

# Guide to your university pension

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Points of interest / Q&As on  
pensions and USRF

February 2024



# Common questions to cover

- What are the benefits of being a member of the USRF scheme?
- Can I reduce or increase my contributions?
- Where can I view my benefit details and how do I register online?
- Why does it show only employer contributions are being made on my Royal London account when I do pay contributions?
- How do I complete an expression of wish form and why is it important that I do?



# The basis for this presentation

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- *Neither these slides nor the presentation constitute commercial, financial or legal advice; they are not a substitute for specific advice concerning individual situations*
- *If you're looking for personalised money or pensions advice or specific product recommendations, you'll need to see a regulated financial adviser. Find out more about when and how to get professional advice in Money Helper's [guide to financial advice](#)*
- *Every effort has been made to ensure that the slides and presentation are factually correct. The USRF scheme provisions are the primary reference point and in the event of any inconsistency between this publication and the formal scheme rules, the USRF scheme rules will prevail*
- *The views expressed in this presentation are those of the speaker, and not of the University nor of the USRF managers and/or Royal London*

# What are the benefits of being a member of the USRF scheme?

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- USRF is a pension scheme operated by the university; it's a group personal pension scheme managed by Royal London
- The arrangement is overseen by an [Independent Governance Committee](#) of Royal London, to ensure that it offers value for money and investments are closely managed
- USRF is a tax-efficient way to save for income and other benefits in retirement. Your employer pays-in too, and you get death and other protection along the way
- It is a defined contribution (DC) type arrangement. The main characteristics of DC pension saving (and USRF) are:
  - Tax relief on your contributions, which you can vary
  - A generous contribution from the university
  - Tax-free build-up of your pension pot
  - Options at retirement for how you use your pension pot

# What are the benefits of being a member of the USRF scheme?

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- The scheme has low charges (0.4% annual management charge), so more of your pension saving goes to your retirement pot
- You can choose to make your own investment choices, but there is a default investment option so that Royal London do it for you (changing your investments to reduce risk closer to retirement)
- You have choices at retirement for how you use your pension pot, which include:
  - Buying a pension (called an annuity) for regular lifetime income
  - Taking immediate and/or periodic cash, with 25% tax free (known as UFPLS), and
  - Income drawdown, to take regular sums from your pot over a number of years until the pot of fully used
- You can transfer in previous funds into USRF – to enquire contact the [University pensions team](#)

# Can I reduce or increase my contributions?

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- The current contribution options are as follows:

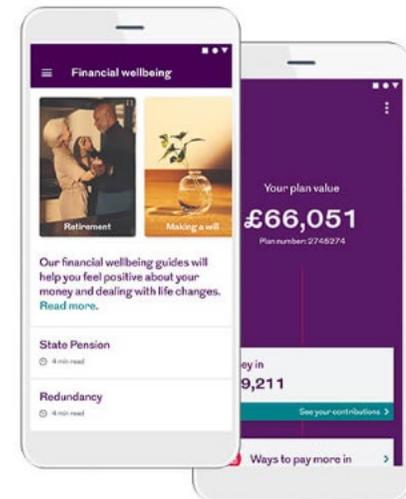
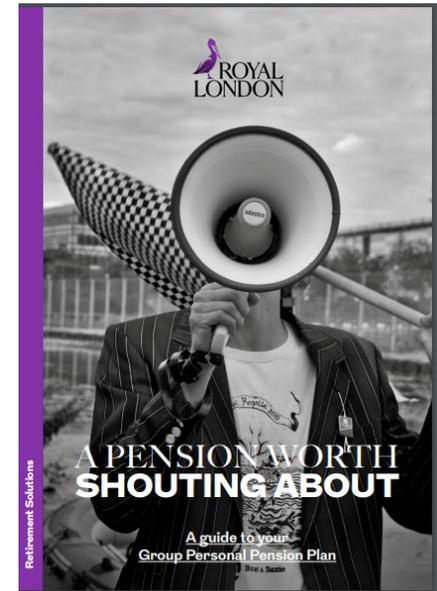
Employee	Employer
0%	10%
2%	10%
4%	10%
6% (default contribution rate)	10%

- You have the option to change your pension contribution, and indeed can choose to pay a nil contribution (but note of course that your overall pension pot will be reduced)
- USRF gives you flexibility to change your contribution, whilst still benefitting from the university's significant contribution
- There is no limit to the contributions you may make, although tax relief is limited to the higher of 100% of your taxable pay or £3,600

# Where can I view my benefit details and how do I register online?

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- Royal London provide all new members with a welcome pack – and this includes your policy details and information on how to login online
- There is also an app which can help you to access your pensions details (available from the App Store or Google Play) – details on [Royal London's website](#)
- The University's pensions services team can help if you have not received a welcome pack from Royal London – please contact the pensions team by [email](#)



**Why does it show only employer contributions are being made to my Royal London account when I do pay contributions?**

# Why does it show only employer contributions are being made on my Royal London account when I do pay contributions?

Cont Type	Due	Paid	Mem(£)	Tax Relief(£)	Emp(£)	Total(£)
RP	01/11/2023	08/12/2023	0	0.00	107.77	107.77
RP	01/10/2023	02/11/2023	0	0.00	323.31	323.31
RP	01/09/2023	11/10/2023	0	0.00	323.31	323.31
RP	01/08/2023	07/09/2023	0	0.00	323.31	323.31
RP	01/07/2023	08/08/2023	0	0.00	308.65	308.65
RP	01/06/2023	21/07/2023	0	0.00	308.65	308.65
RP	01/05/2023	02/06/2023	0	0.00	308.65	308.65
RP	01/04/2023	18/05/2023	0	0.00	308.65	308.65
RP	01/03/2023	18/04/2023	0	0.00	321.98	321.98
RP	01/02/2023	08/03/2023	0	0.00	295.33	295.33
RP	01/01/2023	06/02/2023	110.75	27.69	184.58	323.02
RP	01/12/2022	05/01/2023	102.00	25.50	170.00	297.50
RP	01/11/2022	08/12/2022	54.40	13.60	90.67	158.67
Total			£ 267.15	£ 66.79	£ 3,374.86	£ 3,708.80

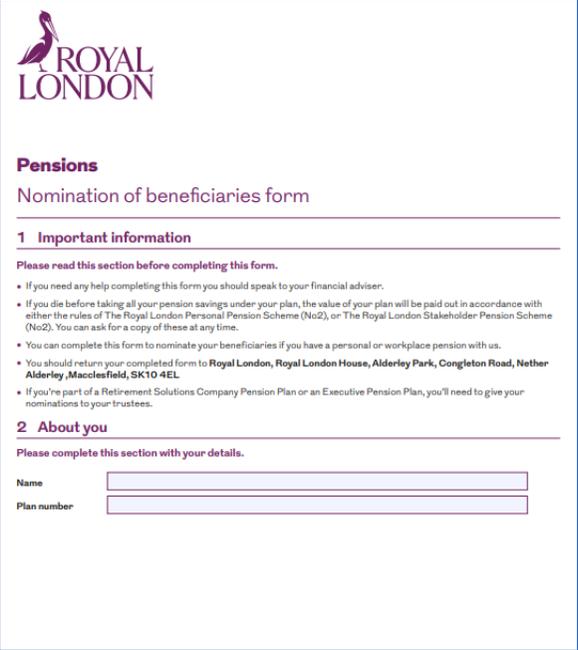
- A typical pension contribution record would look like the graphic on the left
- For the first three months, your contributions are deducted in the normal way with tax relief added – with a separate employer contribution

- From month 4, salary sacrifice applies in default which means that the University pays both your contributions and the employer contribution together
- Salary sacrifice provides you (and the University) with an extra saving in national insurance contributions – if you're not in salary sacrifice you can elect for it

# How do I complete an expression of wish form and why is it important that I do?

# How do I complete an expression of wish form and why is it important that I do?

- USRF provides valuable death benefits – if you die before your Normal Retirement Date as an active member, a lump sum is payable equal to:
  - 5 x your annual pensionable pay at death, and
  - The value of your pension pot will be refunded by Royal London, normally as a tax-free lump sum
- The lump sums are normally paid to your nominated beneficiary (or beneficiaries), and you should complete the [Royal London](#) and [University](#) forms, and keep them up to date
- A small proportion of members have declared their wishes; they risk their intentions not being clear, and tax implications – do fill-in the forms



The image shows a screenshot of the Royal London Pensions 'Nomination of beneficiaries form'. At the top left is the Royal London logo, featuring a bird and the text 'ROYAL LONDON'. Below the logo, the title 'Pensions' is followed by 'Nomination of beneficiaries form'. The form is divided into two main sections: '1 Important information' and '2 About you'. Section 1 includes instructions to read the section before completing the form and lists four bullet points: 1) If you need help, speak to your financial adviser. 2) If you die before taking all your pension savings, the value will be paid out according to the rules of the Royal London Personal Pension Scheme (No2) or the Royal London Stakeholder Pension Scheme (No2). 3) You can complete this form to nominate your beneficiaries if you have a personal or workplace pension with us. 4) You should return your completed form to Royal London, Royal London House, Alderley Park, Congleton Road, Nether Alderley, Macclesfield, SK10 4EL. Section 2, 'About you', asks the user to complete the section with their details and includes two input fields: 'Name' and 'Plan number'.



# Tax relief and salary sacrifice

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## Salary sacrifice – what is it, and how does it work?

- A further way to save money on your pension contributions. It works by lowering your national insurance contribution
- It is used widely, and most employees are automatically entered into salary sacrifice from the fourth month of their employment, but you can check on your payslip
- The University pays your pension contribution on your behalf, in return for lower salary; your lower salary reduces your NI contribution
- Further information can be gained at the University's [salary sacrifice webpage](#)

# Avoiding pension scams

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- Be extremely wary of any contact which encourages you to transfer your pension
- Often people are contacted out of the blue; it is illegal to do this and it should be reported to [Action Fraud](#) and alert the University pensions team
- These contacts try to apply pressure to make quick decisions, guaranteeing high investment returns
- They often provide for you to access your pension before 55
- They also can include an offer of one-off investments, time-limited offers, upfront cash incentives, free pensions reviews, legal loopholes or government initiative
- **If it sounds too good to be true it usually is**



# A source of good, impartial information

## Money Helper

Looking for pension guidance?

Phone: **0800 011 3797**

Webchat: [moneyhelper.org.uk/pensionschat](https://moneyhelper.org.uk/pensionschat)

Or, if you're over 50 with a defined contribution pension, use our Pension Wise service to discuss your options:

Phone: **0800 138 3944**

Online: [moneyhelper.org.uk/pensionwise](https://moneyhelper.org.uk/pensionwise)

Looking for money guidance?

Phone: **0800 138 7777**

Webchat: [moneyhelper.org.uk/moneychat](https://moneyhelper.org.uk/moneychat)

For help with managing your money in uncertain times visit [moneyhelper.org.uk/en/money-troubles/way-forward](https://moneyhelper.org.uk/en/money-troubles/way-forward)

MoneyHelper



# Questions and Answers