

Keele University

Workplace pensions – Auto Enrolment Frequently Asked Questions

Q1: What is Auto Enrolment?

A: Auto Enrolment began in October 2012, and as a result of the changes in workplace pension's law, employers now have a legal duty to help their workers in the UK save for retirement. Employers like Keele University must automatically enrol (Auto Enrolment) certain workers into a qualifying workplace pension scheme and make employer contributions towards it.

Q2: Is everyone enrolled into a workplace pension?

A: No. This depends on your position within the University or whether you meet the criteria for Auto Enrolment. Keele University must enrol workers into a workplace pension who:

- are not already paying into one of the University's workplace pension schemes;
- are aged 22 or over;
- are under State Pension age;
- earn more than £10,000 pa / £833.33 pm (for 2019/2020); and
- work or usually work in the UK.

The University's began Auto Enrolment from 1 August 2013.

The pension schemes currently supported by the University are:

- Universities Superannuation Scheme (USS) – new contracted employees are automatically entered into this scheme
- National Health Service Pension Scheme (NHSPS) – *The University is a Direction Body in the NHSPS and as such, new employees have the option to remain in the NHSPS should they satisfy the eligibility criteria to remain in this scheme. All new contracted employees will be auto enrolled into USS unless the employee specifically requests to continue membership of the NHSPS.*
- Local Government Pension Scheme (LGPS)
- From 1 August 2013 the National Employment Savings Trust (NEST).
- Keele Superannuation Scheme (KSS) – closed to future accrual 1 January 2014

New employees see also **Q's 8 & 9**.

Q3: I'm an active member of the USS/NHSPS/LGPS – what do I have to do?

A: If you are an active member of one of these pension schemes then you will not be affected by Auto Enrolment changes and do not need to do anything. If you cease being a contributing member of a scheme while continuing in our employment, you will be subject to assessment for Auto Enrolment every 3 years following 1 August 2013.

Q4: I'm not a member of USS/NHSPS/LGPS and I meet the criteria, when will I be enrolled?

A: If you meet the criteria above (**Q2**), and you are not an active member of any of our pension schemes, the University is required to auto-enrol you into a suitable pension scheme. The University's automatic enrolment duty date was **1 August 2013** (this is known as our staging date) and is required to re-assess for re-enrolment every 3 years.

Q5: What if I don't meet the criteria to be enrolled?

A: If you are not already a member of one of the University's pension schemes and you don't meet the criteria above (**Q2**) when the University completes its re-enrolment exercise every 3 years, you will not be automatically enrolled into one of the University's pension schemes.

However, you will be able to join a pension scheme if you want to depending on your category of worker (this is detailed in **Q8**). To join a pension scheme please contact the Pensions Administration Co-Ordinator, Payroll & Pensions Office, in writing by sending a letter which has to be signed by you. Or you can email finance.autoenrolment@keele.ac.uk.

If you meet the criteria at a later date, for example when you reach age 22 or you start to earn more, then the University will automatically enrol you.

Q6: I am only on a temporary, short-term contract – will Auto Enrolment apply to me?

A: The duration of the contract is immaterial. See **Q's 2, 4 and 8**

Q7: I am a casual worker paid on timesheets, or as and when worked - will I be affected?

A: Auto enrolment regulations apply to you if you meet the criteria (see **Q's 2, 4 and 8**). Your Auto Enrolment scheme is NEST.

Any payment that you receive in any one month that exceeds the monthly threshold of £833.33 (tax year 2019/2020) will trigger auto-enrolment. It is advisable to submit regular timesheet/payment requests and not to submit in bulk.

For each position that you hold at the University you will be assessed separately for Auto Enrolment eligibility.

Q8: What pension scheme will I be auto enrolled into?

A: If you are an existing contracted member of staff and you meet the criteria above (**Q2**) you will be auto-enrolled into USS.

If you are an existing casual worker and you meet the criteria above (**Q2**) you will be auto-enrolled into the National Employment Savings Trust (NEST).

If you are a new contracted employee entry into USS is automatic from the 1st date of your employment regardless of your age or earnings.

If you are a new casual worker, and you meet the criteria you will be auto-enrolled into NEST.

Category of Worker	Workplace Pension Scheme
Contracted employees	New employees will be automatically enrolled into USS. Existing employees who have previously opted out of USS will be re-assessed every 3 years following the University's staging date of 1 August 2013 and auto enrolled into USS where appropriate.
Casual workers	Workers who meet the criteria for auto enrolment will be auto enrolled into NEST.

Q9: I'm a new member of staff – do I need to do anything?

A: All new Contracted employees will be automatically entered into USS from the 1st date of employment (see **Q8**).

All new Casual workers will be assessed and if you meet the criteria above (**Q2**) then you will be auto-enrolled into NEST (see **Q8**).

Q10: I'm already in receipt of a pension – does Auto Enrolment apply to me?

A: The Auto Enrolment regulations continue to apply if you meet the criteria above (**Q2** and **Q9**).

If you are a USS, KSS or NHS pensioner (i.e. currently in receipt of your pension from one of these pension schemes) see (**Q's 2 & 8**).

Q11: Who will pay into the pension?

A: You will pay into it. The University will pay into it too. In addition, most people will get a contribution from the government in the form of tax relief. This means some of your money that would have gone to the government as tax, goes into your pension instead.

Q12: What are the pension contribution rates?

A: The current contribution rates associated with the University's schemes for auto enrolment are:

Category of Worker	Workplace pension Scheme	From the University	From the member
Contracted	USS	18% (from April 2019 increasing to 19.5%)	8% (from April 2019 increasing to 8.8%)
Casual worker	NEST	3% (from April 2019 increasing to 4%)	3% (from April 2019 increasing to 5%)

Q13: What is USS?

A: There are two main types of workplace pension schemes: Defined Benefit (DB) schemes and Defined Contribution (DC) scheme.

USS is a Defined Benefit scheme. This means the amount you get at retirement is based on various factors. These include how long you have been a member of the pension scheme and your earnings. Examples include 'final salary' or 'career average' earnings related pension schemes.

USS became a career average hybrid pension arrangement effective 1 October 2016. The scheme offers a combination of defined benefits (defined benefits in the Retirement Income Builder section) and defined contributions (defined contributions in the Investment Builder section).

Normally, when you retire you take some of your pension as a tax-free cash lump sum. The rest you get as a regular income, on which you might pay tax.

Further information on USS benefits can be found [here](#).

Q14: What is NEST?

A: NEST is a Defined Contribution scheme. Your pension 'pot' is put into various types of investment, such as shares. The amount you get at retirement is based on how much is paid in and how well the investments have performed. Normally, when you retire, you take

some of your pension 'pot' as a tax-free cash lump sum. You use the rest to buy yourself an income in the form of an annuity, on which you might pay tax. These are also known as 'money purchase' schemes.

Further information on NEST can be found [here](#).

Q15: What if I leave the University?

A: If you are contributing to USS and your new employer is a USS employer you will simply continue to make contributions to that scheme.

If you are contributing to NEST and your new employer also contributes to NEST you should be able to continue to make contributions to your NEST account. You would need to liaise with your new employer.

If you are a member of one of the University's other schemes, you may be able to maintain membership – it will depend on your new employer and eligibility. Otherwise membership of the pension scheme will cease when you leave the University.

You may be able to transfer your previous pension benefits to your new pension arrangement. Your new pension scheme provider will be able to tell you if this is possible and, if so, how to go about doing it.

People move jobs several times in their working lives, so it's important to keep track of the pensions you have. Keeping your statements will help you do this.

Q16: Can I take the money out?

A: Under rules introduced from April 2015 once you reach the age of 55 you can take some or all of your pension 'pot' as cash if you wish (depending on the Scheme rules). More information can be found on the [Money Advice Service](#) web page. You should always take independent financial advice before making any decision regarding your pension benefits.

Q17: I'm paying into a personal pension already, what should I do?

A: It's possible to have both a workplace pension and your own personal pension, so you could choose to continue paying into both. Or you might choose to continue with just one of them.

Q18: I had a workplace pension in a previous job, what should I do about that?

A: You could leave it where it is. You will get it when you retire, so long as you were in the pension scheme long enough. The length of time needed will be in the pension scheme rules. Or you might be able to combine it with your new workplace pension. You would need to liaise with your new employer.

If you need help with your pension options, [The Single Financial Guidance Body](#) might be a good starting point.

If you have lost track of a pension, the government's [Pension Tracing Service](#) could help provide you with the contact details for that pension.

Q19: How can I opt out of a pension scheme?

A: You can opt out after you have been auto enrolled, but not before. The opting out process is handled by the pension scheme, which will provide the necessary forms etc. The University is prohibited by law from involvement in the opting out process.

You can opt-out by completing the appropriate opt-out form available on each scheme's website.

The links below will help you to do this

USS

[Normal Withdrawal](#) Form – after 3 months membership of USS.

[Notice to opt out of pension saving](#) Form – opt out within 3 months of joining USS.

Forms should be completed and sent to the Payroll & Pensions office – IC2

NEST

The [Welcome to NEST](#) booklet contains more information about NEST and also about how to opt out (page 22) on line or via the telephone.

If you do decide to opt-out of a University pension scheme please ensure that you inform the University's Pensions Administration Co-Ordinator (k.j.brock@keele.ac.uk and 733156).

If you opt out, the University will assess your eligibility, and where appropriate, automatically re-enrol you back into the relevant pension scheme at a later date. This is usually every three years.