Durham University Retirement Savings Plan (DURSP)

Scheme Guide

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Part of the Mercer Master Trust

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Welcome to this guide

This guide has been created by Durham University and tells you all about the Durham University Retirement Savings Plan (DURSP) including key features, who runs the pension scheme, how to manage your membership and savings, plus much more.

In conjunction with this guide, there is also additional resources available through the Aviva Mercer Master Trust website plus visit our dedicated DURSP Hub page to find out more.

About the scheme

The Durham University Retirement Savings Plan (DURSP) is a defined contribution pension scheme.

DURSP Features
University contributions of at least **10%.**
Default employee contributions of **5%** with the option to reduce contributions to **2.5% or pay nothing into the scheme.**
The University will increase contributions to **11% if members choose to contribute 6%** or increase to **12% if members choose to contribute 7%.**
Life insurance and **income protection** benefits.
Contributions being made through a **salary sacrifice arrangement** where earnings allow (to reduce the cost to staff).
Members can request to **change the level of contribution** up to two times each year.

DURSP is a University and Colleges Retirement Savings Scheme (UCRSS) that is run by the Mercer Master Trust Trustee Board, which is made up of independent trustees and administered by Aviva.

This means whilst Mercer run the scheme and it is overseen by the Mercer Master Trust Trustee Board, Aviva currently manages your pension savings account and investments from day-to-day. Members will therefore receive communications from both Aviva and Mercer relating to the scheme, as well as the University.

A defined contribution (DC) scheme

This is a type of pension scheme where the benefits paid at retirement depend on how much you pay into the scheme, alongside how well the investments perform.

This means, while the amounts paid in by you and the University are known, you do not know exactly how much pension you will receive until you actually retire, as the ultimate value of your retirement pot depends on investment performance.

There are other factors which determine the size of your pension pot at retirement, for instance:

- **How long you have saved for**
- **How much has been paid into the pot, including your contributions and University contributions**
- **Your investment choices and how well these investments perform**

DC schemes provide a great deal of flexibility when it comes to options for taking your retirement benefits.

Why save into a pension?

A pension is a way of saving for retirement, so you have a form of income when you stop working.

It's a long term, tax-efficient way of saving for when you're older.

Pension contributions are made before tax is deducted from your salary, therefore when we use the term 'getting tax relief' or 'tax-efficient', it simply means that some of your money that would have gone to the government as tax, goes into your pension pot instead. For instance, for each £10 you save into your pension pot, it will only cost you £8 if you are a basic rate taxpayer.

Benefits of saving into a pension scheme
Most people will need a workplace pension in addition to the state pension to have the kind of lifestyle they would like in retirement.
The money you save into a pension has the ability to grow through investments.
In DURSP the University pays between 10% and 12% of your salary each month which is much more than you are required to contribute.
It's a long-term savings plan, where you can also pay additional contributions to save more.
Saving for a pension is tax efficient as you get tax relief on your contributions, and you can make additional NI savings by contributing through a salary sacrifice arrangement.
With DURSP, should the worst happen, your nominated beneficiary will receive a payment of three times your salary and your pension pot will transfer to a dependent. *
If you are a member of DURSP and must stop working because of ill-health, subject to eligibility criteria, you may receive income protection cover or be able to access your pension pot earlier. *
The option to take part of your pension as a tax efficient lump sum on retirement.

*Please note, eligibility and pay out decisions are made at the discretion of the insurance provider.

Joining the scheme and eligibility

DURSP is available to staff with an employment contract in grades 1 to 5.

If you choose to join DURSP and have more than one job at the University, including any casual work that you undertake in addition to your employment contract, your election will apply to all your roles and your pension contribution will be based on your combined pay.

You pay a percentage of your pensionable pay which covers gross payments. This means that you will pay pension on your total earnings before deductions including your basic salary and any variable amounts such as overtime or additional allowances.

To complete the election form, please visit the DURSP hub here.

If you complete the election form to join DURSP on or before the 10th day of the month, your request will be processed in the same month. If you submit your election request on the 11th day of the month or afterwards, your request will be processed in the following month.

You will receive a confirmation email from the University Pensions Team once you are enrolled as a member of DURSP and changes will also be reflected in your payslip, once they have been processed.

Automatic Enrolment

To encourage people to save more for retirement, by law, employers must enrol eligible employees into a workplace pension scheme and contribute towards it. This is called automatic enrolment because it is automatic for staff – they don't have to do anything to be enrolled into a pension scheme, providing they meet the eligibility criteria.

All employers must assess staff each month and enrol those who are *eligible* into a workplace pension. *Eligible staff* are:

- Not already in a qualifying pension scheme (with Durham University)
- Aged 22 or over
- Under the state pension age
- Earn more than £10,000 per year (current limit, this figure may change)
- Work or usually work in the UK

The University has a duty to automatically enrol colleagues into a pension scheme unless they choose to opt out.

Every three years, the University must re-enrol any eligible employee who is not currently in a pension scheme, back into their selected auto enrolment scheme, which is DURSP from November 2024 for staff with an employment contract in grades 1 to 5. Colleagues can choose to opt out of the pension scheme again at the time if they wish.

You can also elect to join DURSP prior to meeting the automatic enrolment criteria providing that you are aged between 16 and 74.

Opting Out

If you meet the eligibility criteria to be automatically enrolled into the DURSP pension scheme, you have the ability to opt out.

You can opt out after the first payment from your salary and your payment will be refunded in full - provided we receive your opt out instruction within a month of the notification of your first deduction.

This is because the Government requires us to make the first month's deduction to show the real cost of contributing to a pension scheme.

If you are automatically enrolled and you choose to opt out, we are required to re-enrol you back into the Workplace Pension at regular intervals, which are determined by the government. We will write to colleagues at this time to advise they have been re-enrolled, and colleagues have the option to opt-out again, if they wish.

Please bear in mind, if you are considering opting out of a pension scheme for affordability reasons, DURSP offers a nil contributory option where the University will still pay 10% into your pension and you don't have to pay anything. DURSP offers the ability for you to join a pension scheme and save for your retirement, without it costing you a penny.

To opt out, please contact a member of the Aviva Customer Service Team via telephone **0345 604 9915** or email them at **mymoney@aviva.com**.

You must opt out of the scheme within the first 30 days of being automatically enrolled (following receipt of your notification of membership), otherwise you will need to withdraw from the scheme instead.

Find out more under the 'leaving the scheme' section of this guide.

Contribution options and paying more

DURSP comes with the flexibility to choose the contribution level that's right for you.

The default contribution rates include **5% employee contributions** and **University contributions of 10%** however there is the option to **contribute more or less.**

The University will also increase contributions where employees are able to contribute more than the default amount.

Colleagues will be automatically enrolled at the default contribution amount (5%) however you can elect to change your contribution amount up to two times a year.

If you elect to join DURSP prior to meeting the automatic enrolment criteria, you can select which contribution amount you would like to make from the outset.

Visit the DURSP Hub to complete the election form or to opt to change your contribution amount.

The five contribution options available are provided in the table below.

Option	Employee Contribution	University Contribution
1	0%	10%
2	2.5%	10%
3 (Default)	**5%**	**10%**
4	6%	11%
5	7%	12%

Whilst your contribution amount has no impact on additional benefits provided under DURSP including Life Insurance and Income Protection, by contributing less than the default employee contribution, you may have a lower pension income when you retire, than if you were contributing at a higher rate.

In addition to altering your contribution amount, DURSP also provides the option to pay Additional Voluntary Contributions (AVCs). This means you can top up your Scheme benefits by paying AVCs on top of your normal contributions.

The highest amount of AVCs you can pay by law is 100% of your earnings, less any normal contributions you're currently making.

You get tax relief on your AVCs in the same way as your normal contributions, and AVCs may also be subject to saving on National Insurance through the Pensions+ Salary Sacrifice arrangement, where earnings permit.

Thinking about making an AVC? Contact a member of the pensions team to find out more: pensions@durham.ac.uk

Transferring in benefits

You can usually transfer funds into DURSP from another pension pot that you may have elsewhere.

We recommend you seek independent financial advice if this is something you are considering.

To find out more on transferring in benefits, please contact the Aviva Customer Service Team directly on:

0345 604 9915.

Additional scheme benefits

DURSP comes with access to additional benefits such as **life insurance** and **income protection**.

Life Insurance - This means, should the worst happen, the death in service protection will provide your beneficiary with a lump sum of 3 times your salary.

Income Protection - In circumstances where you have been unable to work and have been off work for a period of 12 months, the ill-health income protection cover will provide an income of 50% of your salary for up to a period of 5 years.

Please note, all eligibility and pay out decisions are made at the discretion of the insurance provider.

Find out more about life and income protection, including answers to frequently asked questions by visiting here.

Contributions via Salary Sacrifice

Pensions+

Where earnings permit, your pension contributions from DURSP will be provided through our Pensions+ salary sacrifice arrangement.

If you earn above the minimum threshold (which is set by the government), you will automatically contribute via salary sacrifice where your gross contractual salary will be reduced by the value of your pension contributions.

This means you will pay less National Insurance contributions through the Pensions+ Salary Sacrifice arrangement.

You can find out more about salary sacrifice on our dedicated Pensions+ page.

Manage and access your benefits

You can manage your DURSP membership, including your investment choice options and additional voluntary contributions (AVCs) by visiting your logins on the Mercer Money Portal.

On the portal, you'll find access to a range of useful information including your current pension balance and contributions made.

Once you are enrolled into DURSP, you'll receive more information on the Mercer Money Portal, including logins and instructions on how to access your account for the first time.

Plus, you'll also find a range of useful resources and functions such as:

- **An online retirement calculator**
- **The ability to connect and see pension accounts held elsewhere**
- **Update your pension account details**
- **Useful notifications and alerts relevant to your pension pot**
- **A range of Pension Education sessions**
- **Manage your investment choices**

And much more.

When it comes to retiring

Six months before your set retirement date, Aviva will write to you and explain the options around how you can take your pension.

There are various options available, and it depends on your individual circumstances around what the best choice is for you.

Some options when it comes to retiring are outlined below. There are pros and cons to each of the options and we would recommend seeking independent financial advice to help determine the best option for you:

- Taking up to 25% of your pension pot tax-free and having the flexibility to make regular withdrawals whilst the balance remains invested.

- Taking a 25% tax-free lump sum with the remaining balance being drawn down in proportions each year, to provide a guaranteed annual income via an annuity.

- Purchase an annuity which provides a guaranteed regular income, typically paid for the rest of your life.

- Withdraw all or some of your cash (with up to 25% being tax-free) whilst remaining in your pension and continuing to make contributions.

Leaving the scheme

If you stop working at the University, you will automatically leave DURSP, and contributions will cease from the University.

You have the option to leave your current savings where they are, and they will continue to be invested. Alternatively, you can transfer your funds elsewhere, for instance, to another pension scheme provider.

If you have reached the minimum pension age when you decide to leave the scheme, you also have the option of taking your retirement benefits.

To withdraw from the scheme for alternative reasons, please speak to a member of the pensions team by emailing pensions@durham.ac.uk

Life events

Depending on your circumstances, whether you're taking time away from work, on maternity leave, another type of family leave or on long-term sickness, find out more about how this might affect your contributions here.

Independent financial advice

If you're uncertain about any aspect of your retirement planning, you may wish to speak to an independent financial adviser regulated by the Financial Conduct Authority. You would need to pay for their advice, and you should always find out their costs and check that they have the relevant specialist experience before appointing one. You can find an independent adviser near you via MoneyHelper, a government approved platform.

Additional information and resources

Visit our dedicated DURSP Hub to find out more about the pension scheme Reward Hub - DURSP Homepage (sharepoint.com)

For free and impartial help with money and pensions, visit Free and impartial help with money, backed by the government | MoneyHelper

To learn more about the Government State Pension, visit State Pension - GOV.UK (www.gov.uk)

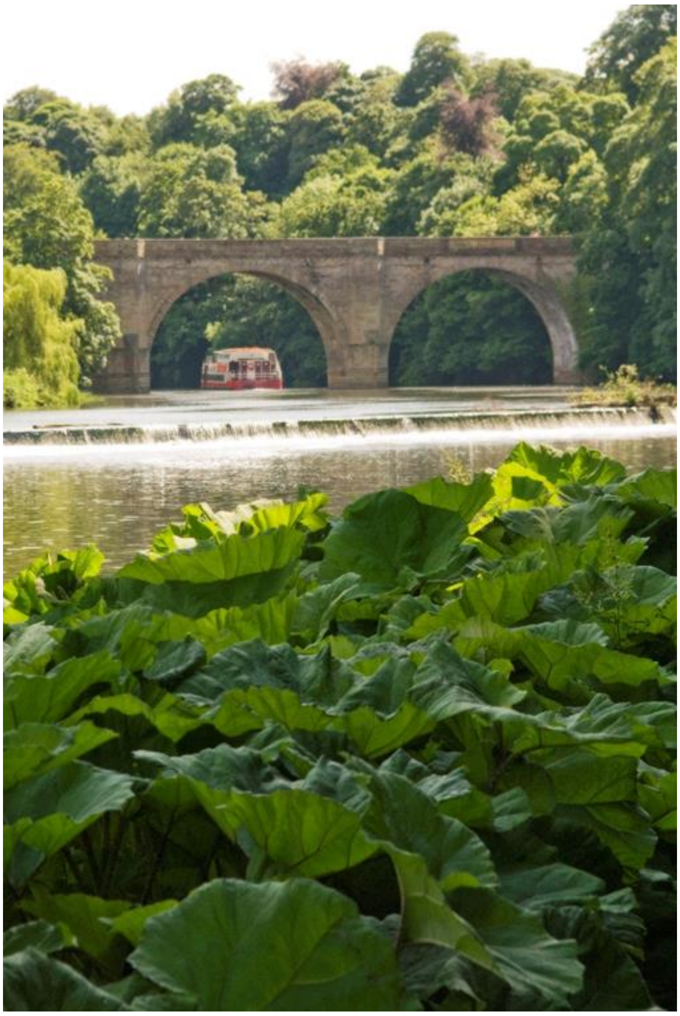
Find out more about the Mercer Master Trust and Aviva Mercer Aviva - DURSP Pension Scheme (aviva.co.uk)

Help picture your lifestyle in retirement and find out how much money you'll need to suit your lifestyle Home - PLSA - Retirement Living Standards

If you're seeking to trace an occupational pension scheme but have lost the information, visit Find pension contact details - GOV.UK (www.gov.uk)

Frequently asked questions

We've provided a series of answers to some of our frequently asked questions in relation to DURSP. To find out more, please visit our dedicated DURSP Hub.



Need a hand?

If you have any queries or wish to speak to a member of the Durham University Pensions Team, please email pensions@durham.ac.uk and a member of the team will be happy to help.

Alternatively, you can also contact a member of the dedicated Aviva Customer Services team who can also support you with your DURSP membership.

Telephone: 0345 604 9915

Email: mymoney@aviva.com