

# Saving more towards retirement

## Your options with USS

### Why pay more?

Read this factsheet if you'd like to learn more about the options for saving more with USS.

### Why pay more in to USS?

You can choose to pay more in to USS to improve the value of your benefits at retirement. There are of course many other ways to do this outside of a pension scheme so why pay more in to USS?

#### The Match

One good reason to pay at least 1% more of your salary in to the USS Investment Builder is that your employer will automatically match the first 1% of any contributions you pay in. So, you could just pay in an extra 1% of all of your salary and your employer would also pay an extra 1% of all of your salary into your own USS Investment Builder account. You could pay more than this if you wish, however your employer will only automatically match the first 1% of your salary.

You can choose to pay in more than the match of 1% of your salary. You choose how much you want to pay either as a percentage of your salary or fixed amounts. Your employer will not automatically match any contributions above the match and similarly will not match anything less than 1%.

#### Tax relief

Another attraction of paying more in to your pension instead of saving more in to other investments and forms of savings is that you currently receive tax relief on these additional contributions. So, if you pay in £100 as a standard rate tax-payer the cost to you would be £80 and just £60 for a higher rate tax-payer.

However, unlike other investments you cannot access your pension savings, including any AVCs, until you reach the minimum retirement age set by HM Revenue & Customs, which at the time of writing is age 55.

### How it works

#### Paying in

Your extra payments, and the match from your employer, are invested in a range of funds provided in the USS Investment Builder.

You invest these contributions between now and when you retire to provide an additional fund. Full details of the range of funds and how the USS Investment Builder works are available in our factsheet 'A guide to investing in the USS Investment Builder'. You will choose where to invest these contributions from a range of funds on offer under the USS Investment Builder. You have the flexibility to vary your additional contributions and change your investment fund choices.

#### At retirement

The fund value built up as a result of your contributions to USS Investments Builder remains within the USS Investments Builder until you access it when you retire. When you get to retirement you can decide to use your additional funds to:

1. Take as a lump sum, which may be tax free in whole or in part or;
  2. Provide a regular monthly income; or
- A combination of these options.

More details on your options at retirement with your USS Investment Builder fund are available in our Retirement factsheet.

### What if I die before I retire?

The fund value you have built up through your own additional voluntary contributions to the USS Investment Builder will be returned to your beneficiaries, as will additional employer contributions aside from the match, and any transfers-in.

To be clear, this will not include any funds built up as a result of:

- Matching contributions from your employer; and
- Automatic contributions paid by you and your employer when your salary was above the salary threshold.

This is in lieu of the fact that death benefits receive enhancements in most cases.

See our Bereavement factsheet for more information on how this works. You'll find this on our website at [www.uss.co.uk](http://www.uss.co.uk)

### Can I change my payments?

Of course, you can stop any extra payments whenever you like. You can then restart at some point if you wish. Please remember, however, that anything you've already built up cannot be accessed until you retire, unless you transfer out. Please note that for added years or revalued benefits AVCs, if you stop them you cannot restart them.

### What if I leave before I retire?

You could receive a refund, but only if you have been a member of USS for less than two years. Otherwise your funds continue to be invested over time to provide extra benefits for when you retire.

### How much can I pay in?

There's no set limit enforced by USS, apart from all your contributions must not exceed your salary for the tax year. If you are thinking of making a large contribution, potentially as a lump sum, please speak with your pensions / payroll section at your employer first to ensure this is feasible. It makes sense of course to make additional contributions in the most tax-effective way, but there are limits to the amount of tax relief you can receive.

You can generally pay up to 100% of the salary you receive through payroll, less any statutory or contractual deductions that are taken from your pay. You need to make sure that your contributions do not take your pay (after tax, National Insurance and other deductions) below zero.

HMRC sets allowances to how much benefit you can build up each year and in total at retirement and still receive tax preferential treatment. The annual allowance is the allowance of benefits you can build up each year and the lifetime allowance is the allowance to the maximum benefits you can build up in total at retirement. Please see our 'Pensions tax' pages on [www.uss.co.uk](http://www.uss.co.uk) for more information.

### I already have one or more of the former AVC arrangements. Can I still pay more to the USS Investment Builder?

Yes you can. If you are continuing to pay in to the former USS AVC arrangements you can continue to do so and begin paying additional contributions to the USS Investment Builder, subject to the overall limit as mentioned earlier.

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