

Revaluation factsheet

Key points

- Revaluation of accrued benefits, pensions in payment and of the salary threshold will all be in line with increases to official pensions which are currently linked to the Consumer Prices Index (CPI), and subject to certain caps.
- Such increases are applied in order to provide a continued link with inflation.
- For benefits earned after 1 October 2011 such increases are capped as described below.

Description

From 1 April 2016 any pension benefits you have already built up in the scheme, whether on a Final Salary basis or a Career Revalued Benefits (CRB) basis will receive annual increases broadly in line with inflation (Pensions Act 1971) in April each year (starting 1 April 2017) until you retire, or until you leave the scheme if that is earlier.

For current CRB members this is a continuation of the current approach to revaluing accrued benefits.

For Final Salary members this replaces the previous link your accrued benefits had to your salary at (or near) retirement.

The inflation measure used for these increases will be based on the increases applied to official pensions, such as those payable from the public sector pension schemes (which are currently linked to increases in CPI).

This measure is also already used for increases to USS pensions in payment.

Increases applied to the pension benefits you have already built up will be in line with increases in official pensions on an uncapped basis for pension benefits earned prior to 1 October 2011.

Pension benefits earned from 1 October 2011 are increased in line with official pensions on a capped basis. This means that the maximum increase in any year will be 10%. The capped basis is applied as follows: the rate of increase in official pensions will be applied in full, so long as it is up to 5% a year. If such increase in official pensions is more than 5% in a year, the increase would also include one half of that year's increase above 5%, up to an overall maximum of 10%.

The table below sets out how the cap works:

Annual increase in official pensions (which currently use CPI)	Increase payable by USS (for benefits accrued from 1 October 2011)
5% or less	Increase matched
More than 5% but less than 15%	5% plus one half of the increase above 5%
More than 15%	Increase capped at 10%