



# Choosing your retirement date. When will you take your benefits?

## Video transcript

We're going to have a look at retirement decisions, starting with choosing your retirement or when you'll take your retirement benefits.

When planning when to take your retirement benefits, the first step is understanding which benefits you have. All members have Retirement Income Builder benefits, which are defined benefit (DB) pensions. Some members may also have added years or added pension Additional Voluntary Contributions (AVCs) set up before April 2016, which increase Retirement Income Builder benefits. In addition, you may have Investment Builder savings, which are defined contribution (DC) benefits.

Before the Investment Builder was introduced in October 2016, some members built up DC savings with Prudential. These are known as Money Purchase AVCs (MPAVCs). Most MPAVC pots invested in Prudential's Unit-Linked funds have already been moved into the Investment Builder. However, if you have a with-profits or deposit fund that you have not switched, those savings remain with Prudential unless you choose to move them. USS will include details of any Prudential savings and your options when you request a retirement quote.

If you are unsure whether you have Investment Builder savings, you can check by logging in to My USS. Any added years, added pension AVCs, or Prudential MPAVCs will appear on your Annual Member Statement in the snapshot section. Annual Member Statements are issued only to active members still contributing to USS. If you are no longer contributing, you can find your benefit details in My USS or on your leaver statement, which you can request from USS if needed.

You can begin taking your Retirement Income Builder benefits or your Investment Builder savings from the minimum pension age, which is set by the government. This age is currently 55 but will rise to 57 from **Choosing your retirement date. When will you take your benefits? — April 2026**



April 2028. To take Retirement Income Builder benefits, you must either fully retire from your job or take flexible retirement, which allows you to reduce your hours and take part of your pension while continuing to work. Investment Builder savings are more flexible, as you can take them without retiring or reducing your hours, and you can take them earlier or later than your DB benefits as long as you have reached the minimum pension age.

USS offers several types of retirement: normal, early, late, flexible, and ill health retirement. The age at which you take your benefits affects the amount you receive. Normal retirement occurs at your Normal Pension Age, which is currently 66 for contributing members and will change in line with State Pension age. If you left the scheme before October 2020, your Normal Pension Age may be lower. At normal retirement, your pension becomes payable for life, along with a tax-free cash lump sum.

You do not have to wait until your Normal Pension Age to take your benefits. You can take them earlier from the minimum pension age, although early retirement usually results in reduced benefits because they are expected to be paid for a longer period. If you built up benefits under different Normal Pension Ages, the early-retirement reductions will vary across those parts. These factors are reviewed periodically by the trustee based on actuarial advice.

Some members prefer to delay taking their benefits. Late retirement allows you to take your pension after your Normal Pension Age, generally only if you are still working in eligible employment. You can delay taking your DB benefits up to age 75 if you continue contributing. Benefits taken late are usually increased because they are paid for a shorter period. If you are no longer contributing, you cannot take late retirement unless you remain in a USS-eligible role.

Flexible retirement is an option for members still contributing to USS who want to reduce their working hours while taking part of their pension. To qualify, you must reduce your hours and salary by at least 20% on a long-term basis. You can take up to 80% of your Retirement Income Builder benefits in up to two stages. After taking two flexes or reaching the 80% limit, your next step must be full retirement. Flexible retirement requires agreement from your employer, and USS must receive at least two months' notice.

Ill health retirement is available if illness or injury prevents you from continuing work. To qualify, you must have been building a pension with USS for at least two years.

**Partial ill health retirement** applies if you cannot perform your job or a similar one long-term but could do another type of work. In this case, you receive the benefits you have built up without early-retirement reductions.

**Total ill health retirement** applies if you cannot perform any job other than one paying only a small fraction of your salary. In this situation, your benefits are enhanced as if you had continued in service until age 65.

**Serious ill health retirement** may allow your pension to be converted into a lump sum if you have a limited life expectancy.