

Benefits after leaving

Video transcript

Here we talk about when a member is leaving USS. Now, you could leave the scheme and continue working, or you could be leaving employment entirely and therefore leaving USS. There are some additional options that allow members to build up benefits on a lower salary, or perhaps stop building up benefits altogether, but still maintain life and ill health cover. And there's more information on the USS website about these.

When leaving USS, the benefit choice depends on how long you've been in the scheme. So it's important to note that for members who may have been in the scheme previously and then rejoined due to starting a new job perhaps, that you consider the total service from each of these periods to determine which options you have on leaving.

If you leave USS within three months of joining, dependent on your circumstances, the options available to you may include a refund of your own contributions paid from your employer, paid through your pay, less any tax savings that you've had. You may also be able to choose to leave your benefits with the scheme or transfer them to another scheme.

The options if you've been in USS for between three months and two years are the same as for under three months service. However, in this case there's some scenarios where you might not be eligible for a refund. For example, you've contributed via salary sacrifice, you've transferred in benefits, or you're over the Normal Pension Age of age 66. You'll be able to choose to leave your benefits with the scheme or transfer your benefits out to another pension provider.

Now, if you leave USS after two years of service, there's no option for a refund of your contributions. But with more than two years service, you'll be entitled to a deferred pension from the Retirement Income Builder. And any contributions to the Investment Builder part will remain invested. And you can continue to manage these via your My USS account. And you'll also have the option of transferring out your benefits to another pension provider.

If you leave USS but are still in the same employment, please note that under pensions legislation, your employer will automatically enrol you in to USS or another scheme at their next auto enrolment date if you meet the criteria set out under those rules.

And then finally, in this section, I'm just going to cover rejoining USS. You may have previously left USS but are now rejoining. The benefits that you had with USS from your previous service in the Retirement Income Builder will have been increasing each year in line with annual increases. And your Investment Builder pot, if you had one, will have been going up or down in line with investment performance on your funds.

Then when you rejoin, you'll be able to start building up benefits again in the Retirement Income Builder, and you'll be able to add to your Investment Builder pot. Either because you're earning above the salary threshold, or paying additional contributions, or transferring in a pension from another provider in to USS.

Now, if you were paying additional contributions when you were previously a member and you want to restart them, you'll need to set this up in My USS as they will not automatically continue. And also you will not have two separate periods of service in USS — if you rejoin, your benefits will all be joined together.