

in touch

The 2013 newsletter for retired and beneficiary members of USS



It is my pleasure to introduce the 2013 'in touch' newsletter, after what has been a year of considerable change in the pensions world.

Over the last twelve months USS has

made progress implementing responses to two major government initiatives: auto-enrolment and changes to the tax allowances for pensions savings. As a member already in receipt of a benefit from USS you will be largely unaffected by these changes, unless you have taken up further employment.

In this edition

As for changes ahead, you may have heard about proposed amendments to the State Pension. See pages 6–7 for more information on this and other related matters. In this edition we've also included articles about our pensions payroll team on page 2; tax allowances on pages 4–5; the trustee company's recent 'Committed to Excellence' award on page 9; tax efficient payroll giving from the Charities Trust on page 10; and the work of Recourse, a charity supporting those working in the Higher Education sector on page 11, along with other information that we think may be of interest to you.

Reader survey

Last year, we ran a survey on 'in touch' and received over 500 responses. I'm pleased to say that the feedback showed that you think the balance of the newsletter content is about right. We are always pleased to hear your opinions and if you have any further comments the back page lists lots of useful contacts, including ways to get in touch with us.

Farewell

Finally, our Communications Manager, Colin Busby, retired in July 2012, having edited this newsletter for many years. Colin was with the trustee company since the very earliest days of the scheme in 1975, and latterly headed up the company's communications and training department. We send our very best wishes to Colin in his retirement. In May, we will also see the retirement of Tom Merchant, the company's chief executive. Tom has been with the company since 2002 and we wish him well as he begins his retirement.

I hope that you enjoy this edition of 'in touch'.

Brendan Mulkern

Head of Policy

Meet the payroll team



In a single month the pensions payroll team processes pension payments for approximately 67,000 USS members and beneficiaries, amounting to net payments of nearly £78 million a month.

The team is also responsible for responding to your letters, emails and telephone queries.



Payroll manager Mike McGreal (back row, far left) and team.

- If you need to make any changes to the personal data USS holds for you (such as address or bank details), please let us know in writing.
- If you telephone, please have your pensioner number or national insurance number to hand, as you will be required to answer security questions.
- If you email, please quote your name and pensioner number but **do not** include any other personal information as email is not a totally secure method of communication.

If you change any personal details such as your name or address, you should also notify HM Revenue & Customs separately at: HM Revenue & Customs, Pay As You Earn, PO Box 1970, Liverpool, L75 1WX.

Contact the pensions payroll team:

Write to: Universities Superannuation Scheme Limited, Pensions Payroll section, Royal Liver Building, Liverpool, L3 1PY

Telephone: 0151 227 4711
0845 068 1110 (local rate)

Fax: 0151 236 3171

Email: payroll@uss.co.uk

Website: www.uss.co.uk

**This document is available in large print on request.
Call USS on 0151 227 4711.**

Pension increases

All qualifying pensions starting before 24 April 2012 will be increased from April 2013 by 2.2%. The increase is based on the increases applied to 'official pensions' (those paid to members of public service pension schemes, such as teachers or civil servants). Increases to official pensions are based on the rate of inflation for the 12 months to September 2012, measured using the Consumer Prices Index.

USS pension increases

- For pension rights built up before October 2011, increases match the full increase in official pensions.
- Increases to pension rights built up from 1 October 2011 will match the rise in official pensions for the first 5%. If official pensions increase by more than 5%, then USS will match half the difference, up to a maximum overall increase of 10%. So, if the rate of increase to official pensions was 15%, USS's increases would be 10% for post October 2011 pension rights.
- Smaller percentage increases will be applied to pensions starting after 23 April 2012.

Pensions increases for the last five years

Year	Pre 1 October 2011 benefits
2012	5.2% ¹
2011	3.1%
2010	0.0%
2009	5.0%
2008	3.9%

¹The increase to post October 2011 pension rights was 5.1%.

We welcome your feedback

If you have recently been in touch with a member of our staff, you can tell us about your experience by taking part in a short survey. Visit us at www.uss.co.uk/CustomerSurvey. Your feedback is very important to us.



Tax allowances



The following tables show the allowances for the 2013/14 tax year:

Income Tax allowances	2013/14
Personal Allowance for people born after 5 April 1948 ¹	£9,440
Personal Allowance for people born between 6 April 1938 and 5 April 1948 ^{1,2}	£10,500
Personal Allowance for people born before 6 April 1938 ^{1,2}	£10,660
Married Couple's Allowance (born before 6 April 1935 and aged 75 and over) ^{2,3}	£7,915
Income limit for Personal Allowance	£100,000
Income limit for the allowances for those born before 6 April 1948	£26,100
Minimum amount of Married Couple's Allowance	£3,040
Blind Person's Allowance	£2,160

¹ The Personal Allowance reduces by £1 for every £2 of income above the £100,000 limit. This reduction applies irrespective of age.

² These allowances reduce by £1 for every £2 of income above the £100,000 limit. The Personal Allowance for people aged 65 and over (up to and including 2012/13) and born before 6 April 1948 (from 2013/14) can be reduced below the basic Personal Allowance where the income is above £100,000.

³ Tax relief for the Married Couple's Allowance is given at the rate of 10%.



Income Tax rates and taxable bands

Rate	2013/14
Starting rate for savings: 10%	£0 – £2,790
Basic rate: 20%	£0 – £32,010
Higher rate: 40%	£32,011 – £150,000
45% from 6 April 2013	Over £150,000

Please note: The 10% starting rate applies to savings income only. Savings income is interest on bank and building society accounts. If, after deducting your Personal Allowance from your total income liable to Income Tax, your non-savings income is above this limit then the 10% starting rate for savings will not apply. Non-savings income includes income from employment, profits from self-employment, pensions, income from property and taxable benefits.

The rates available for dividends are:

- Ordinary rate – 10%
- Upper rate – 32.5 %
- Additional rate – 42.5% (37.5% for the 2013/14 tax year).

Any queries regarding the calculation of your tax code should be addressed to:

HM Revenue & Customs

Pay As You Earn

PO Box 1970

Liverpool

L75 1WX

Telephone number: 0845 300 0627

Please quote tax office reference **428/U168** together with your national insurance number.

Proposed flat-rate State Pension

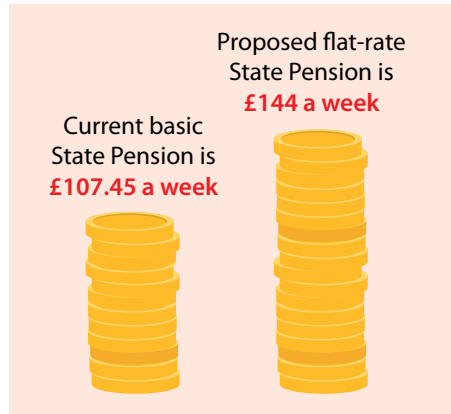


In January 2013, the government published the Pensions Bill outlining its plans for an overhaul of the State Pension system, proposing a total State Pension income of £144 a week for each qualifying individual. It is planned to come into payment for those reaching State Pension age from April 2017, although this date is yet to be confirmed.

To qualify for the full amount, you will need to have made national insurance contributions for 35 years. This qualifying period is also a change. For those reaching State Pension age from April 2010 up to when the changes take effect, the qualifying period for a full State Pension is 30 years. Before then, it was 39 years for women and 44 years for men.

Currently, the basic State Pension is £107.45 a week. This can be topped up by a second element of the existing State Pension system called the State Second Pension (previously called the State Earnings Related Pension).

You should note that from 1978 and during your membership of USS, the scheme was contracted out of this State Second Pension, so you will have paid less national insurance contributions. This means that unless you were contracted in during another period of employment not pensionable in USS, you may not be entitled to the State Second Pension.



In addition, some may be entitled to the minimum income guarantee, which ensures incomes for those at or above State Pension age are at least £142.70 a week or £217.90 a week for couples.

“Many USS members have yet to reach State Pension age and might be affected by this change.”

Many USS members who are receiving a benefit from the scheme have yet to reach State Pension age and therefore might be affected by this change. There is no proposed change to State retirement benefits for those already at State Pension age before the flat-rate pension is introduced.

The State Pension age in the UK is being equalised for men and women. You can find out more information about this in the last edition of *'in touch'* which is available on the USS website at www.uss.co.uk. Broadly speaking, it will rise to age 66 by October 2020 and, if legislation is approved, to 67 by 2028, with further increase to age 68 almost certain.

It's fair to say the existing system is complicated and some payments need to be claimed, which not everyone is aware of, so what is proposed should be a lot easier to understand. However, as with many changes there are some winners and some losers.

Who wins?

Those who have built up quite big savings for their retirement could be better off. This is because at present these savings are means tested in respect of the minimum income guarantee.

The self-employed, who have received a relatively small State Pension, could also benefit. Those who have taken time out of work to care for children or people with disabilities will have access to the enhanced pension.

Who loses?

Those who reach State Pension age before the change will remain in the old system, so they could be slightly worse off than new pensioners. However, younger pensioners will have a higher State Pension age.

Some high earners contracted in to the State Second Pension might have expected to be able to build up more than the flat-rate £144 a week pension, but this will no longer be possible. However, the benefits already built up by those who have not yet reached State Pension age will be protected and under the new system they will receive a State Pension at least equal to this amount.

What next?

At the moment the Pensions Bill is in draft and being considered by parliament. No change to the current law has yet been implemented.



Need financial advice?



If you ever need financial advice, it can be difficult to find a suitably qualified adviser.

The USS website www.uss.co.uk lists financial advisers regulated by The Personal Finance Society who have the highest level of qualification (chartered financial planner) and in addition, have received training provided by the trustee company on how the scheme works. The search facility allows you to look for an adviser by region.

You need to be aware that the advice will not be free – there is a list of potential fees provided on the website.

Any advice provided by The Personal Finance Society or by any financial adviser is on a strictly confidential basis and is independent of the views or opinions of the trustee company. We do not endorse, nor do we assume responsibility for any advice received.



Finding advice

Some Citizens Advice Bureaux have volunteer financial advisers as part of the Moneyplan scheme - check with your local bureau to see if it's taking part.

In addition, the Money Advice Service is a recent initiative created by the government to help people make the most of their money. They give free, unbiased money advice to everyone across the UK – online, over the phone and face to face.

www.moneyadvice.service.org.uk

Telephone: 0300 500 5000

On the back page of this newsletter you will find a list of contacts that may be useful when considering your finances.

Other organisations that can help you search for an adviser include:

www.unbiased.co.uk

www.findanadviser.org

More USS news

'in touch' accompanies your pensions increase letter and aims to provide information of particular interest to retired members. Feedback tells us that you are also interested in receiving information relating to the funding and investments of the scheme.

We issue a Members' Annual Report, usually in October, to all members of the scheme including retired and beneficiary members. This report deals primarily with the financial aspects of USS and you can access the 2012 Members' Annual Report at www.uss.co.uk, as well as previous years' reports. The 2013 Members' Annual Report will be sent to you during Autumn 2013.

USS is 'Committed to Excellence'

Last year, the trustee company introduced the business excellence model, an initiative of the European Foundation for Quality Management. This enables an organisation to review its activities and tailor a programme of improvements. The first stage of business excellence accreditation is the 'Committed to Excellence' award, and we are very pleased to report that we achieved this award.



USS centenarians

We were delighted to celebrate the 100th birthdays of the following pensioner and beneficiary members of USS in the past year:

Mrs Eleanor Gaunt

Mr Robert Lister

Dame Kathleen Ollerenshaw

Mr Neville Masterman

Mrs Olga Houghton-Evans

Mrs Jean Fox

Mrs Janet Gray

Lady Margaret Dacie

Mrs Eileen Garner

100 years!



USS payroll giving:

Launch of My Giving Account

Retirement need not bring an end to charitable giving. Statistics show that people who have left the workplace not only attach particular importance to charitable giving, but also like to retain control of how, when and where they give.

In just over ten years, USS members have used Payroll Giving to donate in excess of £2.5 million and last year supported 176 charities and good causes.

Payroll Giving benefits charities and donors alike; charities receive a sustained, regular income stream that they can rely on, and donors get immediate tax relief on their Payroll Giving donations.

“Payroll Giving is an easy option for both your working life and retirement.”



Charities Trust
connecting through giving™

USS has operated Payroll Giving with the help of one of the UK's biggest donations management agencies, Charities Trust, for more than a decade. Charities Trust continues to find ways to make Payroll Giving an easy option for both your working life and retirement.

In celebration of 25 years of innovation in the giving market, the Charities Trust has launched a New charity account – ‘My Giving Account’ – funded by Payroll Giving.

With My Giving Account, Charities Trust continue to process donations in and out on your behalf, but you have greater control of your donations. My Giving Account enables you to allocate the money you would like to donate, with options for monthly, quarterly and six-monthly donations. You can leave donations to accumulate and make one-off donations in response to sudden need, such as disaster appeals.

To sign up for Payroll Giving, to add ‘My Giving Account’ to your current payroll giving facility or for more information visit:

www.charitiestrust.org.uk/uss

Recourse:

Supporting education professionals



In 2004, the Teacher Support Line was made available to lecturers in further education (FE) and higher education (HE) in England and Wales. Two years later, it was felt that a separate charity was needed specialising in support for all those working in FE and HE, so the College and University Support Network (CUSN) was launched. In 2010, CUSN became 'Recourse'.



Today, Recourse continues to support all staff in HE, as well as those who have left or retired. Working closely with its sister charity, the Teacher Support Network, and under the leadership of its Chief Executive Julian Stanley and the Recourse board, Recourse aims to improve the health, well-being and status of current and retired staff in education.

One major part of the work Recourse does is crisis intervention, which includes free services such as telephone counselling, coaching, information or signposting to other organisations and telephone support for those most in need. The charity also conducts research to help improve the status of those who work or who have worked in HE.

The charity mainly relies on donations from individuals to fund these services and also works closely with the unions, particularly the University and College Union.

In 2013, Recourse hopes to support even more education and academic professionals.

For more information
about Recourse go to:

Website:
www.recourse.org.uk

Telephone:
0808 802 03 04



Useful contacts

Keep this page for a list of USS contact information as well as some other non-USS contacts that may be of use to you.

Universities Superannuation Scheme Limited, Royal Liver Building, Liverpool, L3 1PY

Telephone: 0151 227 4711 / 0845 068 1110 (local rate)

Fax: 0151 236 3171 Website: www.uss.co.uk

Below is a list of useful non-USS contacts.

Name of organisation	Purpose	Contact details
Citizens Advice	Helps resolve legal, financial and other problems with free, independent and confidential advice.	Web: www.citizensadvice.org.uk You can find your local office listed in the phone book.
Department for Work and Pensions (DWP)	Provides information and advice on State benefits.	Web: www.dwp.gov.uk
HM Revenue & Customs	Provides information on tax and national insurance contributions.	Phone: 0845 300 0627 Web: www.hmrc.gov.uk
Money Advice Service	Provides, free, clear and unbiased advice to help you make the most of your money.	Phone: 0300 500 5000 Web: www.moneyadviceservice.org.uk
The Pensions Advisory Service	Provides general information and advice on pensions.	Phone: 0845 601 2923 Email: enquiries@pensionsadvisoryservice.org.uk Web: www.pensionsadvisoryservice.org.uk
The Pension Tracing Service	Helps you to find any pension schemes you have lost touch with.	Phone: 0845 600 2537 Web: www.gov.uk/find-lost-pension
The Unclaimed Assets Register	Helps you to find any lost assets you might have and establish contact with financial institutions.	Phone: 0844 481 8180 Email: uarenquiries@uk.experian.com Web: www.uar.co.uk

This publication is for general guidance only. It is not a legal document and does not explain all situations or eventualities. USS is governed by a trust deed and rules and if there is any difference between this publication and the trust deed and rules the latter prevail. Every effort has been made to present accurate information at the date of publication.