

For members

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Retiring

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Retiring from employment

The normal pension age in USS is currently 65. However, you could retire before or after this age.

Please refer to the [Retiring from the scheme guide](#) and the [Retirement factsheet](#) for full information on retirement and the different types.

Normal retirement

If you retire at your normal pension age (NPA) you can take your USS Retirement Income Builder benefits in full.

The NPA in USS will rise in the future, broadly in line with increases to the State Pension age for men and women. The government has already confirmed that the State Pension age for men and women will rise to 66 by October 2020. This will become the USS NPA from that date. This means that the USS Retirement Income Builder benefits for service after October 2020 will be reduced if you retire before age 66. The USS Retirement Income Builder benefits built up before this date will only be reduced in line with the earlier NPA.

The same principle will apply to any further increase to State Pension age in the UK.

Early retirement

If you want to retire before the NPA, it may be possible under the scheme's early retirement terms. The earliest age you can retire is 55, but if you're made redundant you may be able to retire from age 50.

If you retire before the scheme's NPA (excluding retirement due to ill health), any pension you receive from the USS Retirement Income Builder section will be reduced because taking your benefits early means they will be paid for a longer period of time.

The current early retirement reduction is approximately 4% for each year you take your benefits before the NPA.

There are exceptions to this, in particular for some former final salary section members.

Please see the [retiring from the scheme guide](#) for full information on how the early retirement calculations work.

For more information please refer to the [Retirement factsheet](#) and the [Retiring from the scheme guide](#).

Late retirement

You can choose to retire later than the NPA. If you do, you will continue to pay into both the USS Retirement Income Builder and USS Investment Builder sections.

If you continue to pay into USS, your employer will also continue to make their contribution. For more information please refer to the [retiring from USS guide](#).

Any USS Retirement Income Builder benefits built up at NPA (including your benefits in the former final salary and CRB sections) will be increased for each month they are delayed beyond NPA. Any funds invested in the USS Investment Builder will continue to be invested up until you retire.

When the NPA increases in future, in line with changes to the State Pension age, this increase will apply in two ways:

1. USS Retirement Income Builder benefits built up before October 2020 will receive the increase if you retire later than age 65; and
2. USS Retirement Income Builder benefits built up after October 2020 will receive the increase if you retire later than age 66. The same principle will apply if/when the scheme's NPA increases in the future.

For more information please refer to the [Retirement factsheet](#) and the [Retiring from the scheme guide](#).



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Flexible retirement

Flexible retirement allows you, with your employer's agreement, to take up to 80% of your USS Retirement Income Builder savings as long as you agree to reduce your hours and salary by at least 20%.

You can take your benefits in two stages and continue working. Your pension may be reduced for early payment if you are taking it before the scheme's NPA.

For more information on how you can draw your benefits and any money purchase AVCs or funds built up within the investment builder, please refer to the [Flexible retirement factsheet](#).

Early retirement due to incapacity

If you are unable to continue working because of partial or total incapacity as a result of long-term illness or injury, you could receive a pension and a tax-free cash lump sum. The benefits will be calculated using your full pensionable salary, rather than being limited by the salary threshold. As a result of this an adjustment is made to your USS Investment Builder funds, as explained later.

In order to be eligible for a pension on the grounds of partial or total incapacity you must:

- be under age 65, and;
- have completed two years' active membership in USS at the date it is proposed your employment should end, and;
- be in the opinion of your employer suffering from long-term sickness or infirmity.

You may not qualify for a total incapacity pension if you have fewer than five years' active membership and retire as a result of a medical condition known to you or to your employer when you joined the scheme.

The pension you receive will depend on whether you retire on the grounds of partial or total incapacity.

For more information please refer to the [Incapacity retirement factsheet](#).

Retirement due to Redundancy

Under current legislation, the earliest age at which you can retire (excluding incapacity retirement) is usually 55. However, if you have been made redundant and have been in continuous membership of USS since 5 April 2006 you may be entitled to receive your pension as long as you are age 50 or more.

For more information please refer to the [Retirement factsheet](#) and the [Retiring from the scheme guide](#).

