

University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

Factsheet 3 - Contributions

In order to build up benefits in UASLAS you will need to make contributions while you are employed by the University. This factsheet provides details of what your contributions will be if you are a member of the Scheme.

WHAT CONTRIBUTIONS WILL BE PAID?

As a member of the Scheme you will make a contribution towards the cost of providing your retirement benefits. However, most of the cost will be met by the University. Your contributions and those paid by the University are invested under a Trust and used to pay out benefits when the time comes.

The contributions paid in the past have built up into a significant fund, which is managed by the UASLAS Trustees. The UASLAS Trustees take professional advice to decide how the funds are invested. In addition, the Trustees may request additional contributions from the University to ensure that it holds enough money to pay benefits in full.

Member contributions (or what does it cost?)

As a member of the Scheme you will pay 8% of your Pensionable Salary each year. You will not be taxed on these contributions.

University contributions

As well as your own contributions, the University will also pay into the Scheme.

The contributions payable by the University are agreed between the University and the Scheme's Trustees and updated every 3 years following a detailed valuation carried out by the UASLAS Scheme Actuary.

Additional Voluntary Contributions (AVCs)

The UASLAS AVC arrangement is no longer open to new members. However, you may choose to pay AVCs to a Free Standing AVC arrangement, usually provided by an insurance company of your choice. You can also pay into a 'stakeholder' or personal pension plan while a member of UASLAS.

If you wish to contribute to one of these, you must make your own arrangements with an authorised provider.

Please consider taking independent financial advice if you wish to supplement your UASLAS benefits.

If you are already paying AVCs to the Scheme, more detailed information can be found in [Factsheet 4 – Topping up your benefits](#).

PAYING MY CONTRIBUTIONS

Contributions to the Scheme start when you join and stop on the date you leave Pensionable Service.

Breaks in service

If you are absent from work on unpaid leave, contributions may be continued or suspended. When you return to work, your retirement benefit may be reduced if you do not make up the arrears in both your contributions and those on behalf of the University. Special arrangements can be agreed at the University's and Trustee's discretion. However, you can make up the arrears to ensure that your benefit is not reduced.

Long periods of service

If you joined UASLAS before 1 August 2011, you will have the option for contributions to cease when you reach 40 years' pensionable service or on reaching Normal Pension Date even though you continue in University service. If you do this your pensionable service will cease. You can continue contributing to build up additional pension benefits if you want. The University will also continue to contribute in the same manner.

PENSIONS PLUS

The University operates Pensions Plus which is a salary sacrifice arrangement which you may already take part in. If so, your salary will be reduced by an amount equal to your contribution to the Scheme and the University will pay the contribution on your behalf.

National Insurance savings

The main benefit of any approved salary sacrifice arrangement is the savings you, and the University, will make on National Insurance Contributions. Since your salary no longer includes your pension contribution, which is paid by the University, a lower salary is used to determine your National Insurance Contributions. As a result, this leads to an increase in your take home pay.

Salary sacrifice schemes are widely used by UK employers as an effective way of letting employees pay for pension and other benefits (including nursery vouchers and 'bike to work' schemes) because it leads to an increase in take home pay for most employees.

Exclusions from Pensions Plus

In some circumstances it may be more beneficial for you not to take part in Pensions Plus. If your earnings fall below the Personal Allowance determined by Her Majesty's Revenue & Customs' you will automatically be removed from Pensions Plus. You will instead pay your contributions directly to the Scheme.

WILL MY BENEFITS BE AFFECTED BY PENSIONS PLUS?

Your benefits will not be affected if you pay your contribution to UASLAS through Pensions Plus. Your salary before any salary sacrifice deduction will be the salary used to calculate your retirement, death and any other benefits payable under the Scheme.

IMPORTANT NOTE

This factsheet provides a summary of your contributions. However, your legal rights are governed by the Trust Deed and Rules of UASLAS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet.

A copy of the Rules can be obtained from the Pensions Office.