickly to your query.

P60

We are required by HMRC regulations to send you a P60 End of Year Certificate of Pension and Income Tax each year by 31 May. We aim to despatch your 2009/10 P60 by the end of April.

The P60 is an important document which you should keep safe as you will need it in order to complete your tax return. If you have not received it by the end of May please let us know in writing.

Pension Payment Advice Slips

You do not automatically receive a pension payment advice slip every month with your pension. You will always receive one in April but otherwise we will only issue an advice slip when the net amount of your pension differs by £1 or more from the previous month.

Tax Allowances

In the 2009 pre-budget report the Chancellor of the Exchequer announced that there would be no change to the income tax allowances for the 2010/11 tax year, the basic personal allowance will be subject to an income limit of £100,000.

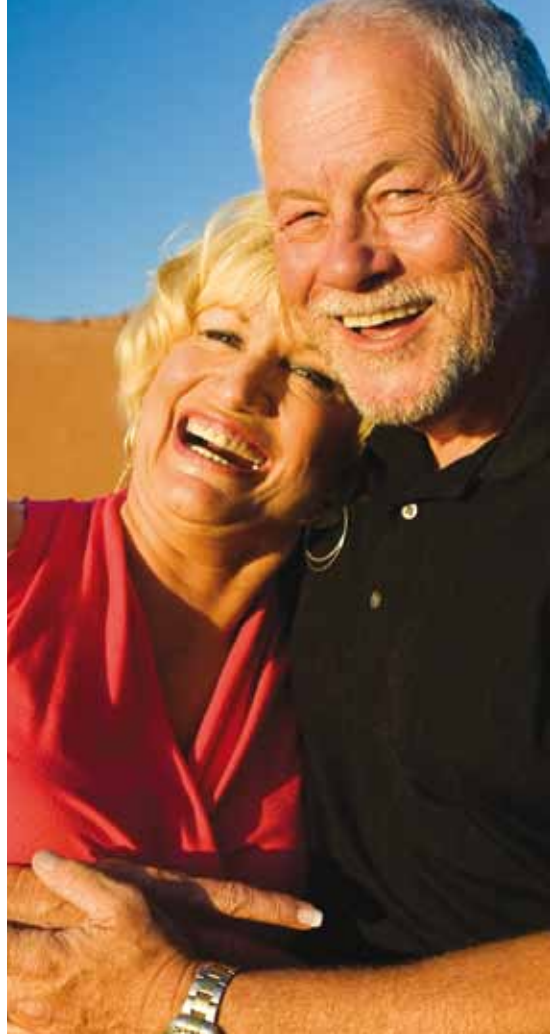
Although the tax bandwidths and rates are unchanged for the 2010/11 tax year a new 50% tax rate has been introduced for those with an income in excess of £150,000 a year.

About your state pension

Most retired people get some sort of state pension, although the amount you get will vary depending on the amount of national insurance contributions you have paid throughout your life. The basic state pension is increased each April by an amount based on the Retail Price Index (RPI) for the 12 months to the end of the previous September. There is a minimum increase of 2.5% if price inflation is low or negative as it has been this year.

Members of USS are 'contracted-out' of the additional state pension while making contributions and so pay a reduced rate of national insurance. If you were contracted-out, you are still eligible for the basic state pension but your USS pension includes a Guaranteed Minimum Pension (GMP) for service before April 1997 which is an amount equivalent to the additional pension which you would have received had you not been contracted-out. Although increases to the GMP are normally equal to the increases to basic state pension the minimum 2.5% increase doesn't apply and so there is no increase on the GMP this year.

“Most retired people get some sort of state pension, although the amount you get will vary depending on the amount of national insurance contributions you have paid throughout your life.”



When an increase is due to the GMP it will either be all paid by the Department for Work and Pensions (DWP) with your basic state pension, all paid by USS or part paid by both. If you have any queries about your GMP please contact us and quote your pensioner number which can be found on your pension payment advice slip.

Further information about the basic and additional state pensions can be found by visiting the government website at www.direct.gov.uk

Contact us

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Scheme Ltd

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0845 068 1110 (local rate)

Fax:
0151 236 3173

Email:
payroll@uss.co.uk
postbox@uss.co.uk

Website:
www.uss.co.uk

Any queries?

If you have any queries or problems with your pension, please contact the pensions payroll department. Please have your pension number or national insurance number to hand to help us answer your query. You can find both these numbers on your pension payment advice slip.

This document is available in large print on request

Keep 'in touch' with us!

This newsletter is one of the ways we keep in touch with you but it's important that you keep in touch with us too.

If you are moving house, changing your bank details or changing any other of your personal details you need to let us know. If you are:

- **moving house** you just need to send us a signed letter with your new address, we'll update our records and, if you request it, send you a confirmation letter.
- **changing your bank details** we need proof of the new details so when you write to us please include a cancelled cheque, original current bank statement or paying-in slip. We recommend that you keep your old bank account open until you've received written confirmation from us that our records have been updated.
- **changing your surname** please enclose a certified copy of a document supporting the change, for example marriage certificate, or another legal document.

Although we understand that it would be easier for you to just pick up the telephone we ask you for this additional information to help us protect you from fraudulent changes to your details that may result in your pension being paid incorrectly. There are forms available from the USS website **www.uss.co.uk** to help you notify us of these changes.

