

Statement of Pensions Policy

January 2009



Eligible employees

This policy statement replaces all previously published statements and applies to everyone who is an eligible employee regardless of the source(s) of funding for their post or any other status.

An eligible employee is one who has been issued a contract of employment with the University (specifically, the Chancellor, Masters and Scholars of the University of Oxford) and who is paid via the main payroll of the University. The University offers membership of an occupational pension scheme to all eligible employees appropriate to their status, subject only to the maximum entry age for that scheme (see notes below on each scheme). Persons paid via the University's "casual" payroll are not eligible employees.

A new eligible employee will be automatically enrolled into membership of the appropriate scheme until such time as he or she gives notice in writing to the Head of Pensions, Finance Division, University of Oxford, 23-38 Hythe Bridge Street, Oxford OX1 2ET, that he or she wishes to exercise his or her statutory right not to belong to the scheme. Employees who exercise this statutory right will not receive any compensation, salary or otherwise, in lieu of being a member of the scheme.

Pension schemes

The appropriate schemes offered by the University are:

- **The Universities Superannuation Scheme (USS)**

This is a national scheme for staff employed on academic and academic-related scales of pay (grades 6 and above or equivalent). Special terms apply to a new employee who is over age 60 on joining the scheme. The maximum age for admission of a new employee is 65.

- **The University of Oxford Staff Pension Scheme (OSPS)**

This is the University's scheme for those of its staff who are on scales of pay for support staff (grades 1 – 5 or equivalent). The scheme is also open to similar employees of colleges and other institutions that participate in the scheme. The maximum age for admission of a new employee is the age attained on the 31st July immediately preceding his or her 61st birthday.

- **The National Health Service Pension Scheme (NHSPS)**

This is a national scheme for NHS employees. The only university staff who participate in this scheme are those who are employed in a clinical role and were active members of the NHSPS immediately before their employment by the University. The maximum age for admission into this scheme is 60 for those who joined it before 1 April 2008 and 65 for later joiners.

In addition to the above schemes, the University also offers a "Stakeholder" scheme:

- **The University of Oxford Stakeholder Pension Scheme (Stakeholder)**

This scheme is available to any employee paid through the University's main payroll and who is either not eligible to join one of the above three schemes or opts out from one of the above three schemes. Stakeholder is also available to some members of the above schemes as an additional facility for making voluntary pension contributions. Stakeholder is administered wholly by Legal & General. There is no maximum age for admission into this scheme.

The University also participates in certain other schemes in respect of specific employees in exceptional circumstances.

When there is a change in an employee's status (for example, on promotion) the appropriate scheme will be that which is applicable to the new position or status.

Members of USS, OSPS or NHSPS are 'contracted-out' of the State Second Pension Scheme and its predecessor, the State Earnings Related Pension Scheme (SERPS) by

Statement of Pensions Policy

January 2009



virtue of their membership of those schemes. Most other employees are ‘contracted-in’ to the State Second Pension Scheme. National Insurance contributions for contracted-out employees are deducted at a reduced rate.

Pension Contributions

All eligible employees who join the appropriate pension scheme pay personal contributions to the pension scheme in accordance with the rules, as amended from time to time, of the pension scheme. Personal contributions are usually collected by the University by way of deductions from employees’ salaries and paid over to the relevant pension scheme, together with the employer’s contribution.

Salary Exchange for Pension Contributions (Salary Exchange)

All eligible employees who join either USS or OSPS, save for those who are earning close to the National Insurance contributions lower earnings limit, are automatically enrolled into Salary Exchange from three months after the date of joining the pension scheme, unless they give notice in writing to the Payroll Manager that they do **not** wish to be enrolled. In this case, the appropriate opt-out form should be completed and returned to the Payroll Manager at least one month before automatic enrolment. The opt-out form can be obtained from departmental administrators, or is available to download from the Salary Exchange website (see below).

Eligible employees may change their decision annually on 1 April or if they experience a ‘life-change’ event.

Under Salary Exchange, the deduction for an employee’s personal pension contributions is reduced to nil. At the same time the employee’s pensionable salary is reduced by an amount equal to the employee’s pension contributions and the University increases its contributions to the pension scheme by an equivalent amount. Pensionable salary and pension scheme benefits for the employee are not reduced. Salary Exchange enables participating employees to achieve a reduction their National Insurance contributions. Salary Exchange may not be of benefit to employees whose initial contract is for less than two years and who are expecting a refund of pension contributions at the end of the contract.

Employees who do not participate in Salary Exchange will continue to pay to the applicable pension scheme the personal contributions as described above.

Further information

Further information on the pension schemes may be obtained from the University pensions website (www.admin.ox.ac.uk/finance/pensions/), or:

- USS - from the University Pensions Office, tel. Oxford 616067, e-mail uss@admin.ox.ac.uk, or from the USS website - www.usshq.co.uk
- OSPS – from the University Pensions Office, tel. Oxford 616020, e-mail osps@admin.ox.ac.uk
- NHSPS – from the University Pensions Office, tel. Oxford 616144, e-mail oxnhsp@admin.ox.ac.uk or from the NHSPS website www.nhspa.gov.uk
- Stakeholder – from Legal & General, tel. 0845 070 8686, quoting group arrangement number GF73322001, or from their website www.landg.com

Further details of Salary Exchange for Pension Contributions may be found at www.admin.ox.ac.uk/finance/salaries_expenses/salexchange