



Information for UCU members on contracts of less than two years

What is the Universities Superannuation Scheme?

The USS is the pension scheme offered to most academic and related (professional services) staff in the pre-92 universities.

It is a defined benefit scheme with a flat rate of 9.8% of salary member contribution.

Depending on the nature of your contract, you may be automatically joined into the scheme although you will have the option to 'opt out' of the scheme if you so wish.

To find out if you are in the USS contact your employer and check your pay slip which should show the relevant deductions.

For casualised staff on short-term contracts, it is important to understand what happens to your pension contributions if you leave your employment, especially if you have less than two years' service.

Leaving the scheme?

Once you leave employment your employer will let USS know.


They will then write to you to confirm the options available to you and where to find out more.

Less than two years' qualifying service

You may choose any one of the following options:

- 1) a refund of your own contributions, less statutory deductions of tax; or



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- 2) a deferred pension and lump sum in USS based on the value of your contributions to the scheme; or
 - 3) a transfer of the value of your benefits to another approved pension arrangement. You also have the facility to transfer your money purchase AVC fund and/or any USS Investment Builder funds independently of your USS Retirement Income Builder benefits.

Option 1

This will provide you with a refund of your contributions but NOT those made by the employer during your employment. This is not an option for those who have paid via salary sacrifice. See section overleaf.

Option 2

This leaves the pension you have built up in the scheme based on your contributions only – NOT those made by the employer during your employment. However, if you opt for deferred benefits, and have other short periods of employment (with the same or a different USS employer) all periods of pensionable employment are added together to qualify for benefits. So if these periods add up to more than 2 or more years, in total, then the value of your deferred pension will be 1/75 of each year's salary, limited to a salary threshold. The value of each year's pension is then revalued up to the point you retire.

Option 3

The transfer value to another scheme will be based on your contributions only and will NOT include those made by your employer.

For general information about USS please visit: www.uss.co.uk

For a factsheet about leaving the scheme please see:

www.uss.co.uk/members/members-home/leaving-the-scheme

Salary Sacrifice

Salary sacrifice is where you have your pension contribution paid by the employer and your salary is reduced accordingly. This is advantageous for tax and national insurance purposes – many members will see their take-home pay increase.

However, the technical mechanism used means that you have not made employee contributions, so cannot have your contributions refunded but you retain the option of a deferred pension based on the equivalent to employee contributions only. Salary Sacrifice therefore may not be the most financially beneficial option, so take independent advice before selecting this option. Salary sacrifice is administered through your employer, not the pension scheme, so if you want to opt in or out you will need to contact your employer.



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