

A summary of the main changes including the modifications arising out of the consultation is set out below:

None of these changes affect the rights of pensioners, or deferred pensioners, who left (or leave) prior to the effective date of the changes.

	Changes								
A	From the effective date the normal pension age for new entrants and for the future service of existing members will be 65.								
B	Existing members age 55 or over at the effective date will be exempt from the changes to the normal pension age.								
C	The normal pension age will be linked to increases to the state pension age*.								
D	A flexible retirement scheme will be available to members from age 55.								
E	The employee contribution rate for members of the final salary section will be 7.5% of salary.								
F	<p>In the future, increases** to pensions in payment and the revaluation of deferred benefits will be in line with official pensions***. However, a cap on increases shall apply to those benefits as follows:</p> <table border="0"> <thead> <tr> <th>Increase in CPI</th> <th>Increases payable by USS</th> </tr> </thead> <tbody> <tr> <td>5% per annum or less</td> <td>the same increase</td> </tr> <tr> <td>More than 5% but less than 15% level</td> <td>5% plus 50% of increases above the 5% level</td> </tr> <tr> <td>15% or more</td> <td>overall ceiling of 10% per annum.</td> </tr> </tbody> </table>	Increase in CPI	Increases payable by USS	5% per annum or less	the same increase	More than 5% but less than 15% level	5% plus 50% of increases above the 5% level	15% or more	overall ceiling of 10% per annum.
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G	<p>Deferred members on the day before the effective date who rejoin the scheme within 30 months of the effective date will be entitled to rejoin the final salary section.</p> <p>Active members on the day before the effective date who leave on or after the effective date and rejoin within 30 months of ceasing to be a member will be entitled to rejoin the final salary section.</p>								
H	<p>Individuals who enter a USS eligible post may be entitled to join the final salary section for a transitional period, provided that the employee:</p> <ul style="list-style-type: none"> - took up the eligible post within two years of the effective date; 								

	<ul style="list-style-type: none"> - was in continuous employment with the same USS employer (or with an associated employer) since the day before the effective date; and - was a member of the employer's support staff scheme before the effective date.
I	Members who are eligible to retire early due to redundancy within two years of the effective date will continue to qualify for unreduced benefits. After that time benefits would be actuarially reduced unless the member's employer meets the cost of early payment.
J	A new section of the scheme will be created for new entrants from the effective date. The benefits will be based upon a 1/80 th pension plus 3/80 th cash lump sum formula and revalued annually in line with increases in official pensions*** subject to the same limits described in F above.
K	The contribution rate for members of the new section will be 6.5% of salary.
L	Cost sharing will be introduced to contribution rates with increases shared in the ratio 65:35 between employers and employees respectively.

The proposed implementation date (the "effective date") is to be confirmed shortly.

* Any increase in NPA will only apply to benefits in respect of future service from the date of the future change in NPA.

** These changes will only apply to benefits in respect of future service from the effective date of the changes.

*** Official pensions are linked to CPI inflation from April 2011.