

## UPS Defined Benefit (DB) FAQs

### **1. How much am I paying in pension contributions?**

5.5% of your pensionable earnings each year. The employer is currently paying £3.29m per year

### **2. Can I change my employee contribution rate?**

The Contribution Rate is a set percentage. If you wish to make additional contributions, you can by electing to pay Additional Voluntary Contributions. See Question 3 for further details.

### **3. How do I pay Additional Voluntary Contributions?**

The UPS DB AVCs are through Prudential. The link <https://www.pru.co.uk/rz/gavc/> provides general information about AVCs, but please note that since the AVC plan would be linked to your defined benefit scheme, not all of the information contained in the guide may apply. Member funds can only be invested in the [Cash Accumulation and With Profit Funds](#), and this guide may be useful. The AVC plan cannot be managed online and the benefits payable from the AVC fund will be subject to the UPS DB Scheme Rules.

If you wish to start making AVC contributions, please complete and sign the [application form](#) and return it to HR Pensions at University House.

### **4. How is my pension calculated?**

At your Normal Retirement Date your pension will be calculated in two parts as follows:

(a)  $1/60 \times \text{Final Pensionable Earnings} \times \text{Pensionable Service on or before 31 March 2010}$  (if any); and

(b)  $1/100 \times \text{Final Pensionable Earnings} \times \text{Pensionable Service on and from 1 April 2010}$  (if any).

Any pension which you earned prior to 1 April 2010 i.e. ((a) above) is subject to an underpin which means it will not be less than it would have been had you left the DB Section as at 31 March 2010 (i.e. prior to the changes to the definitions of Final Pensionable Earnings and Pensionable Earnings), increased in accordance with statutory requirements during the period between 31 March 2010 and the date on which your benefits are calculated on retirement or death (whichever is earlier).

For more details please see page 10 of the [Scheme Booklet](#).

### Final Pensionable Earnings

For a Member in Pensionable Service on or after 1 April 2010, this is the highest average of your annualised Pensionable Earnings in any period of 36 consecutive months during the 10 years immediately before the date you retire (or leave Pensionable Service or die, if earlier).

For a Member who left Pensionable Service before 1 April 2010, this is the highest total of your Pensionable Earnings in any period of 12 consecutive months during the last three years immediately before the date you retire (or leave Pensionable Service or die, if earlier).

In either case a Member's Final Pensionable Earnings may be restricted to the Scheme Earnings Cap. Please see page 5 of the [Scheme Booklet](#) for further information.

### Pensionable Service

This is the period of continuous service with the University in complete years and months as an Active Member of the Scheme.

#### **5. Can I take any of my pension as tax free cash?**

The Scheme rules provide members with a Compulsory Lump Sum. If you have been in Pensionable Service on or after 1 April 2010, in addition to your pension you will receive a Compulsory Lump Sum calculated as follows:

$3/80\text{ths} \times \text{your Final Pensionable Earnings as defined for post 1 April 2010 Pensionable Service} \times \text{your Pensionable Service on and from 1 April 2010}$

Under current legislation, this cash sum can be paid tax-free.

Employees on retirement from the Scheme will also be provided with a Maximum Cash option. Any additional cash sum taken will be by exchanging extra cash for pension. Therefore if you take the Maximum Cash available, the monthly pension you receive will be lower.

#### **6. How do I request a Retirement Illustration?**

Request the quotation by emailing [hr.pensions@warwick.ac.uk](mailto:hr.pensions@warwick.ac.uk). We normally receive the quotes from the Scheme Administrator within a month of the request.

#### **7. How do I update my nominated beneficiaries?**

You will need to complete a new [Expression of Wish form](#) which will supersede any previous elections. Unfortunately the Pensions Team are unable to release details of who your previous nominated beneficiaries were.

**8. I am leaving the University of Warwick, what happens to my occupational pension scheme benefits?**

Upon leaving the University and after your last payment from payroll, the HR Pensions Team will inform the Scheme Administrator that you have left the Scheme. They will write to you about your benefits. Generally your benefits will remain in the Scheme until you claim them on retirement. Alternatively, you may be able to transfer them to an alternative arrangement. This will be detailed in the correspondence you receive from the Scheme Administrators.

**9. I am leaving the University of Warwick and am moving overseas, what happens to my occupational pension scheme benefits?**

Upon leaving the University and after your last payment from payroll, the HR Pensions Team will inform the Scheme Administrator that you have left. They will write to you about your benefits. Generally your benefits will remain in the Scheme until you claim them on retirement. Pensions can be paid to members who live overseas. Alternatively, you may be able to transfer them to an alternative arrangement. Whilst it may be possible to transfer benefits to an overseas arrangement, the process is more complex since [HMRC](#) requires any overseas arrangement to be on an approved list of qualifying schemes. You should take appropriate financial advice and be aware of [Investment Scams](#).

**10. Can I transfer my benefits from a previous scheme into my current scheme at University of Warwick and how can I do this?**

No it is not possible to transfer other pensions into this arrangement.

**11. How can I request a Cash Equivalent Transfer Value for divorce purposes?**

Please email [hr.pensions@warwick.ac.uk](mailto:hr.pensions@warwick.ac.uk) with the request and explain it is for divorce purposes. If you have an imminent court date, please confirm this in the email so we can escalate this with the Scheme Administrators.

**12. I am moving to a new role on a different grade from my previous role, does this impact my pension scheme?**

If the move is on a permanent basis and still within grades 1 to 4 there is no change. If grade 5 or above you will be offered a one off opportunity of remaining in UPS DB or switching to USS. You will not be permitted to re-join UPS DB in the future if you change contracts.

If the new role is a secondment then you will remain in UPS DB unless the move becomes permanent.

**13. My home address has changed, how can I notify my pension scheme?**

You should complete a [Personal Detail Amendment Form](#) and inform [hr.pensions@warwick.ac.uk](mailto:hr.pensions@warwick.ac.uk) that you have completed one.

**14. Can I withdraw from the scheme and rejoin at a later date?**

If you withdraw from the scheme you are not permitted to re-join the UPS DB Section in the future. Whilst a non-member you will not be covered for Death in Service Life Cover. If you wanted to rejoin a pension scheme you would join the UPS DC Section.

**15. What happens to my pension contributions if I go on Maternity Leave or a Career Break?**

If you go on Maternity leave you will pay pension contributions based on the actual pay you receive, whilst the University will pay contributions based on your notional pay. i.e. based on the salary that would have been paid but for the maternity leave.

If you go on a career break your service will be suspended. If you wish to maintain cover during a period of absence please contact [hr.pensions@warwick.ac.uk](mailto:hr.pensions@warwick.ac.uk) so we can check if cover is available from the insurance company.