

Enhanced Opt Out (EEO)

With Enhanced Opt Out, you can keep your life and incapacity cover but stop building up retirement benefits in USS. See the [Bereavement benefits for death in service](#) and [Incapacity retirement](#) factsheets on [uss.co.uk](#) for more details.

Enhanced Opt Out is most useful if you are approaching or have exceeded your lifetime allowance, and you want to manage the tax liability of the USS benefits you have built up. See the [Lifetime allowance](#) factsheet on [uss.co.uk](#) for more details.

With Enhanced Opt Out, you pay 2.5% of your salary into the scheme instead of 8.8%, and your employer pays in 2.1% instead of 19.5% (please note that these rates are subject to change).

If you choose Enhanced Opt Out you:

- Must keep it for at least a year;
- can only choose it once – if you cancel, we can never reinstate it;
- cannot take flexible retirement; and
- should check whether using Enhanced Opt Out would breach the conditions of any lifetime allowance protection you have in place (events, such as incapacity retirement whilst an Enhanced Opt Out member may cause you to lose your fixed protection).

The benefits of Enhanced Opt Out depend upon your individual circumstances. You might want to consider the following points:

When should Enhanced Opt Out be in place, if I am considering Fixed Protection 2016?

For Fixed Protection 2016, you would have to have stopped building your pension by 5 April 2016, so if you did not have Enhanced Opt Out on 1 April 2016, it is now too late.

When should Enhanced Opt Out be in place, if I am considering Individual Protection 2016?

Enhanced Opt Out would not affect your application for Individual Protection 2016. If you want Enhanced Opt Out, follow the process below.

What is the routine process for Enhanced Opt Out elections?

Enhanced Opt Out must start on the first of the month, but you will need to give us at least 28 days' notice.

Use the [Election for enhanced opt-out with continued death and incapacity benefits](#) form on [uss.co.uk](#) to let us know.

If I elect for Enhanced Opt Out after age 65, will I still receive any late retirement increases?

Yes. You keep the late retirement increases that have been applied up to the date of your election, but no further allowance for late retirement will be added for the period following the date of your Enhanced Opt Out election up to retirement.

Will I be able to apply for flexible retirement before making this election?

Yes. Subject to consent from your employer, you can opt for flexible retirement before electing for Enhanced Opt Out. However, once you have made an Enhanced Opt Out election, you will stop building further pensionable service (benefits payable upon full retirement will be based on those built up to the date you elected for Enhanced Opt Out) and no further flexible retirement events can take place.

How long should Enhanced Opt Out elections be in force for?

Enhanced Opt Out is designed to be in place for the long term, and must remain in place for a minimum of 12 months.

Can I re-elect for Enhanced Opt Out, if I have cancelled a previous election?

No. Enhanced Opt Out cannot be reinstated if it is revoked.

What happens if circumstances change after the election?

If, at any point after making the election, you leave your USS eligible employment or retire for any reason other than incapacity, your benefits will be calculated based upon those built up prior to the date of your Enhanced Opt Out election.

In the case of retirement before/after Normal Pension Age, any reductions/increases applicable to your pension will be the same as would have applied had you not made the Enhanced Opt Out election and instead remained an active member of USS.

Can I contribute to the USS Investment Builder having made an Enhanced Opt Out election?

Yes. However, you should check if paying these contributions would breach the conditions of any lifetime allowance protection you may have in place. Please note: your employer will not contribute to your USS Investment Builder pot and you will not be eligible for the match.

How do I know whether I should have Enhanced Opt Out?

Neither USS nor your employer can provide you with financial advice. Whether or not Enhanced Opt Out is appropriate for you will depend on your personal circumstances. You should consider your options carefully before making any financial decision. If you are not sure what is best for you, speak to an Independent Financial Adviser (IFA). You can find an IFA at www.unbiased.co.uk. You may be charged a fee for any advice.

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