

FREQUENTLY ASKED QUESTIONS – UBPAS TRANSITION TO UBGPP

1. What is the significance of 31st December 2019?

This is the date at which the UBPAS closes to new pension service accrual – you will not be able to build up any additional benefits in the UBPAS after this date. Closure benefit statements, setting out the benefits you have built up in the UBPAS as at 31 December 2019, will be sent out in early 2020.

2. What do I need to do if I did not receive a benefit statement in July?

You will need to contact Barnett Waddingham which now administers the UBPAS on behalf of the Scheme's Trustees: Barnett Waddingham is responsible for preparing the benefit statements. They can be contacted on 0333 111 1222 or by email at bristoluni@barnett-waddingham.co.uk

3. Where will my UBPAS closure benefit statement come from in early 2020?

The Trustees will send out these statements to your home address, but they will be prepared by and should be printed on Barnett Waddingham-headed paper. This statement will provide a summary of your accrued benefits in the UBPAS as at 31 December 2019.

4. What do I need to do if I don't think my closure benefit statement is correct?

As Barnett Waddingham are preparing the statements, if you think the information is inaccurate, you will need to contact them directly on 0333 111 1222 or by email at bristoluni@barnett-waddingham.co.uk

5. How will my Final Pensionable Salary be calculated as at 31 December 2019?

Your Final Pensionable Salary at 31 December 2019 will be the **greater** of:

- Your highest annual Pensionable Salary in any of the three years to 31 December 2019; and
- The annual average of your best three consecutive years' Pensionable Salaries in the thirteen-year period up to 31 December 2019.

Note, where your Pensionable Salary from a year before 2019 is used in this calculation it will be increased for inflation between the year in question

6. Where can I get an Expression of Wish nomination form from for UBPAS and who do I send it to?

The link to the form can be found here:

<https://www.bristol.ac.uk/directory/finance/pensions/ubpas/forms/>

Completed forms can be sent to:

the Trustees of the University of Bristol Pension and Assurance Scheme
c/o Barnett Waddingham
Hartwell House
Victoria Street
Bristol BS1 6AD

7. Will my death in service benefit go to my partner automatically even if I have not completed an Expression of Wish nomination form?

The UBPAS Trustees have discretionary powers in deciding to whom lump sum benefits and dependant's pensions on death are payable and will take into account the nominations detailed on your Expression of Wish Form. Please ensure your nominated beneficiary is up to date on your Expression of Wish form and remember to update this if your personal circumstances change.

8. How do I nominate a beneficiary when I join the UBGPP scheme?

You will be sent a nomination form by Legal & General when you join the scheme and/or can complete it online once you have registered your policy with L&G and logged into 'Manage Your Account'.

9. How do I find out what my current contribution rate into the UBPAS is?

Your 2019 Annual benefit statement shows the rate at which you were accruing benefits in the UBPAS as at 31 January 2019 and the table at the end of Appendix A of the covering letter sent with your 2019 statement sets out the employee contribution rates that apply for the different accrual rates. You should also be able to work this out from the information on your payslip.

Alternatively, you can contact Barnett Waddingham directly on 0333 111 1222 or by email at bristoluni@barnett-waddingham.co.uk

10. Will I still be able to accrue 25 years in the scheme once the UBPAS scheme closes?

On closure your Final Pensionable Salary and years of Pensionable Service in UBPAS will be frozen at 31 December 2019. You will be unable to accrue additional pensionable service that counts towards your pension income beyond this date.

However, employed deferred members will remain entitled to take their UBPAS benefits early without reduction from age 60 if, at the date of their retirement, they would have had 25 years' 'Scheme Service' had UBPAS remained open to accrual until that date. In other words, whilst you remain an employed deferred member your service after 31 December 2019 will count as 'Scheme Service' for the purpose of determining whether you can take your UBPAS pension from age 60 without reduction.

11. In what circumstances can I can take my UBPAS employed deferred benefits at 60?

If you choose to stop working at age 60 you will be able to access your benefits, but your accrued benefits will be subject to an actuarial reduction unless you have 25 years 'Scheme service' at the date of your retirement (see question 10 above).

12. Do I need to be living in the UK to receive the benefits from the UBPAS when I retire?

You don't need to be living in the UK to receive your UBPAS benefit, and you won't lose your accrued benefit entitlements, but the taxation of the pension will be determined by any double tax agreements between the UK and your country of residence.

13. If I resign but later return to work after drawing my pension benefits can I still benefit from the enhanced rates in UBGPP even though I've had a break in my service with the University?

If you resign and are subsequently re-employed after a break in service, you may re-join the UBGPP but at the standard contribution rates. This would be the position regardless of whether or not you have started to draw your UBPAS and/or UBGPP pension benefits since resigning.

14. How does UBGPP compare to UBPAS?

The two schemes are very different and so they can't really be compared. UBPAS is a final salary scheme which is a type of 'defined Benefit' (or DB) scheme. A DB scheme is a scheme where the benefits that you will receive when you retire are defined by a set formula and the amount that you receive will depend on the number of years you are in the scheme and (in the case of a final salary scheme) your Pensionable Salary at retirement or earlier leaving.

UBGPP is a 'defined contribution' (or 'DC') scheme. Under this type of scheme, employee and employer contributions are invested and then at retirement the pot that has built up is used to provide benefits in the form of your choosing (e.g. you can use your fund to purchase an annuity, take as a cash sum, drawdown income in stages, etc.). The value of your benefits in a DC scheme are not guaranteed but are dependent on a number of variables (e.g. how long contributions are paid for and the investment returns achieved). The UBGPP also allows you to control how your savings pot is invested.

15. What fund growth might I expect from UBGPP?

Nobody knows what investment returns will be in the future. You can decide where contributions to your pot are invested or could go into the UBGPP 'default' fund automatically, which the Governance Group monitors and may change if need be. You will be sent all these details when you join.

16. What sort of fund size might I need to save in UBGPP to be able to draw a £10k pa income?

Everyone's situation is different in terms of chosen retirement age, and how much will be paid into the UBGPP, so the best thing to do is to use some of L&G's online tools, such as the ones below:

- <https://www.legalandgeneral.com/workplace/u/university-of-bristol/helpful-resources/planning-tools/how-much-will-you-need/>
- <https://landg.evalueproduction.com/moneybee/controller>

17. If I have 40 years' service, can I continue to pay into the UBGPP scheme?

Yes – just remember that you need to keep an eye on HMRC restrictions that apply, such as the Lifetime Allowance etc. You should take independent professional advice in any event.

18. Is my money safe in UBGPP?

Although the final value of your fund in the UBGPP can't be guaranteed, if anything happens to L&G your fund is protected by the Financial Services Compensation Scheme.

19. Does the UBGPP scheme pay out benefits as flexibly as the UBPAS scheme?

The UBGPP scheme is potentially more flexible than UBPAS in terms of how you can take your benefits and offers a variety of options. If you wanted the same level of flexibility over how you can take your benefits from UBPAS, then you would need to transfer your accrued benefits into a 'DC' scheme that offers similar options.

Taking a transfer from a 'defined benefit' (or DB) scheme like UBPAS into a DC schemes is something you would need to think **very carefully about**, as you would be giving up a guaranteed benefit, and you would need to take independent financial advice. The Financial Conduct Authority's view is that in most cases this type of transfer is not suitable. You can find out more here:

<https://www.fca.org.uk/news/press-releases/fca-announces-further-action-defined-benefit-transfers>

UBPAS pays a lump sum of 3 x your annual pension which can be increased to broadly 25% of the capital value of your UBPAS benefits (subject to commutation factors and HM Treasury limits). Your annual pension will be reduced accordingly.

20. I have a contract with TSS alongside my substantive contract and am already a member of UBGPP. How will this impact on my new membership?

The two accounts will be kept separate within UBGPP and only the account associated with your UBPAS membership will attract the enhanced employer contribution rates.

21. Many University staff still have access to a final salary scheme, how is this fair to staff who now have to leave UBPAS?

Staff in the USS scheme have already moved to a Career Average scheme rather than Final Salary and since October 2016 the benefits members can build up in this scheme have been limited by an annual threshold salary (£58,589.70 for 2019/20). Members can pay additional contributions (including, automatically, contributions on earnings above the annual threshold) to accrue benefits in a separate DC section (similar to the UBGPP arrangement). The USS is a national scheme and as such benefits and contribution rates are not determined by the University.

22. What happens if I have changed jobs within the University and have changed my scheme membership?

If you have left the UBPAS since 2016 as a result of a change in role, then you are already a deferred member of the scheme and will not be auto-enrolled into the UBGPP scheme as a result of the closure of the UBPAS. The benefits you accrued in UBPAS will have been frozen as at the date of your departure from the scheme and you will have been classed as a deferred member of the UBPAS scheme since this date.