

# A new employee's guide to USS and My USS

This information is for you if you are due to join USS.

It provides an overview of the main benefits of the scheme and links to further information. It also explains what actions you need to take as soon as you join through our online portal My USS.

Visit the USS website at [uss.co.uk](http://uss.co.uk) for more information and a copy of the most up to date member booklet\*.

The website will also explain what actions you need to take as soon as you join through our online portal My USS.

All members join the USS Retirement Income Builder. The USS Retirement Income Builder provides benefits based on a formula using your salary (up to a threshold) for each year that you are a member. At the end of each scheme year (31 March), benefits are calculated as follows:

USS Retirement Income Builder

Pension =  $1/75\text{th} \times \text{salary}^{**}$

+

Cash sum = 3 x pension

These benefits are then reviewed annually and increases applied using the standard USS pension increases.

## USS Investment Builder

This section operates on a basis known as defined contribution. This means that your contributions, and any paid by your employer, are invested to provide benefits for your retirement, in addition to your USS Retirement Income Builder benefits. All members can choose to pay into the USS Investment Builder. For members earning more than the salary threshold, you and your employer automatically pay into the USS Investment Builder.

### Salary threshold

The salary threshold is currently £57,216.50 per annum for the 2018/19 tax year. This will be automatically revalued each April in line with increases in official pensions (currently linked to CPI), subject to certain caps.

If you earn more than the salary threshold your benefits will be calculated under the USS Retirement Income Builder section for salary up to the salary threshold. Contributions on salary in excess of the salary threshold paid by you and your employer are paid automatically in to the USS Investment Builder.

Additionally, any member can choose to pay into the USS Investment Builder, whatever their salary. If you choose to pay at least 1% of your salary into the USS Investment Builder your employer will automatically match the first 1% of your salary as a contribution. You could choose to pay in more, but your employer will automatically match the first 1% of salary only.

\* If you need a printed copy of the member booklet you can print this off the USS website. Alternatively, your employer will be able to provide a printed copy for you.

\*\* Salary up to and including the threshold.

## How it works

Here is an example to illustrate how this works based on a member with pensionable salary of £60,000 for the year.

### Benefits in the USS retirement Income Builder

Pension =  $1/75^{\text{th}} \times £57,216.50 = \mathbf{£762.89}$  (salary restricted by salary threshold)

Cash sum =  $3 \times £762.89 = \mathbf{£2,288.66}$

### Contributions to the USS Investment Builder

Your contribution =  $8\% \times £2,783.50 = \mathbf{£222.68}$  (based on salary above the threshold)

Your employer's contribution =  $12\% \times £2,783.50 = \mathbf{£334.02}$  (based on salary above the threshold)

If you also elected to pay 2% more into the scheme, the following amounts would be paid into the USS Investment Builder:

### The Match

Your additional 2% =  $2\% \times £60,000 = £1,200.00$  (based on full pensionable salary)

Matching contribution from your employer =  $1\% \times £60,000 = £600.00$  (based on full pensionable salary)

So with these additional contributions, and the match from your employer, the total paid into the USS Investment Builder would be £2,356.70.

## What you need to do once you've joined

### Register for USS

Once you join you will be sent a membership certificate which will include your rUSS membership number. Once you have this number go to [uss.co.uk/myuss](https://uss.co.uk/myuss) and register for My USS.

### My USS

My Uss is where you can go to make your contribution and investment choices to the USS Investment Builder and also where you can update your personal details, such as your target retirement age. You can add and manage additional contributions, including the match and update security details including your password, PIN and security questions.

## USS benefits summary

<b>Pension</b>	Pension of 1/75th of each year of salary up to the salary threshold. Each year of pension is added together and revalued (increased) each year in line with USS pension increases
<b>Tax-free cash sum</b>	3 x Pension
<b>Your contribution</b>	8% of salary <ul style="list-style-type: none"> <li>• If you earn more than the salary threshold, 8% of salary in excess of the salary threshold is paid in to the USS Investment Builder.</li> </ul>
<b>Employer contribution</b>	18% of salary <ul style="list-style-type: none"> <li>• 12% is paid in to the USS Investment Builder for salary in excess of the salary threshold.</li> </ul>
<b>The Match</b>	If you elect to pay at least 1% of full pensionable salary in to the USS Investment Builder then your employer will automatically match that contribution. Note the automatic match is limited to 1% of your full salary. Any additional payments from you and the employer match are invested in the USS Investment Builder.
<b>Bereavement cover</b>	Should you pass away whilst paying in to the scheme: <ul style="list-style-type: none"> <li>• 3 x Salary lump sum (salary not subject to threshold)</li> <li>• Spouse's/dependant's pension of 50% of your estimated pension at 65.</li> <li>• Children's pensions of up to a maximum of 75% (for two or more children) of your estimated pension at 65.</li> </ul>
<b>Incapacity cover</b>	Total or partial incapacity cover in the event that you suffer from a serious illness or incapacity. Total incapacity provides income equivalent to your estimated pension at 65, (benefits are based on the full salary and not subject to the threshold), partial is based on benefits earned to date.
<b>Pension increases</b>	Benefits under the USS Retirement Income Builder and past benefits increase in line with official pensions <sup>1</sup> up to 5% each year. If official pensions increase by more than 5%, USS will only pay half the difference up to a maximum 10% increase in any year. For benefits earned before 1 October 2011, increases match those paid by official pensions.
<b>Salary sacrifice</b>	If your employer participates in salary sacrifice for pension contributions, further information is available from your employer. Full salary before any sacrifice is used in the USS benefit calculations.

Visit the USS website at [uss.co.uk](http://uss.co.uk) for more information and a copy of the most up to date member booklet<sup>2</sup>

<sup>1</sup> Official pensions are schemes operated by employers in the public sector such as NHS, Teaching and Civil Service schemes.

<sup>2</sup> If you need a printed copy of the member booklet you can print this off the USS website. Alternatively, your employer will be able to provide a printed copy for you.

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.