

# Transfers-in

## Your questions answered

**This factsheet is for you if you have pension benefits outside of USS and are thinking about transferring these in to USS.**

**This factsheet explains what's involved and how the process works.**

### What is a transfer-in?

If you have pension benefits in a scheme outside of USS you may be able to transfer these to USS. If you transfer these benefits they will provide you with extra benefits from USS when you retire, instead of those benefits being provided by your previous scheme.

### What can I transfer?

You can transfer benefits from most\* pension schemes that have been deemed acceptable by HM Revenue & Customs (HMRC) into USS, so long as the funds are uncrystallised (i.e. you have not taken any benefits from the fund already). This includes most schemes offered by an employer as well as personal pensions. Some overseas arrangements can also be transferred if they are registered with HMRC. You should be aware that it is not possible to transfer state pension benefits to USS.

\*In accordance with legislation, members of unfunded public sector schemes, such as the Teachers' Pension Scheme and the NHS Pension Scheme, may only be able to transfer into the USS Investment Builder if they have less than two years' service in that scheme.

You should check with the scheme you wish to transfer from first to ensure they are willing and able to transfer your benefits to USS.

### Who can transfer?

Active members (still paying into the scheme) can consider a transfer into USS. Please note that you do not have an automatic right to transfer as this is subject to the discretion of the trustee. However, in practice, the majority of transfer requests are accepted unless a technical reason prevents the transfer.

If you leave the scheme whilst a transfer-in request is being processed, the trustee will honour any formal offers made prior to notification of termination but any other incomplete transfers will be cancelled.

### How do I arrange a transfer?

The quickest way to proceed with a transfer of non-club benefits into USS is to contact your previous scheme and request a transfer value statement as well as any discharge forms. Once you have forwarded these to USS at the address below, together with a covering letter indicating your wish to investigate a transfer, we can provide you with a transfer-in pack explaining how to proceed.

Alternatively, you may fill in a [transfer-in request form](#) and send it to USS without a transfer value statement and we will request the transfer value from your previous scheme/s and be in touch in due course. Please note this is likely to prolong the time it takes for your transfer to be reviewed and completed if applicable.

Universities Superannuation Scheme Limited  
Royal Liver Building  
Liverpool L3 1PY

If your previous pension is in the public sector, please see the public sector transfer club transfers' section of the factsheet to see if you would be eligible for a club transfer. If you wish to transfer on a club basis, please complete the Transfer-In request form.

### **What will the transfer secure me in USS?**

All transfers, except for eligible public sector club transfers, will be paid into your USS Investment Builder into a fund/funds of your choosing for investment. On retirement you will be able to use the accumulated fund to provide additional benefits in a range of ways, including the potential to take a tax-free cash sum or use the funds to provide additional income. Alternatively, you can take one or more cash payments (UFPLS) anytime from the age of 55. See the [Flexibility with the USS Investment Builder](#) guide for more information.

### **Public sector transfer club transfers**

These types of Defined Benefit transfers, into the USS Retirement Income Builder, are no longer supported by USS.

### **Should I transfer?**

You should consider very carefully if a transfer into USS from your previous scheme is in your interests and take advice if you need to.

Remember, for any transfer into the USS Investment Builder, this is an investment. Depending on your investment choices the value could vary over time and you can't guarantee you'll get out more than you transferred over. Compare this to the benefits you are entitled to in the scheme you are transferring from.

Another important consideration is any annual investment management fees you will be charged. For transfers into the USS Investment Builder, annual investment management fees apply so for transfers, the current employer fee subsidy does not apply. Compare these fees to those (if any) being applied by the scheme that you're considering a transfer from. The fees usually sound small but they do mount up over time. Details of these fees can be found on the fund factsheets in My USS.

Also, check to ensure there are no penalties imposed by your transferring arrangement before you transfer.

### **Advice**

For all transfers of defined benefit pensions into the USS Investment Builder, where the transfer value is £30,000 or more, legislation now requires you to take financial advice before proceeding. Defined benefit schemes are those where your benefits are worked out using a formula, rather than being reliant on the value of your investments. The scheme you are transferring from will notify you about this. It will be up to you to arrange and pay for this advice.

General guidance and information is available from [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

### **Can I transfer pension benefits from an overseas scheme to USS?**

Transfers from a recognised overseas pension scheme (ROPS) may be possible. You should check with the administrator of the scheme whether a transfer value can be paid to a UK scheme. There is a list of HMRC approved schemes on [www.gov.uk](http://www.gov.uk); search for 'recognised overseas list'.

Transfers received from a ROPS are excluded from the calculation of the available lifetime allowance and of the annual allowance for tax purposes.

If you are considering transferring benefits into USS from an overseas scheme, with a view to transferring them out to an overseas scheme again at a later date, you should contact USS for further details.

### **Can I transfer-in from a personal pension or stakeholder scheme?**

If you transfer benefits to USS from a personal pension scheme, you cannot have a refund of any of your contributions if you leave USS within two years. This restriction applies no matter how short a period of time you have been in USS.

## Transfers already received by the scheme

Should you have already completed a transfer-in to USS during your membership of either the final salary or career revalued benefits section of USS, details of the treatment of these transferred-in benefits at retirement are detailed in the retirement factsheet.

## Equalisation of benefits

All schemes are required by law to have equalised their benefits to eliminate any inequality between the sexes. However, in practice not all schemes have complied. When a transfer takes place, the receiving scheme becomes liable for any inequality that may subsequently be identified in the benefits that have been transferred. In common with many other schemes, USS requires an indemnity from the administrator of a scheme before a transfer can be accepted. The schemes in the transfer club, including USS, have signed a reciprocal agreement to indemnify each other. There are however some schemes that will not provide an indemnity and in those circumstances a transfer cannot take place.

## Bulk transfers

There are circumstances when the trustee will agree to accept transfers for a group of members on a special basis. These are referred to as bulk transfers and usually arise because of the merger of a USS institution with another higher education or research organisation. The terms offered as part of a bulk transfer are agreed at the time of the merger and the members involved will be provided with the appropriate details to the extent that they differ from the normal arrangements.

This publication is for general guidance only. It is not a legal document and does not explain all situations or eventualities. USS is governed by a trust deed and rules and if there is any difference between this publication and the trust deed and rules the latter prevail. Members are advised to check with their employer contact for latest information regarding the scheme, and any changes that may have occurred to its rules and benefits. For a glossary of our terms please see more information on our [important terms](#) page.