

Information for Research Councils' Pension Scheme Members

Buying Added Pension ANNUAL REMINDER AND DEADLINE DATES

If you are in **classic**, **classic plus**, **premium** or **nuvos**, you can choose to buy Added Pension to top up your pension benefits. You can buy Added Pension by making monthly contributions from your pay and/or by paying in a lump sum.

Read the **Added Pension information** on the JSS website:

<https://jsspensions.nerc.ac.uk/members/increasing.asp>

Use the **calculators** to see how much you can buy and how much it will cost.

ADDED PENSION BY LUMP SUM IN THE 2023-24 SCHEME YEAR

There are two options for buying Added Pension by lump sum, which are: 1) deduction from your pay, or, 2) payment direct to JSS by bank transfer or cheque (Nuvos members cannot buy added pension via lump sum in the first 12 months of membership). **Whilst we will accept cheques, we would prefer payments to be made by bank transfer where possible.**

1) **Payment through payroll:**

You can make one lump sum payment at any time in the year through your payroll. If you would like to make a payment in the 2023-24 scheme year, you must send the completed application form to JSS by **9 February 2024**. Your payroll needs to be told in time to deduct the money from your March salary. If your application reaches the JSS after this date it will not be processed in the current scheme year.

2) **Payment by bank transfer or cheque:**

If you want to make a lump sum payment by bank transfer or by cheque (**bank transfer is preferred**), a completed application form and payment must be received by JSS by **16 February 2024**. This will ensure that eligibility checks can be carried out and that there will be enough time for the cheque payments to clear. Bank details are provided on request. Cheques should be made payable to **"RCPS"**.

ADDED PENSION BY MONTHLY CONTRIBUTIONS FOR THE 2024-25 SCHEME YEAR

If you would like to buy added pension by monthly contributions for scheme year 2024-25, you must send the completed application form to JSS by **8 March 2024** so that there is time to instruct your payroll to start making deductions from your April salary. If your application reaches JSS after this date it will not be processed in time. You can either pay a set amount or a set percentage of your pensionable pay.

Application forms can be found on our website: <https://jsspensions.nerc.ac.uk/guidesandforms.asp>

Application forms/cheques must be sent to JSS, not to your employer or payroll

JSS Pensions Administration

Polaris House, North Star Avenue, Swindon, Wiltshire, SN2 1UY

Limits

The current (2023-24) amount of added pension you can buy is **£6,800** per annum (with an associated lump sum of £20,400) for **classic** members and **£8,400** per annum for **premium, classic plus** and **nuvos** members. With effect from 1 April 2024 this will increase to **£7,300** per annum (with an associated lump sum of £21,900) for **classic** members and **£9,000** per annum for **premium, classic plus** and **nuvos** members. These limits relate to the amount of Added Pension purchased and not the actual contributions paid over to buy the Added Pension.

Tax Relief

You will receive tax relief on contributions made through payroll. For example, a contribution of £100 would have a net cost to you of £80 if you pay income tax at standard rate (or £60 if you pay tax at the 40% rate). To get tax relief, if you buy added pension by cheque or bank transfer, you will need to tell HM Revenue & Customs about your contribution and explain you did not receive any tax relief from the pension scheme in relation to the added pension purchase.

Annual Allowance

Buying added pension will increase the value of your pension from one year to the next and in some circumstances you might exceed the Annual Allowance (AA) limit. This may result in an AA tax charge. The standard AA limit for the tax year 2023-24 is £60,000. The AA is a personal tax responsibility, and JSS cannot provide financial advice.

Defined Benefit pension schemes, for AA purposes, are valued by multiplying the pension built up in the year by 16 and adding the increase in any automatic lump sum over the year. The calculation includes a measure to ease the effect of inflation. The AA tax charge will normally only affect higher earners, but buying added pension directly affects the amount that your benefits increase from one year to the next, so you should ensure that you are aware of the potential for an AA tax charge before applying.

If you are in one of the final salary sections of the RCPS or have linked final salary service and receive a promotion or large pay rise above the level of inflation then this will increase the value of your pension in that year, and so may limit the amount of added pension you can buy without incurring a tax charge. If you do exceed the AA you can offset the excess against unused AA from the previous three years (if you have bought added pension, or received a large pay increase in previous years this may also limit the amount of unused AA you have from previous years).

For more detailed information on the Annual Allowance please see the [HM Revenue & Customs website](#).

How much Added Pension can I afford?

Please see the Added Pension calculator on <https://jsspensions.nerc.ac.uk/members/increasing.asp>, which illustrates the costs. If you cannot access the calculator, please contact JSS.

Index Linking

The amount of Added Pension you buy will be increased each year. It will be increased at the end of each scheme year (31 March) by the amount of the Consumer Price Index at September in the previous year.

New Starters

If you have joined your organisation in the last 12 months, please contact JSS about your eligibility to buy Added Pension.