



# UODSS & Your Pension Benefits

## University of Dundee Superannuation and Life Assurance Scheme (UODSS)

### Factsheet 13 – Leaving Service

You may leave the Scheme before retirement for several reasons. For example, you may leave employment with the University (or any other Participating Employer) or you may decide to opt out of UODSS membership.

This factsheet sets out what happens to your benefits when you stop contributing to UODSS. It also provides details of the different option that may be available to you.

**If you wish to leave the Scheme you must give the Trustees at least one month's written notice of your intentions.**

#### **AUTOMATIC ENROLMENT**

As required by auto enrolment legislation, you will have a statutory right to opt-out of the Scheme within the first 3 months. Opting out in this way will result in a return of your contributions from the Scheme, which are subject to tax and national insurance contributions. The aim is to put you back in the position you would have been in had you not been automatically enrolled into the Scheme. For more information on auto enrolment, please see [Factsheet 7 – Auto Enrolment](#).

#### **OPTIONS ON LEAVING**

If you stop paying into UODSS and leave the Scheme you will have a number of options available depending on the amount of Pensionable Service you have completed.

##### **You have completed 2 years' Pensionable Service:**

- You may choose to defer your benefits;
- You may transfer your benefits to another approved pension arrangement;

Unless you take action to transfer your benefits you will become a deferred member of UODSS and your benefits will come into payment when you reach Normal Pension Date. During this period, your benefits will increase in line with inflation.

##### **You have completed less than 2 years' Pensionable Service:**

- You may transfer your benefits to another approved pension arrangement (provided you have completed 3 or more months of Pensionable Service);
- You may receive a refund of your contributions.

Each of the above options is described in more detail below.

#### **DEFERRED BENEFITS**

If you leave the Scheme with more than 2 years' service you will have the option of deferring your benefits until you retire.

Your deferred benefits will be calculated in the same way as if you retired at your Normal Pension Date, but based on your Pensionable Salary and Pensionable Service at the date you leave.

#### **What happens to your deferred benefits after you leave the Scheme?**

Your deferred benefits will be revalued between your date of leaving and your Normal Pension Date to protect them against the effects of inflation.

##### **Guaranteed Minimum Pension (GMP)**

Your GMP will increase each tax year in line with statutory requirements.

##### **For benefits earned from 1 August 2009**

Your pension and lump sum benefits will be revalued on 1 April each year in line with the annual increase in the CPI\*, subject to a maximum annual increase of 2.5%.

##### **For benefits earned before 1 August 2009**

Your pension in excess of your GMP and any lump sum in respect of service before 1 August 2011 will be revalued on 1 April each year in line with the annual increase in the CPI, subject to a maximum annual increase of 5%.

#### **Additional Voluntary Contributions (AVCs)**

If you have paid AVCs into UODSS then your AVC account will remain invested until retirement.





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## TRANSFER OUT

If you have completed 3 or more months of Qualifying Service then at any time between leaving UODSS and your Normal Pension Date you can ask to transfer your benefits to another approved pension arrangement if you wish.

If you request a transfer you will be provided with a transfer value quotation, which represents the expected cost within UODSS of providing your benefits.

If you decide to transfer your benefits you will give up all of the guarantees provided under UODSS. As such, you may wish to take independent financial advice before making a decision.

More information on transferring your benefits is available in [Factsheet 15 – Transfers](#).

## REFUND OF CONTRIBUTIONS

If you have less than two years' service then you may receive a refund of your contributions to the Scheme with interest. However, if you have participated in the Salary Sacrifice arrangement you will receive an ex-gratia payment to the same value from the University instead of the Scheme.

The accumulated value of your AVC account will also be refunded to you.

From this refund an amount equal to the National Insurance contributions you would have paid had the Scheme not been contracted-out will be paid to the State to ensure your additional State benefits are secured.

Tax will also be deducted from this refund at the appropriate rate(s). Contributions refunded from your AVC account will be taxed separately at a different rate.

To apply for a refund of contributions please contact the Pensions Office.

## WHAT HAPPENS IF I DIE AFTER LEAVING SERVICE?

If you die before retirement whilst you are a deferred member a lump sum is payable to your estate along with a pension which is payable to your spouse.

## Lump sum

The lump sum consists of 2 parts added together.

- All of your member contributions paid into the Scheme along with a sum equal to the member contributions you would have paid had you not participated in the Salary Sacrifice Arrangement. For contributions paid from 1 August 1974 interest will be included.

Plus

- The accumulated value of any money purchase AVC account you have with the Scheme.

## A pension for your spouse

If you die after leaving the Scheme and before your Normal Pension Date, your spouse or partner will be paid a pension for life. The pension will be half of your deferred pension including half of the revaluation you would have received on your pension up to the date of your death.

## A pension for your children

A child allowance equal to one quarter of your pension is payable to each eligible child. If no spouse's pension is payable the child allowance increases to one-third of your pension.

If your children are either under age 18 or in full time education, they will qualify for the child allowance. However, the allowance will stop at age 23 and the child allowance can only be paid to a maximum of 2 children.

## IMPORTANT NOTE

This factsheet provides a summary of the benefits available on leaving service. However, your legal rights are governed by the Trust Deed and Rules of UODSS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet.

