

# Using your USS Investment Builder Pot

Your USS Investment Builder and Prudential Money Purchase AVC (MPAVC) pots are defined contribution (DC) pension savings, which means you build up a pot of money that you can use to provide an income in retirement. These DC savings (your pot) can be used in various ways. USS allows you to take your DC savings flexibly, but we don't provide all the options available to you. If you want to take these savings in a way not offered by USS, you can transfer them at any time to one or more different pension providers.

**Before making any decisions in relation to taking your pension savings, you should access the guidance provided by Pension Wise and also consider taking independent advice to help you decide which option is best for you.**

## Options for using your DC pension savings – anytime from age 55

In most cases, you can start accessing your pot from age 55. You can mix and match any of the following:

Options	Is it available in USS?
<p><b>Leave your pot untouched</b></p> <p>You don't have to take your DC savings when you retire but can delay taking them until a later date. Your pot could then continue to grow in a tax-free environment, potentially providing more income once you access it.</p>	<p>Yes – you don't have to take your USS Investment Builder pot at the same time you take your Retirement Income Builder benefits.</p>
<p><b>Use your pot to buy a guaranteed income for life (an annuity) and take part as tax-free cash</b></p> <p>You can normally withdraw up to 25% of your pot as a one-off tax-free lump sum, then convert the rest into a taxable income for life. This is called an annuity. There are different lifetime annuity options and features to choose from that affect how much income you would get.</p>	<p>Yes – you can use your pot to buy an annuity from a third party provider and take part as tax-free cash, but in some cases, you may have to transfer your pot to do this.</p> <p>Alternatively, you can take your pot at the same time as your USS Retirement Income Builder benefits, you may be able to take up to 100% of your pot as tax-free cash – this will depend on the size of your pot and the value of your USS Retirement Income Builder benefits. You may instead choose to use your pot to increase your monthly income from the USS Retirement Income Builder.</p>
<p><b>Use your pot to provide a flexible retirement income (flexi-access drawdown)</b></p> <p>With this option you can normally take up to 25% of your pot or the amount you allocate for drawdown as a tax-free lump sum, then re-invest the rest into funds designed to provide you with a regular taxable income. You set the income you want, though this might be adjusted periodically depending on the performance of your investments. Unlike a lifetime annuity your income isn't guaranteed for life, so you need to manage your investments carefully.</p>	<p>No.</p>
<p><b>Take a number of cash payments from your pot (UFPLS)</b></p> <p>You can take cash as and when you need it and leave the rest invested, where it could continue to grow in a tax-free environment. For each cash withdrawal, normally the first 25% is tax-free and the rest counts as taxable income. There might be charges each time you make a cash withdrawal and/or limits on how many withdrawals you can make each year.</p>	<p>Yes – cash payments can be taken any time from age 55, or when you retire. You can take up to four payments per year (minimum £2,000 each). The first payment each year is paid for by USS, but charges apply for subsequent payments. This is only available for USS Investment Builder pots, but you can switch Prudential MPAVCs across to USS Investment Builder at any time.</p>

Options	Is it available in USS?
<p><b>Take your whole pot as cash (full UFPLS)</b></p> <p>You could close your USS Investment Builder pot and take the whole amount as cash in one go if you wish. Normally, the first 25% will be tax-free and the rest will be taxed at your highest rate – by adding it to the rest of your income. There are many risks associated with cashing in your whole pot. For example, it's highly likely that you'll be landed with a large tax bill, it won't pay you or any dependant a regular income and, without very careful planning, you could run out of money and have nothing to live on in retirement.</p>	<p>Yes – you can take all of your pot as a cash payment any time from age 55. There is no minimum amount and no charge. This is only available for USS Investment Builder pots, but you can switch Prudential MPAVCs across to USS Investment Builder at any time.</p>

### More information about your options in USS

If you want to know how these options work in USS, take a look at our Flexibility in retirement with the USS Investment Builder guide in the member resources section of [uss.co.uk](http://uss.co.uk). More information about how you can take cash payments from your USS Investment Builder pot is available in the Taking cash from your USS Investment Builder pot (UFPLS) factsheet in the member resources section of [uss.co.uk](http://uss.co.uk).

### Further information about your options generally

The Money Advice Service's "Your pension: It's time to choose" booklet contains a lot of useful information about your DC options. You can find it on the "free printed guides" page at [www.moneyadvice.org.uk](http://www.moneyadvice.org.uk) or you can request a copy from us. You may also find the Money Advice Service website helpful in guiding you through your options. This is a free and impartial government service that provides money advice, tools and calculators for financial planning and telephone support. Visit the website or call 0800 138 7777.

### Your transfer options

You can transfer your DC pension savings at any time to one or more pension providers. It's important to note that different pension providers offer different options for your savings, including the option to select an annuity. Remember, the different options all have different features, different rates of payment, different charges and different tax implications.

If you are retiring prior to your 65<sup>th</sup> birthday, as well as transferring savings, you can also choose to transfer your USS Retirement Income Builder benefits at the same time. To do this you would first have to cease being an active member of USS. Please note that if you do wish to transfer your USS Retirement Income Builder benefits, in most cases, you will be required to arrange, and pay for, independent advice from a regulated financial adviser. Further information on the requirement to take advice will be supplied once we receive your request.

### Pension Wise

Before making any decisions in relation to your DC pension savings, you should contact Pension Wise, the free and impartial government guidance service for anyone over age 50. Pension Wise will help you understand your options in relation to your savings. The service can be accessed online at [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk), over the phone (0800 138 3944) or face-to-face. You can arrange a consultation online or by phone.

### Independent Financial Advice

Whether or not you use Pension Wise, you should consider taking independent financial advice from an FCA-regulated adviser. You can find an adviser on [www.unbiased.co.uk](http://www.unbiased.co.uk). You may be charged for any advice you receive.

## Estimate of your benefits

An estimate of your benefits and pension savings within USS can be provided on request by contacting USS. You can see the current value of your USS Investment Builder pot in **My USS**, our member portal. Or you can contact Prudential directly for your Prudential MPAVC benefits.

## Tax implications

There may be tax implications associated with accessing your pension savings. Income from a pension is taxable and the rate at which income from a pension is taxable depends on the amount of income you receive from your pension and other sources.

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The USS logo is a red circle with the letters 'USS' in white.