



UODSS & Your Pension Benefits

The University of Dundee Superannuation & Life Assurance Scheme (UODSS)

Key information



A Guide for members

September 2019



www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pension Benefits

ABOUT THIS GUIDE

This guide is prepared on behalf of the UODSS Trustees and sets out a summary of the benefits provided in the scheme.

If you were previously a member of the University of Dundee (Former CNM Staff) Pension Scheme, please refer to the **former CNM members' booklet** as the benefits you built up prior to 31 July 2011 may not be the same as those detailed in this Guide.

Detailed information including a series of factsheets can be obtained from the UODSS website at:

<https://www.dundee.ac.uk/payroll-pensions/pensions/uodss>

or by contacting the pensions office:

University Pensions Office

University of Dundee

Dundee

DD1 4HN

Tel: 01382 384044

Email: pensionsoffice@dundee.ac.uk

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UODSS & Your Pension Benefits

Introduction

All members of UODSS will be provided with a pension and tax free cash sum at retirement. Benefits may also be paid if you are unable to work due to ill health. If you die either before or after retirement, benefits will be payable to your dependants.

In addition to the benefits you build up in UODSS, you will also earn State pension benefits. State pension benefits recently changed, please see page 9 for further details.

It is important to save towards a pension to ensure that you are able to achieve an adequate standard of living when you retire. As a member of UODSS, your employer will also make a contribution towards your pension saving.



When reading this guide please look out for the following symbols:



This means more detailed information is available in the factsheets provided on the UODSS website or from the Pensions Officer



This means you may need to complete a form to receive the appropriate benefits



UODSS & Your pension Benefits

How can I join UODSS?

If you have recently started working for the University you may be automatically enrolled into the UODSS depending on your age and salary.



see **Automatic Enrolment** factsheet

If you work for the University of Dundee, and are not in the Universities Superannuation Scheme (USS), and are not currently a member of UODSS, you will be entitled to join the Scheme provided you are aged between 16 and 75.

In addition, you are able to rejoin the Scheme even if you have retired from a previous period of membership.



see **Membership** factsheet



You can be a member of the UODSS at the same time as being a member of, or contributing to, other pension arrangements.

www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pensions Benefits

What are the main benefits?

PENSION

Pension earned before 1 August 2011 will be equal to $1/80^{\text{th}}$ of your final salary for each year of service up to that date. From 1 August 2011 you will build up a block of pension equal to $1/80^{\text{th}}$ of the salary you earn each year.

The blocks of pension that you build up from 1 August 2011 are revalued each year so that your benefits are protected against inflation. The pension you have earned before August 2011 will remain linked to your salary until you leave employment with the University.



TAX FREE LUMP SUM

You will also build up a cash lump sum equal to $3/80^{\text{ths}}$ of your final salary for each year of service up to 1 August 2011. From 1 August 2011 your cash lump sum earned will be in blocks of $3/80^{\text{ths}}$ of your salary for each year of service.

The blocks of cash that you build up from 1 August 2011 are revalued each year so that your benefits are protected against inflation. The cash sum you have earned before August 2011 will remain linked to your salary until you leave employment with the University.

Please see page 8 'calculating your retirement benefits' for more detail.



see [Your Retirement Benefits factsheet](#)



UODSS & Your Pension Benefits

What are the main benefits?



PENSION INCREASES

To protect your benefits against inflation, your pension will increase each year after you retire.

The precise increase you will receive will depend on the period in which you built up your pension. For this reason, different elements of your pension may increase at slightly different rates after retirement.

If you leave UODSS, your deferred pension and cash lump sum will increase in line with inflation for each complete year before retirement.

Each increase applied to your pension or cash lump sum is aimed at protecting your benefits against inflation.



[see **Pension Increases** factsheet](#)

DEATH BENEFITS

If you die either before or after retirement, a pension will be payable to your dependants. In addition, a tax free lump sum will be payable. The Trustees are responsible for the payment of benefits to your beneficiaries.



[see **Death Benefits** factsheet](#)



[complete a **Nomination of Beneficiary** form](#)

INCAPACITY BENEFITS

If you are not able to work due to ill health you may be able to receive a pension and tax free lump sum.



[see **Incapacity Retirement** factsheet](#)



UODSS & Your Pension Benefits

What are the main benefits?

CONTRIBUTIONS

Your contribution rate to the Scheme is 7.75% of Pensionable Pay. You will get tax relief on your contributions, which means that the real cost is lower than 7.75% for most members. The contribution rate paid by the University is reviewed every three years to ensure it is appropriate for the purpose of providing benefits to all members of UODSS.



[see **Contributions** factsheet](#)

DIVORCE

If you divorce your pension benefits will be taken into account when the courts assess and distribute your marital assets.

It is likely that you would need to take some action with respect to your benefits.



[see **Divorce** factsheet](#)



EARLY RETIREMENT

You may be able to retire as early at age 55 instead of at your Normal Pension Age of 65.

The minimum retirement age is set by the UK Government and is expected to rise to age 57 from 2028.



[see **Early Retirement** factsheet](#)

PAY MORE TO GET MORE

You can increase your benefits by paying additional voluntary contributions (AVCs).



[see **Topping up your Benefits** factsheet](#)



UODSS & Your Pension Benefits

How do I calculate my retirement benefits?

As described on page 5 of this guide, your pension builds up while you are contributing to the Scheme.

Each year before 1 August 2011 you build up a pension equal to 1/80th of your final salary and a cash sum of 3/80ths of your final salary.

Each year from 1 August 2011 you build up a block of pension equal to 1/80th of your salary and a cash sum of 3/80ths of your salary. Each block of pension and cash you earn is increased every year in line with changes in the Consumer Prices Index (CPI).

The following simplified example, which is based on a member with exactly 5 years of service in UODSS, shows you how it works. We have assumed that CPI increases by 3% per annum.

In this example, the member has built up five 'blocks' of pension which total £1,379. The member has also built up five blocks of cash totalling £4,137 (which is approximately three times the pension).

These amounts will continue to increase both before and after retirement in line with changes in the Consumer Prices Index.



see **Your Retirement Benefits** factsheet

Year	Salary in year	Pension earned in year	Cash earned in year	Pension revalued to end of year 5	Cash revalued to end of yr 5
1	£20,000	£250	£750	£281	£844
2	£20,400	£255	£765	£279	£836
3	£20,800	£260	£780	£276	£828
4	£21,200	£265	£795	£273	£819
5	£21,600	£270	£810	£270	£810
Total annual pension at end of year 5				£1,379	£4,137

www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pension Benefits

Will I receive any State pension benefits?

STATE PENSION BENEFITS

Significant changes to the State Pension regime have been put into effect in recent years. Pensioners reaching State Pension Age after on or after 6 April 2016 will receive the new State Pension.



see [State Benefits factsheet](#)

NEW STATE PENSION

The new State Pension is paid at a flat rate subject to meeting the criteria of 35 qualifying years of National Insurance Contributions. If you have less than 35 qualifying years (but more than 10) the amount paid is reduced. No amount will be paid if you have less than 10 qualifying years.

Over 2019/20, the full new State Pension amount is £168.60 per week.



PREVIOUS STATE PENSION REGIME

Those in receipt of state pension benefits from before April 2016 are not affected by the changes implemented in April 2016.

STATE PENSION AGE

State Pension Age has now been harmonised between men and women but differs depending on when you were born. The State Pension Age is rising and is currently scheduled to reach age 68 for those born after 5 April 1978 (i.e. in 2046). You can find out your own State Pension Age at the following website;

<https://www.gov.uk/state-pension-age>

The Government keeps the State Pension Age under review and further rises are expected.

www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pension Benefits

How do I increase my benefits?

The UODSS is a good way of saving towards your retirement. However, you may want to consider paying additional voluntary contributions (AVCs) into UODSS to increase your benefits at retirement. You will get tax relief on any extra contributions you pay since they will be classed as 'pensions savings'.

You can also pay extra contributions to other pension arrangements.

It is important to note that there is an annual allowance limit on pension savings which, if breached, could result in a tax charge. By paying AVCs you will be increasing your pension savings and may exceed this annual allowance.

You may wish to take independent financial advice before you increase your contributions.

WHAT OTHER BENEFITS DO YOU HAVE?

In addition to your UODSS benefits you also have State pension benefits and you may have pension benefits in other arrangements, for example with previous employers.

You should check that your total pension from all sources is on target to provide you with an adequate level of income when you retire.

MONEY PURCHASE AVCs

The UODSS includes a facility for members to pay AVCs and build up an account which can be used to top up the benefits payable from UODSS when you retire. You can change the amount of AVCs you pay into your account, and how often you pay them, at any time.



see **Topping Up Your Benefits** factsheet



UODSS & Your Pension Benefits

When can I take my benefits?

Normal Pension Date in the UODSS is your 65th birthday. However, it may be possible to take your benefits before or after age 65.

LATE RETIREMENT

You can choose to take your benefits after age 65. If you do, your retirement pension and lump sum will include the extra blocks built up after age 65 as well as those built up before age 65. Your pension and lump sum will both be increased to take into account that they will be paid later. Benefits built up after age 65 will not be increased.

 [see **Late Retirement** factsheet](#)



EARLY RETIREMENT

If you take your benefits before age 65 your benefits will be calculated in the same way as deferred benefits. Excluding retirement due to ill health, the pension and cash lump sum you receive before your Normal Pension Date may be reduced because the pension will be paid for a longer period of time. However, there are certain guarantees available within the UODSS which may mean some elements of your benefits are not reduced. The minimum age for early retirement in UODSS is currently 55 except for ill health circumstances.

 [see **Early Retirement** factsheet](#)

www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pension Benefits

What happens if I die?



DEATH IN SERVICE

If you die while still in service of UODSS, a lump sum of four times your salary at the date of your death is payable free of tax. A refund of your contributions to the Scheme and the accumulated value of your AVC account will also be paid. In addition, if you are married or have a civil partner, your spouse or partner is entitled to receive a pension of 50% of the pension you would have received at your Normal Pension Date. A child allowance may also be payable if you have dependent children.



see [Death Benefits factsheet](#)



[complete Nomination of Beneficiary form](#)

DEATH AFTER RETIREMENT

If you die after your pension has started, a pension of 50% of your pension at death will be paid to your spouse or partner. Some of this pension may be reduced if you were 10 or more years older than your spouse.

If you die within five years of your pension starting then a lump sum will be payable if you are under 75 years old or your pension will continue to be paid until the 60th monthly payment has been made.



see [Death Benefits factsheet](#)



[complete Nomination of Beneficiary form](#)



UODSS & Your Pension Benefits

What happens if I leave the Scheme?

If you leave the Scheme either because you have left employment or because you opt out of the Scheme, you have a number of choices with respect to your benefits.

 see [Leaving Service](#) factsheet

2. TRANSFER

You can transfer your benefits to another approved pension arrangement. If you are considering a transfer it is important that you take independent financial advice (and in certain circumstances it is a legal requirement to take advice). The following websites may be useful if you need independent advice:

www.unbiased.co.uk
www.findanadviser.org

 see [Transfers](#) factsheet
see [Flexibilities](#) factsheet

1. DEFERRED BENEFITS

If you have completed at least two years' service, you can leave your pension and lump sum in the Scheme and payment of your benefits will normally start the day after your Normal Pension Date. Between your date of leaving and receiving your benefits your deferred pension and cash sum will increase. Your AVC account will also remain invested until your deferred pension starts.

3. REFUND OF CONTRIBUTIONS

If you have less than two years' service you will be able to obtain a refund of your contributions to the scheme with interest. You will also be refunded the value of your AVC account. Tax will be deducted from your refund and an amount equal to any National Insurance you would have paid if you had not been in the Scheme will also be deducted.





UODSS & Your Pension Benefits

Salary sacrifice

SALARY SACRIFICE

The University of Dundee operates a salary sacrifice arrangement which is outlined in your contract of employment. If you take part in this arrangement this will mean that your salary is reduced but the University of Dundee will pay your contributions to UODSS.

WHAT IS SALARY SACRIFICE?

Under the salary sacrifice scheme your salary is reduced by an amount equal to your contribution to the Scheme (i.e. 7.75%). Your employer then pays the contribution on your behalf. As a result, you can make savings on your National Insurance Contributions which in turn leads to an increase in take home pay.

The salary sacrifice scheme does not have any effect on the amount of your Scheme pension benefits.



NATIONAL INSURANCE

Members who use the salary sacrifice scheme may make NI savings which reduce the net cost of the Scheme for those members.

From 6 April 2016, occupational pension schemes (such as the UODSS) are no longer “contracted-out” of the State Second Pension. This previously led to National Insurance Contribution savings which are no longer available.



see **Salary Sacrifice** factsheet



UODSS & Your Pension Benefits

Auto enrolment

Employers must provide a pension arrangement for all eligible employees that meets the Government's auto enrolment requirements.

WHAT IS AUTO ENROLMENT?

Starting in October 2012, new regulations require every employer in the UK to automatically enrol the vast majority of their employees into a suitable pension arrangement. For a pension arrangement to meet the Government's auto enrolment requirements a number of criteria must be met including employer and employee contribution levels, regulation of the scheme and how benefits accrue to members.

The UODSS meets or exceeds these requirements and is therefore a "qualifying" scheme. As a member of UODSS you don't need to do anything about auto enrolment.



[see Auto Enrolment factsheet](#)



HOW DOES AUTO ENROLMENT AFFECT ME

If you are not a member of UODSS you may be automatically entered into the Scheme shortly after you start working for the University. However, it is your right to opt out of this process. If you are affected in this way, the University will contact you and you should read the information provided carefully before making a decision. If you want to opt out and stop making payments after the 3 month refund period has expired you can do so, however, any potential refunds will be determined by the pension scheme rules. An opt out form is available from the link below or by contacting the Trustees.



[complete Notice to Opt-Out of Pension Savings](#)

www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pension Benefits

Important information

TAX

In the UK, pension contributions are exempt from tax. However, you may be liable for tax charges if the pension benefits you build up breach the annual or lifetime allowance limits set by HMRC.

More details on the annual and lifetime allowance limits set by HMRC can be found via their website at www.gov.uk/government/publications/rates-and-allowances-pension-schemes/pension-schemes-rates

It is important that you seek independent financial advice in relation to your retirement planning. The relationship between tax and pension saving can be complex, and an independent financial advisor will be able to assist you.



DATA PROTECTION

The Trustees of the Scheme will use the details and personal information (including any sensitive personal data) you have given together with any other information about you in accordance with the Data Protection Act 2018. This Act incorporates the requirements of the General Data Protection Regulations (GDPR).

Under the GDPR, the Trustees and the Scheme Actuary are referred to as 'Data Controllers' and they must explain how your personal data is used in the management of the pension scheme. This information is set out in their respective Privacy Notices, copies of which are available from the UODSS website.

A copy of the Trustees' Data Protection Policy is available on request.

www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pension Benefits

Who are the Trustees?

Keith Swinley (Chairperson)
Employer Appointed Trustee

c/o University Pensions Office
University of Dundee
Dundee
DD1 4HN
k.swinley@btinternet.com

Allan Martin
Employer Appointed
Professional Trustee

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Christine Blyth
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*Representing the Retired Members
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Vacancy
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UODSS & Your Pension Benefits

Who are the Trustees?

Fiona Woodward

Member Nominated Trustee

*Representing the Clerical
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Employer Appointed Trustee

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Director and University Librarian

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c/o University Pensions Office

University of Dundee

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DD1 4HN

n.laker@dundee.ac.uk

www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pension Benefits

How do I contact the Scheme?

SCHEME QUERIES

If you have any questions relating to your benefits you can contact the Pensions Officer using the email addresses below:

pensionsoffice@dundee.ac.uk

SCHEME COMPLAINTS

We have a formal procedure for dealing with member disputes and complaints

In the first instance, if you have a problem or complaint relating to the Scheme, please email or write to the Pensions Office using the details provided on page 2 of this guide.



SCHEME DOCUMENTS

Copies of all Scheme documents available to you are accessible from the University of Dundee pensions website at:

<https://www.dundee.ac.uk/payroll-pensions/pensions/uodss>

SCHEME RULES

Your legal rights are governed by the Trust Deed and Rules of UODSS and any overriding legislation. If there are any differences between your legal rights override this guide. A copy of the rules can be provided on request.

www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pension Benefits

Other useful contacts

THE PENSIONS REGULATOR

Is the regulatory body responsible for enforcing the law on occupational pension schemes such as UODSS. Its address is:

The Pensions Regulator

PO Box 332

Darlington

Tel: 0345 600 1011

www.thepensionsregulator.gov.uk

THE PENSIONS OMBUDSMAN

May investigate any complaints or disputes of fact or law with respect to an occupational pension scheme. Its address is:

The Pensions Ombudsman

10 South Colonnade

Canary Wharf, London

E14 4PU

Tel: 0800 917 4487

www.pensions-ombudsman.org.uk



PENSIONS ADVISORY SERVICE

May assist members and beneficiaries with any unresolved pension queries. Its address is:

TPAS

11 Belgrave Road

London

SW1V 1RB

Tel: 0800 011 3797

www.pensionsadvisoryservice.org.uk

PENSION TRACING SERVICE

Is a central register to help people trace details of pension schemes they may have lost contact with. Its address is:

Pension Tracing Service

Mail Handling Site A

Wolverhampton

WV98 1LU

Tel: 0800 731 0193

www.dundee.ac.uk/payroll-pensions/pensions/uodss



UODSS & Your Pension Benefits

Protecting your pension from the scammers

**Predators
stalk
your
pension**



BEWARE OF PENSION SCAMS

Pension scams are on the increase. The scammers use a variety of tricks to con pension scheme members out of their money. The UODSS Trustees have additional security in place to protect you against the scammers. This involves a telephone based check before you are able to transfer money from The Scheme. Despite this, we still need you to be vigilant in the face of the scam threat.

Watch out if an individual or company:

- contacts you unexpectedly (known as a 'cold call') about your pension money by phone, text message, visiting you in person, or in other ways
- says you can access your pension money before 55 and that they can help you with this
- encourages you to take out a large lump sum, or your whole pension pot in one go, and to let them invest it for you
- asks you to transfer your money quickly, even sending documents to you by courier - never make a rush decision about your pension money
- uses words like 'pension liberation', 'loan', 'loophole', 'free pension review' or 'one-off investment'
- offers you an investment described as 'unique', 'overseas', 'environmentally friendly', 'ethical' or in a 'new' industry

This list is from the pensionwise website, which you can access for further information on pension scams including what to do if you suspect you have been the victim of a pension scam.

<https://www.pensionwise.gov.uk/en/scams>



UODSS & Your Pension Benefits

List of detailed factsheets available from the Pensions Office or website



1. Definitions
2. Eligibility
3. Your Retirement Benefits
4. Part Time Service
5. Contributions
6. Salary sacrifice
7. Auto Enrolment
8. Topping Up Your Benefits
9. Early retirement
10. Late retirement
11. Pension increases
12. Death Benefits
13. Leaving Service
14. Incapacity Benefits
15. Transfers
16. Divorce
17. State benefits
18. Pension flexibilities