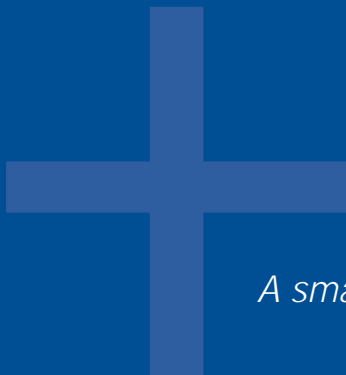




Queen Mary
University of London



Pensions*Plus*

A smarter way to make pension contributions

the *Journal of Applied Behavior Analysis* (1974), and the *Journal of Experimental Psychology* (1975).

There are a number of reasons why the *Journal of Applied Behavior Analysis* is the most widely cited journal in the field. First, it is the only journal in the field that is published by a professional organization (the Association for Behavior Analysis).

Second, it is the only journal in the field that is published by a publisher (Sage Publications) that is known for its high quality of publication.

Third, it is the only journal in the field that is published by a publisher that is known for its high quality of editing.

Fourth, it is the only journal in the field that is published by a publisher that is known for its high quality of circulation.

Fifth, it is the only journal in the field that is published by a publisher that is known for its high quality of distribution.

Sixth, it is the only journal in the field that is published by a publisher that is known for its high quality of advertising.

Seventh, it is the only journal in the field that is published by a publisher that is known for its high quality of subscription.

Eighth, it is the only journal in the field that is published by a publisher that is known for its high quality of pricing.

Ninth, it is the only journal in the field that is published by a publisher that is known for its high quality of customer service.

Tenth, it is the only journal in the field that is published by a publisher that is known for its high quality of marketing.

Eleventh, it is the only journal in the field that is published by a publisher that is known for its high quality of research.

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What is Pensions*Plus*?

Queen Mary, University of London is always looking for ways to improve your benefits package – we want to make sure it offers you good value and makes the most of your money. At the same time, it's important that the College makes the most of its money by providing your benefits efficiently.

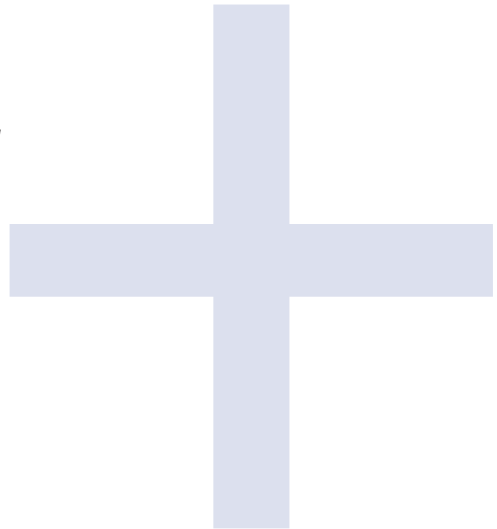
That's why we've introduced **Pensions*Plus***.

It is not another pension scheme – it's simply a more effective way of paying into your current pension scheme.

This is because almost all employees in the SAUL or USS pension schemes will make National Insurance (NI) savings on their contributions to the scheme. With **Pensions*Plus***, your NI contributions will be smaller.

As almost all pension plan members are expected to benefit, they will be automatically included – so there's nothing you need to do to join. However, You will be automatically opted out if you are going to be adversely affected by participating.

This booklet explains how **Pensions*Plus*** works in more detail, including how to opt out.



How does it work?

Although the SAME amount of money will go into the pension plan on your behalf, it will ALL be paid by the College. As a result, both you and the College pay less NI.

This is how it works:

1. You stop making contributions to the pension scheme.
2. The College pays an amount directly into the pension scheme equal to your contribution, and adds its own contribution
3. The College reduces your basic salary by an amount equal to your contribution.
4. This means you pay less NI, so your take-home pay will actually **INCREASE**.

We will still keep a record of your basic salary before **PensionsPlus**. This will be used for any salary related calculations – such as pay reviews, overtime and bonuses – so they are not affected by **PensionsPlus**. It will also be the amount used in any official letters issued by the College on your behalf e.g. mortgage letters, loan applications or job references.

Five benefits of the **PensionsPlus** scheme:

1. You pay less NI so your take home pay goes up, without affecting your income tax
2. Any pay reviews, bonuses, allowances and overtime are not affected
3. Your pension still builds up based on your salary before any adjustment for **PensionsPlus**
4. Death benefits are based on your salary before any adjustment for **PensionsPlus**
5. Your basic state pension will not be affected



How will my take home pay be affected?

The following table shows how much more you can expect in your take home pay, based on current contribution levels, by participating in **PensionsPlus**.

Examples are based on 2009/10 tax and NI rates. The difference between the estimated amount of savings for people in the different schemes is because a USS member is paying 6.35% of pensionable salary, and a SAUL member is paying 6.00% of their pensionable salary.

Calculate your PensionsPlus savings online!

This table shows the estimated savings at certain salary levels. You can visit www.hr.qmul.ac.uk/pensionsplus to calculate how much you will save based on your salary.

Pensionable Salary	USS member savings per year	SAUL member savings per year
£10,000	£59	£56
£15,000	£89	£84
£20,000	£119	£112
£25,000	£149	£141
£30,000	£179	£169
£35,000	£208	£197
£40,000	£238	£225
£45,000*	£201	£184
£50,000*	£31	£30

* NIC savings are smaller for higher earners because the rate at which NIC is paid by employees reduces to 1% for earnings over the NIC Upper Earnings Limit (£43,875 for 2009/10). The College will still make savings under this scheme in respect of higher earners as the employer NI contribution rate is 12.8% over the Upper Earnings Limit.

Example payslips

A USS member earning £35,000 per year currently making a 6.35% contribution

Without *PensionsPlus*

PAYMENTS		DEDUCTIONS	
Basic Salary	2916.67	Tax	438.38
		NI	228.37
		Pension	185.21
TOTAL PAYMENTS		TOTAL DEDUCTIONS	
2916.67		851.96	
BANK	SORT CODE	ACCOUNT No.	
BUILDING SOCIETY ROLL No.			
MESSAGE			
NET PAYMENT			
2064.71			

Example payslips continues overleaf

6

Example payslips

As a result of **PensionsPlus**, the member increases their take home pay by £208.92 a year.

This example is based on 2009/10 tax and NI rates and a standard tax code. Actual take home pay will depend on an individual's tax code.

With **PensionsPlus**

PAYMENTS		DEDUCTIONS	
Basic Salary	2916.67	Tax	438.38
PensionsPlus	-185.21	NI	210.96
Pension contribution remains same – becomes 'negative payment'		NI decreases	
TOTAL PAYMENTS		2731.46	TOTAL DEDUCTIONS
			649.34
BANK	SORT CODE	ACCOUNT No.	
BUILDING SOCIETY ROLL No.			
MESSAGE			
CUMULATIVES			
Net pay increases			
NET PAYMENT			2082.12

Who might not benefit from PensionsPlus?

Although the large majority of members will benefit from **PensionsPlus**, there are some who may not for various reasons. These include:

- Members that earn less than the Earnings Threshold for National Insurance, £5,715 (about £110 per week) for the 2009/10 tax year.

This is because they would not make any NI savings (since they don't pay any) and may see their State benefits affected. The College has therefore introduced a Pay Protection Limit, which at £6,600 a year is above the Earnings Threshold and is designed to protect those nearing the threshold. To ensure that they are not adversely affected, anyone earning below the Pay Protection Limit will automatically be excluded from **PensionsPlus**.

- Although the College does not pay at or below the National Minimum Wage (NMW), there may be members in future whose pay could fall below the NMW by participating in **PensionsPlus**. If this does happen, the member will automatically be opted out of **PensionsPlus**, as we cannot allow pay to fall below the NMW.

You will be contacted if you fall into either of the above categories.

Please note that if you are opted out from **PensionsPlus** and your salary increases over the above thresholds, you will automatically be opted back into **PensionsPlus** with effect from the following month. You will be informed if this is going to happen.

In addition, members that work fewer than 16 hours a week may find that their entitlement to Job Seekers Allowance is affected. You will need to decide whether this is an issue for you and whether you wish to participate in **PensionsPlus** or not.

PensionsPlus will not normally reduce Working Tax Credit or Child Tax Credit. If you are in receipt of the above tax credits, and have any concerns, you should call the Tax Credit Helpline for advice on how it will affect your tax credits as it depends on your personal circumstances. You can then decide whether to participate in **PensionsPlus**.

Frequently asked questions

Does this affect my overall pension position?

No, your pension will continue to accrue as previously and remains a valuable benefit to you.

Are other companies doing this?

Many other large organisations have already introduced an arrangement like **PensionsPlus**, including the Universities of Edinburgh, Durham, Leeds and King's College London, as well as companies like BT, T-Mobile, Rolls Royce, Tesco and ASDA.

Why are savings different at different rates of pay?

The marginal rate of NI that you pay depends on how much you earn. For earnings below the Upper Earnings Limit (£43,875 from April 2009) the employee NI rate is currently 9.4% and above this level is just 1%. Therefore for an employee earning £40,000 their saving is calculated at the rate of 9.4%; the saving for an employee earning £50,000 is 1%.

Will Additional Voluntary Contributions (AVCs) be included in PensionsPlus?

No, AVCs will not be included in **PensionsPlus** and will continue unchanged.

Can I opt out of PensionsPlus, in the future, or if my situation changes?

If you wish to make a change you can do so in October each year, effective from 1 November.

If your situation significantly changes following a lifestyle event, for example if your pay or hours change significantly, you can ask the College to review your position with immediate effect. You should contact pension@qmul.ac.uk. Please note that any change to your participation in these circumstances is subject to the agreement of the College.

In addition, if your salary drops below the pay protection limit (currently £6,600 a year), you will automatically be removed from **PensionsPlus** so that you are not disadvantaged.

What is a lifestyle event?

A lifestyle event is when your personal situation changes significantly, such as a result of one of the following events:

- 10% or more increase or decrease in salary
- significant change in working hours
- go on maternity/adoption leave
- Marriage or divorce
- Death of a dependant

If you believe you have experienced a lifestyle event, please contact pension@qmul.ac.uk.



If I decide to opt out of PensionsPlus, can I opt back in?

You will be able to opt back in, but will only be able to do so at the next enrolment period which is in October each year, effective from November. You should contact pension@qmul.ac.uk if you wish to do so.

If I am automatically opted out can I opt back in?

Yes, provided your gross pay does not reduce below the NMW (national minimum wage). However if you have been opted out of **PensionsPlus** it is unlikely that you will benefit from opting back in.

If I am on a secondment/ have been posted abroad am I eligible for PensionsPlus?

As long as you are paying NI in the UK and are on the College's UK payroll (and receive a monthly salary that is more than 1/12th of £6,600 and would not otherwise fall below the NMW) you will automatically be opted into **PensionsPlus**. If you do not meet one or more of these criteria, you will automatically be opted out.

What happens if I go on sick leave?

As long as you continue to receive a monthly salary that is more than 1/12th of £6,600 and would not otherwise fall below the NMW, you will continue to participate in **PensionsPlus**.

What happens if I go on unpaid leave?

When your earnings drop below 1/12th of £6,600 in any given month, you will automatically be opted out of **PensionsPlus** but will still remain a member of the pension plan. When you return from your period of unpaid leave, you will automatically be included in **PensionsPlus**.

What happens if I go on maternity/adoption/parental leave?

When you advise the College of your intention to take maternity/adoption or parental leave, you should call HR who will discuss your options with you.

You will continue to participate in **PensionsPlus** whilst you are on paid maternity/adoption leave, provided that your maternity/adoption pay in any given month is above the pay protection limit. If you take any period of unpaid maternity/adoption leave, you will cease to participate in **PensionsPlus**. If you take unpaid parental leave you will also cease to participate in **PensionsPlus**.

If I am on maternity/adoption/parental leave am I eligible for PensionsPlus on my return?

Yes, if your earnings are above the pay protection limit when you return to work, you will be automatically included in **PensionsPlus** and if they are below this limit, you will be opted out of **PensionsPlus**.



What happens if I have a student loan?

Student loans are based on pay that is subject to National Insurance (NI'able pay). If NI'able pay in the month is £1,250 or above, student loan deductions are made. As **PensionsPlus** reduces pay (and hence the NI that is payable), the amount of student loan repayments you make may therefore reduce.

PensionsPlus may result in earnings falling below the monthly threshold of £1,250 in which case no repayments would be made.

Does participating in PensionsPlus affect any mortgage or loan applications I make?

No, your salary, before any adjustment for **PensionsPlus**, will be the amount used in any personal letters issued by the College on your behalf e.g. mortgage letters or loan applications. In addition, the third party will be advised that you participate in a salary sacrifice arrangement.

What happens if I leave?

If you leave and have been a pension plan member for two years or more your benefits will not change because of the introduction of **PensionsPlus**. Your benefits will be secured as normal.

However, if you leave the USS or SAUL before completing two years' membership, and do not have any benefits transferred in from a previous pension scheme, there could be relevant changes to the benefits you are entitled to on leaving service:

- If you leave the USS or SAUL with 0-3 months' membership: you'll receive a payment of an amount equivalent to a refund of your pension contributions, less tax and NI.
- If you leave the USS or SAUL with 3-24 months' membership: your benefits will be preserved and you will have the option to either transfer this to an alternative pension arrangement or leave it in the USS or SAUL until you retire.

Have the Scheme Trustees and the Unions been involved?

Yes, the Trustees of USS and SAUL and the Unions are aware and support the introduction of **PensionsPlus**.

Will PensionsPlus affect any benefits I get from the State?

Entitlement to some State benefits, such as the Basic State Pension, Statutory Sick Pay, Incapacity Benefit and Job Seekers Allowance are based on the amount of National Insurance that has been paid.

Provided you continue to earn more than the Earnings Threshold, currently around £5,715 a year, on a regular basis after the introduction of **PensionsPlus**, your entitlement to these benefits will not change. The College is also introducing a pay protection limit, which at £6,600 is above the Earnings Threshold to protect against you nearing this limit.

If you are unsure as to whether you should participate in **PensionsPlus** you should seek your own financial advice.



Will PensionsPlus affect the amount of basic state pension I will receive at retirement?

No, this will not be affected by PensionsPlus.

I am over the State retirement age and do not pay NI contributions. Can I still join PensionsPlus and what would be the advantage for me?

If you are over State retirement age (currently 60 for women and 65 for men), you will not pay NI contributions on your earnings. As a result, you will not benefit from any NIC savings through participating in PensionsPlus. However, you may still join PensionsPlus and will continue to be automatically opted in to the scheme unless you complete a PensionsPlus 'opt out' form which you can get from your HR Pensions department.

Employer's contributions are still payable in respect of staff who are over retirement age and therefore, by being a member of PensionsPlus, you will help the College to achieve maximum savings from this scheme.

How long will PensionsPlus last?

The College plans to operate PensionsPlus indefinitely. However, if tax, NI or pension law is changed, or if it is no longer viable, the College reserves the right to withdraw PensionsPlus.

What will the College do with its share of the PensionsPlus savings?

PensionsPlus will allow the College to make savings on its employer's national insurance contributions, which will be invested to support services for staff and students.



Other useful resources

Tax Credit Helpline

For more information about whether **PensionsPlus** would affect your tax credits please call 0845 300 3900 between 8am and 8pm.

State Pension Advice Helpline

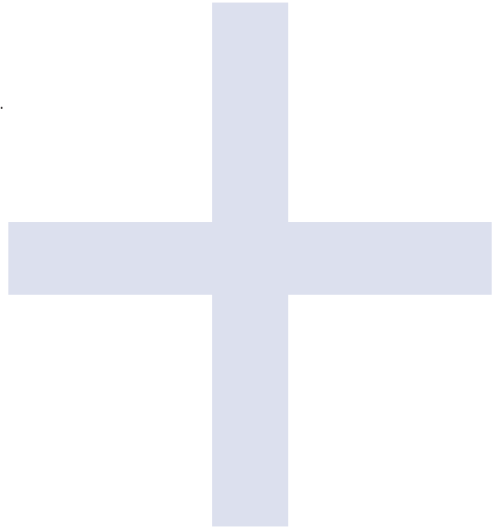
Visit www.thepensionservice.gov.uk for more information, or you can call The Pension Service, Monday to Friday from 8am to 8pm on 0845 60 60 265.

Independent Financial Advice

Visit IFA Promotion Ltd at www.unbiased.co.uk.

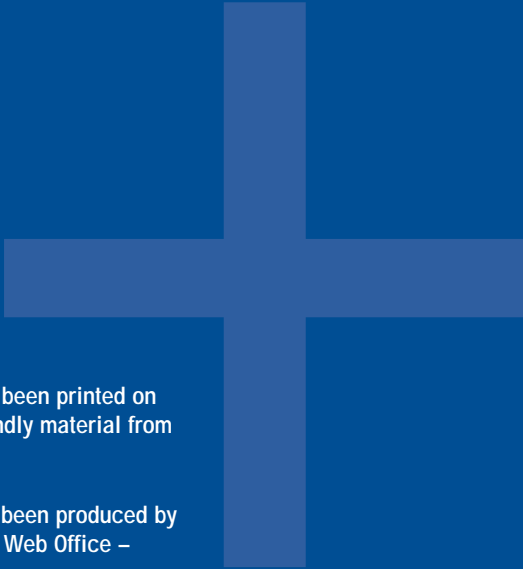
Website

To see how the switch to **PensionsPlus** would affect your take-home pay, you can use the '**PensionsPlus** modeller' which can be found on the College website. Simply go to: www.hr.qmul.ac.uk/pensionsplus





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