

Universities & Colleges Retirement Savings Scheme

Frequently Asked Questions

What is the UCRSS?

It's a defined contribution pension arrangement specifically for higher education institutions.

What is a defined contribution pension scheme?

In a defined contribution pension scheme members build up a personal pension pot based on the contributions paid in (by both the employee and employer) and the investment returns achieved on the pot of money. This pot is then used to provide benefits at retirement.

How does the UCRSS operate?

The UCRSS is a pension scheme which is run by Mercer Master Trust, Trustee Board, and The pension is administered not provided by Aviva. The University is a participating employer in that scheme.

The [member guide](#) provides details on how the pension works and choosing your benefits at retire. The Mercer website also has lots of helpful information.

Who is eligible to join the UCRSS?

All professional services staff are eligible for membership. Staff employed before April 2018 who have chosen to opt out of their contractual scheme may also join the UCRSS.

What are the benefits of joining the UCRSS?

- The UCRSS represents a flexible pension option.
- The University contributes up to 10% of pensionable pay for each employee member.
- Tax relief from the government on contributions members choose to make is normally available. This helps increase the value of paying additional contributions into the plan.
- The UCRSS is operated under a salary sacrifice arrangement, known as Pension Salary Exchange.
- Members of the UCRSS are also covered for a death in service lump sum benefit.

What is the joining process?

Members of professional services staff are automatically entered into the UCRSS and will receive an email from money@mercero.com with their account log in details.

What is the selected retirement age?

This is the age a member wishes to withdraw their retirement savings. The UCRSS default retirement age is 65 years of age however members of the UCRSS have the choice to select an

age when they wish to retire/withdraw their retirement saving. You can do this at any time from your My Money [account](#).

Benefits can be accessed at any time between the ages of 55 and 75, which is the maximum age for membership.

What pensionable salary will be used for contribution purposes?

Pensionable salary is all remuneration in respect of contractual duties.

What are the contributions payable?

The default contribution rates are 5% for members and 10% for the University. Alternative contributions options are:

Member Contribution	University Contribution
2%	7%
3%	8%
4%	9%
Default rate 5% (or more)	Default rate 10% (maximum)

How do I amend my contributions?

Complete a [Contribution Amendment form](#) and return it to payrollservices@lincoln.ac.uk

Can I get a refund of my contributions?

The scheme rules do not permit you to take a refund of the contributions that you have paid. You will not lose the pension you have built up in the UCRSS and Mercer will be able to tell you what options you have.

How do I opt out of the UCRSS?

Complete an [Opt Out form](#) and return it to payrollservices@lincoln.ac.uk. By opting out you will lose the right to pension contributions from the university and it may result in you having a lower income when you retire. You will also not be covered for the death in service lump sum.

What help does the Government provide?

Tax relief on employee contributions is provided by the Government which lowers the real cost of saving towards your pension pot. Tax relief is automatically applied through payroll at source. The amount depends on the rate of tax paid each pay period.

What is the benefit to me of participating in Pension Salary Exchange for my pension contributions?

Pension Salary Exchange is designed to make pension contributions more efficient and will reduce National Insurance (NI) costs for you and the University. It is a method accepted by HMRC as a legitimate means of reducing NI contributions for employees and employers.

You will pay less national insurance providing your pay after salary exchange is above the Lower Earnings Limit (LEL) threshold for National Insurance as set by HMRC every April. The amount you save is linked to the level of your gross pay after the salary exchange. Full details are available from the [PPC portal pensions page](#)

What is the maximum which can be paid into the UCRSS and attract tax relief?

The maximum contribution that a member of staff can make to a pension scheme is 100% of earnings. Tax will not be paid on contributions as long as the member's and the University's contributions do not exceed the Annual Allowance. Details can be found on HMRC [website](#).

Is there a maximum value that can be accumulated over an entire working lifetime tax efficiently?

Yes, this is known as the Lifetime Allowance and it includes all pension benefits. Details can be found on HMRC [website](#).

Where will contributions be invested?

All contributions will be automatically invested in the scheme default fund unless members of the UCRSS choose otherwise. The default fund is the Mercer Growth/Balanced Risk Fund, which invests in a range of asset classes, and then 8 years from selected retirement age starts members on a glide path towards an asset allocation suitable for a cash withdrawal at retirement. Further information is available from the [Investment Guide](#)

Are there any other funds available?

A range of funds are available, please refer to [Investment Guide](#).

What charges are paid?

The only charges applied under the UCRSS are regular charges based on the size of the member's fund and are deducted automatically. The amount deducted, depends on the funds chosen, but as an example the amount deducted from the default fund is 0.71% pa.

However, the UCRSS offers access to a wide range of funds and this includes the option to invest in some specialist funds. The annual management charge (AMC) may be higher for some funds than for others.

How can I transfer a previous pension into my fund with the UCRSS?

Call the Mercer helpdesk on 0330 808 9426 to enquire and provide them with details of who your previous pension is with, the policy number(s) and value. Mercer will send you transfer forms and you may need to take advice before deciding whether or not to go ahead. Once you complete and return the forms Mercer will request the funds and notify you when the process has been completed.

What are the choices at retirement from the UCRSS?

Members can take a tax-free cash lump sum from their pension savings when they retire (which is currently up to 25% of your retirement savings). The remainder of benefits from any UK pension scheme are, in most cases, subject to income tax.

There are 4 main pension options at retirement. One or a combination of the 4 options can be chosen. The options are:

- Leave the accumulated fund invested, taking from it when needed (known as flexible drawdown)
- Taking it all in cash
- Secure a guaranteed income for life (this is called an annuity)
- Leaving it all for now – defer taking your pension

Members may already have a good idea of which option suits best but it's really worth comparing the features and benefits of each options. The decision does not have to be made until actual retirement date.

What happens if a member of the UCRSS dies before retirement?

If a member dies before taking anything from the UCRSS, the pension fund built up will usually be paid as a lump sum to the member's nominated beneficiary(ies). Members will need to nominate beneficiaries via their UCRSS account.

In addition, membership of the scheme provide life assurance of 5 times salary. This death in service lump sum payment is paid by the life assurance provider to the member's beneficiary(ies). If a member wishes to nominate a beneficiary for this payment they should complete the Life Assurance Nomination form available from the [PPC portal pension page](#). There will normally be no inheritance tax to pay on this lump sum.

What happens if a member of the UCRSS leaves the University?

Aviva, as administrators of the UCRSS, will be notified when a member leaves the University and will contact you with details of your pension benefits and options.

What happens if a member becomes ill and leaves because they are no longer able to carry out their work?

The UCRSS does not provide any ill health retirement benefits. If a member leaves employment as a result of ill health their pension will be deferred. The earliest age you can take your pension is currently 55.

Who can I talk to regarding my pension options?

If you have any other questions please contact the Pensions Manager at the University or the Mercer helpline - tel: 0330 808 9426 or email: money@mercerc.com

For updates and news on Government initiatives and information about retirement and pension benefits, including the State pension arrangements, visit www.gov.uk

[Pensions Advisory Service](#) contains free help and advice about all types of pensions.

[Money Advice Service](#) offers unbiased information and advice on finance-related topics. It has available a range of tools for you to use, including pension annuity calculators.

[Pension Wise](#) offers lots of information and free telephone or face to face guidance to individuals deciding how best to take their pension benefits when they retire.

We recommend you take financial advice before making any important decisions about your pensions arrangements. The University is not allowed to provide financial advice. If you do not currently have a financial adviser, you can go to the following website for access to the UK's largest choice of professional financial advisers. www.unbiased.co.uk