

UNIVERSITY OF READING PENSION SCHEME (URPS)

As an employee of the University of Reading, you are eligible for membership of the University of Reading Pension Scheme (URPS) and this leaflet gives you an overview.

It explains:

- in what circumstances you will become a member
- the basic provisions of the Scheme (including contribution rates)
- where to find more information.

When will I join?

The vast majority of our employees are entered into membership of the pension scheme from day 1 of their employment through what is referred to as "contractual enrolment". This means that entry is linked to your contract of employment. However, if you are under age 22 or employed in certain more casual or short term roles, you won't join unless you either (a) meet the criteria for legislative automatic enrolment or (b) choose to opt into the scheme. Your contract will advise what form of enrolment will apply to you.

Why should I join?

There are several reasons why it's a great idea to be a member of a pension scheme run by your employer. Firstly, you'll be saving for your retirement (with financial help from the University too) while you are earning an income. Retirement may seem a long way away when you're young, but no-one wants to work for the whole of their life. At some point in the future you'll want to stop work and have more time for you and your family. Being in a pension scheme can help provide you with an income in retirement or cash options to smooth the path from working to leisure time.

Secondly, as a member of URPS you automatically have free life cover of 6 x your salary. This means that should you die while you are an active member of the Scheme, a tax free lump sum of 6 x salary is payable to one or more of your beneficiaries. If you have a family, this can be an important benefit for them – albeit one you hope will never be paid – should the worst happen.

Thirdly, why would you want to give up "free money"? While you are a member of the Scheme, the University also contributes to your Retirement Account (and at a higher rate than you), and if you opt out of membership, you won't receive these contributions – the University gets to keep the money. And if you stay in the Scheme for at least 5 years, the amount the University contributes goes up by an additional 2% of pay.

How much is it going to cost?

The member contribution rate is 4% of your pensionable pay. However, the cost to you is generally less than this as most members pay via our salary exchange arrangement, Pensions+, which means you pay no tax or National Insurance on these contributions. For further information on Pensions+ and how it works, please see the Benefits+ booklet.

The University pays 5% of your pay into the Scheme on your behalf and also pays the insurance premiums for the life cover lump sum benefit. These are "free" benefits from your employer and you do not pay tax on them.

Tell me about the Scheme

The University of Reading Pension Scheme started on 1 August 2011 for employees of the University who are appointed to roles in Grades 1 – 5 (or equivalent). It is a Defined Contribution Scheme (sometimes known as a Money Purchase Scheme) whereby your, and the employer's, contributions are invested in a Retirement Account made up of a range of investment funds. There is a default investment route so you do not need to make any investment decisions, the contributions will be invested automatically. However, there is the opportunity for you to choose a different investment route or simply to "Self Select" the funds in which your contributions are invested. Further information on all the investment programmes and funds available is given in the [URPS Investment Fund Aims & Risk Guide](#) while the [URPS Investment Guide](#) covers the default arrangement.

When you want to retire, your benefits are determined by the value of your Retirement Account at that time and so will depend on (a) how much has been paid into the Account and (b) how well the different investment funds have performed during your membership of the Scheme.

You can choose the way in which you want to receive your benefits when you retire: you can take the whole value of the Retirement Account as cash (some of which will be tax free), take some of it as tax free cash and purchase a pension with the remainder or use the entire amount to purchase a pension. You can also choose to transfer the money out of your Retirement Account into another arrangement which could give you the further option of Income Drawdown.

What if I don't want to be a member?

Firstly, please read the information under [Why Should I Join](#) and [Tell me about the Scheme](#) to make sure you understand what benefits you would miss by not joining the Scheme – for example, you would miss out on life cover which would provide a tax free lump sum to your beneficiaries of 6 x salary on your death. Then if you are sure you don't want to continue in membership, please read on.

Contractual Enrolment

If you have joined the Scheme under the terms of your contract of employment, then you can choose to opt out at any point after the start date of your contract (opting out cannot be done in advance). Please contact the Pensions Team on pensions@reading.ac.uk to request a withdrawal form. Please note that, due to legislative changes, it is no longer possible to have a refund of contributions on leaving scheme membership, so if you withdraw from membership **more than 30 days** after your contract starts, you will have a deferred retirement account. If you withdraw within the 30 day period, any contributions deducted will be refunded to you, subject to appropriate deductions of tax and NI, where applicable.

Legislative Enrolment

If your membership of the Scheme has been triggered by an auto-enrolment assessment, then you have a statutory period of 30 days in which to opt out from membership and have your contributions refunded (less tax and NI as appropriate).

This statutory opt out period starts from when you are advised that you have been auto-enrolled. The pension scheme administrator (Aviva) will write to you to inform you that you have been auto-enrolled into membership and will explain how to opt out. Opting out cannot be done in advance of this notice, so you will

have pension deductions for at least one month – but these will be refunded once you have followed the statutory opt out process.

What do I do next?

As this leaflet is intended to give you a brief overview, you need to look at the **A Guide to the University of Reading Pension Scheme** for full details of the Scheme. You should also read the **Investment Guide** as this gives you important information about how your pension will be invested and what investment funds are available should you wish to go down the Self Select route.

It's really important that you complete an Expression of Wish form so that the Scheme Trustees know who you would like to receive the lump sum life assurance benefit should you die whilst an active member of the Scheme. A copy is available [here](#) (scroll to bottom of page) or you can email pensions@reading.ac.uk to request a copy.

In order to get a full picture of the Scheme, its benefits and how the salary exchange arrangement for payment of contributions works, we recommend that you take a look at the following documents which are all available on the [HR website](#).

- A Guide to the University of Reading Pension Scheme
- URPS Investment Funds Aims & Risk Guide
- URPS Investment Guide

To find out more information about pensions and saving for retirement, a good place to start is The [Pensions Advisory Service](#) (TPAS). An independent, not for profit organization, TPAS provides free information and guidance and can help with problems, complaints or disputes about pension. [Gov.UK](#) is also a good resource for pension information including information on pensions auto-enrolment and how to find a lost pension.

You can also have a look at the Government's new service, [Pension Wise](#), which can give you a good outline of your pension and what you can do with it on retirement.

And if I have any questions?

If you have any questions on URPS or your membership of the Scheme, please get in touch with the University's Pensions Team in the first instance. You can contact us via email on pensions@reading.ac.uk or by phone on 0118 378 7121. Once the external administrator has been provided with your details, they will write to you with joining information and how to access your Retirement Account online.