Transferring your USS benefits to another scheme

Frequently asked questions about transferring your benefits

What Can I Transfer Out?

Just your USS Retirement Income Builder

Only members who are not currently paying into the scheme, otherwise known as deferred members, can transfer their benefits from the USS Retirement Income Builder out of the scheme.

If you’re thinking about transferring your USS Retirement Income Builder benefits to another pension scheme, you’ll want to know the transfer value.

You can apply for a guaranteed transfer value up to normal pension age and it will be valid for three months from the date it’s calculated.

We work out your transfer value by converting the value of your USS pension to a ‘current cash equivalent’, using actuarial modelling, looking at age and gender-related factors. The calculation also accounts for fluctuations in the stock market but it does not include discretionary benefits.

You can request one free quotation in any 12-month period. There will be a charge for any additional quotations within that period. To request a quotation, download the Transfer out request form on www.uss.co.uk.

Transfers out of the scheme from the USS Retirement Income Builder must be completed before reaching your Normal Pension Age. If your USS benefits are in excess of £30,000 you will be required to take independent financial advice before transferring your benefits.

Just your USS Investment Builder

Any member, whether active, deferred or retired, can transfer out their USS Investment Builder pot, as long as you haven’t started taking any of these savings. You can choose to transfer the whole of your USS Investment Builder pot to another pension scheme at any time. There’s no age restriction and you can do it without leaving the scheme.

If you’ve paid any additional contributions (including the match¹), transferred another pension to USS or earned salary greater than the salary threshold (£58,589.70 for 2019/2020), you may have built up benefits in the USS Investment Builder. Active and deferred members can view the value of their USS Investment Builder pot on My USS.

The transfer value of your USS Investment Builder is calculated based on the value of your investments on the day of your request. The actual transfer value of your pot is its value on the day it’s disinvested. Remember, the value of your USS Investment Builder can move up or down, according to how your investments perform.

You can request one free quotation in any 12-month period. There will be a charge for any additional quotations within that period. To request a quotation, download the Transfer out request form on www.uss.co.uk or log in or register to My USS.

Both your USS Retirement Income Builder and USS Investment Builder

If you’re no longer paying into the scheme, you can request a quote for a transfer from the USS Investment Builder, the USS Retirement Income Builder or both at the same time. This option is not available to any member currently contributing or receiving their pension income from the scheme.

Prudential

If you’re considering transferring any funds from Prudential Money Purchase AVC contributions, you should contact Prudential directly at www.pru.co.uk/uss.
When can I transfer my benefits?

Depending on the status of your membership, you can apply to transfer your USS benefits to any pension arrangement that is able to accept the transfer. The table shows what you can transfer at different stages of membership.

<table>
<thead>
<tr>
<th>Membership Status</th>
<th>USS Retirement Income Builder only</th>
<th>USS Investment Builder only</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active members (currently contributing)</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Deferred members (not contributing nor receiving benefits)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Retired members (receiving benefits or above Normal Pension Age, currently 65)</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

I’m still paying into my USS pension; can I transfer out my benefits?

All members, if they have funds in the USS Investment Builder, can choose to transfer from that pot at any time. Only a deferred member can transfer benefits from the USS Retirement Income Builder.

I’m a deferred member, no longer paying into my USS pension; can I transfer out my benefits?

Yes. If you’ve built up benefits in the USS Investment Builder, you can make this choice at any time. With the USS Retirement Income Builder, if you’ve deferred your benefits, you can still transfer to another scheme so long as you’re below Normal Pension Age.

I’m retired; can I transfer my USS pension to another scheme?

If you still have a USS Investment Builder pot, you can choose to transfer this to another scheme at any time as long as you haven’t already started taking any of these savings. There’s no age limit and you can do this even if you’re in receipt of a pension.

With the USS Retirement Income Builder, if you’ve reached Normal Pension Age, or taken your retirement benefits, you can’t transfer to another scheme.

What will it cost me to transfer?

You can transfer free of charge; USS does not charge members any additional fee for transferring to other schemes.

We will provide you with one free transfer quotation, in any 12-month period, for either the USS Retirement Income Builder or the USS Investment Builder or both sections at the same time. Additional quotations for the same type of transfer, within 12 months of the original request, will be charged a fee (currently £235).

What happens if I move to another USS institution?

More than 360 employers from the university and higher education sector participate in the Universities Superannuation Scheme (USS).

It’s therefore likely that, should you change jobs within this sector, your new employer will also participate in USS so your benefits will not be affected. Please contact your new employer to find out whether you will be eligible for USS membership in your new role.

Where can I transfer my benefits to?

You can transfer your pension benefits to any other pension arrangement approved by HM Revenue & Customs provided the arrangement is willing and able to accept the transfer. This might include:

- Your new employer’s approved pension scheme; or
- A personal pension; or
• Any pension scheme approved by HMRC to accept transfer values.

You may want to check that your receiving scheme is willing and able to accept the transfer before you request a quotation.

**Can I transfer my USS benefits to an overseas pension if I go to work abroad?**

This will depend on whether the scheme in the overseas country is willing and able to accept a transfer from the UK and whether the tax authorities in that country will allow a transfer to be made.

Your new scheme must also be a Recognised Overseas Pension Scheme (ROPS). If it is not recognised as such by HMRC, any transfer will be an unauthorised payment and it could lead to tax charges of between 40% and 55% of the total transfer value paid.

The trustee, USSL, will only transfer your benefits to a ROPS and we will seek evidence to verify the scheme’s status. HMRC guidance states that you should also perform your own checks on the receiving scheme and should ask for confirmation of the scheme’s status from the overseas manager.

In addition, a transfer overseas may be subject to an Overseas Transfer Charge from HMRC. An Overseas Transfer Charge is a 25% tax charge which is levied if certain conditions are not met. Find more details at [gov.uk](http://gov.uk).

**Will a transfer affect my Death in Service or Ill-health benefits?**

If you wish to transfer your USS Investment Builder pot whilst remaining an active member, this may affect the level of your Death in Service or Ill-health benefit, which may be reduced.

Your full salary - rather than just your salary up to the salary threshold - is used to calculate the income benefits payable on bereavement. Any USS Investment Builder pot you have built up as a result of the employer match (but not your match¹), and/or automatic contributions paid by you and your employer on salary above the salary threshold, would usually be credited back to the scheme. Any voluntary contributions above the match or transferred in from another scheme would not be included in this credit.

However, if you have transferred your USS Investment Builder pot to another pension arrangement it would not be possible for these funds to be credited back to the scheme. Any death/incapacity benefits will therefore be reduced to account for any transferred USS Investment Builder pots.

The deduction would initially be taken from any lump sum element of the benefits payable. This deduction would be equal to the value of the transferred USS Investment Builder pot, increased to the date of death/incapacity. Should this deduction not cover the amount to be recovered, a reduction would be made to any spouse/partner/dependant’s pension payable.

**How do I start the transfer process?**

If you wish to consider a transfer from USS, you should complete a transfer out form and send this to USSL. You can download a Transfer out request form on [www.uss.co.uk](http://www.uss.co.uk). You will be advised by USSL of the amount of the transfer value which can be made available, which can be shared with any potential receiving scheme or financial advisor.

**Financial advice**

You should consider very carefully whether or not a transfer from USS is in your best interests. You may want to take financial advice if you are not sure. You can find an adviser at [www.unbiased.co.uk](http://www.unbiased.co.uk).

If you are transferring your USS Retirement Income Builder benefits out of the scheme and your benefits are valued at £30,000 or more, you are required to obtain independent financial advice if you are transferring to a scheme providing flexible benefits (please check with the receiving scheme if you are unsure). This is a condition introduced by government to avoid members making transfers that are not in their best interests and which could potentially be fraudulent. Please note that your financial adviser must be authorised by the Financial Conduct Authority (FCA) to provide advice on pension transfers. To ensure your adviser is authorised, visit the Financial Services Register ([register.fca.org.uk/shpo_homepage](http://register.fca.org.uk/shpo_homepage)).

See the financial advice web page on [www.uss.co.uk](http://www.uss.co.uk) for more information on how to obtain financial advice and guidance, you may be charged a fee.
Pension scams

Millions of people fall victim to scams every year. Don’t be one of them – don’t lose your pension and be hit with tax charges.

Visit The Pensions Regulator’s website for more information about how to spot the signs and get the best protection against pensions predators: www.thepensionsregulator.gov.uk/pension-scams.

Visit the Pensions Advisory Service for free and impartial guidance on pension matters: www.pensionsadvisoryservice.org.uk.

Scamproof your savings
Pension scams. Don’t get stung.

1 From 1 April 2019, the employer element of the match was removed. You may still have the match and be making additional contributions to your USS Investment Builder pot. For more information, go to www.uss.co.uk/the-match