

The retirement process

Video transcript

So here we'll have a look at the retirement process. So from getting a quote from USS to getting your first pension payment. You've done your retirement planning and now you're thinking about actually starting the retirement process.

If it's more than 12 months before your planned retirement date, you can use the Benefit Calculator projection tool in **My USS** to provide an estimate of the Retirement Income Builder benefits you'll receive and any Investment Builder savings you could access in retirement.

Then, you can request a retirement quote from USS or through your employer, up to 12 months before your planned retirement date to understand what your benefits might be. This can also help you plan further.

Your retirement quote will outline your benefits and any savings as well as those options. And you can use then the information you get in your retirement quote to go into the Benefit Calculator in **My USS** to explore your options like how much pension and cash to take.

So what we'll do is we'll go into the **Use your retirement quote** tool here to have a look. Enter the figures from your retirement quote into the boxes and then click **Continue to my options**. So we'll go in here. This is where you can explore further options with your benefits.

The default projection shows the maximum tax-free cash lump sum you can take, but then you can change this to see how taking less tax-free cash can affect your savings in retirement income. You can also look at what choices you can make if you've got defined contribution savings.

Then around three to six months before your retirement date, to kick off the process, contact your employer, as you'll need to agree your retirement date with them, and they'll submit a retirement form to USS on your behalf. Then once USS receive the form from your employer, they'll send your retirement quote back to your employer, who should share this information with you.

And if you've had a quote before agreeing your retirement date with your employer, this might be a second quote from USS. And then you'll be able to use the figures in the Benefit Calculator again in **My USS** to explore your pension and cash options.

Then at around two months before your retirement date, once you've considered your options and you know how you want to take your benefits, return your completed form. You can either return this form via your employer or directly to USS.

The earlier you return it, the better, because this will help your benefits to be paid at your preferred date. And it's especially important if you're taking any Investment Builder or Prudential savings too, because USS will need to disinvest your savings and will need a little more time to process this.

Then, once your benefits have been processed, you'll receive a settlement letter from USS confirming your benefits, which is usually within two weeks leading up to your retirement date, or within a few days of USS processing your benefits if your form was not returned on time. Then it's your retirement date.

And the process I've gone through here is if you'll be retiring from USS as an active member, which means that you're still contributing to USS right up to when you retire. If you leave USS before you retire, then you'll be contacted by USS a few months before your Normal Pension Age. Or you can contact USS yourself if you want to retire earlier than your Normal Pension Age.

In that case, you'll send your forms back directly to USS. The first working day after your retirement date you'll typically receive your one-off lump sum, if you've chosen to take this, straight into your bank account. This could be later if your form was not returned on time though.

Then, after your retirement date, you'll typically receive your first pension payment on the 21st day of the month following the month that you retire, and then each month after that. For example, if you retire from your role on 10 August, meaning that your pension start date is 11 August, your first payment will actually be on 21 September.

Your first pension payment may also include arrears back to your retirement date where necessary, and in this example, it would be for the period 11 August to 31 August. You might be taxed on the monthly pension income that you receive, depending on the total level of your income.

And if you want to know more about that, you might wish to watch the **Tax and your pension** webinar. You'll receive a letter from USS each year outlining your pension increase as well, and you can also view your payslips and P60s in My USS, to keep track of your income.