

Pension session no.9:

Welcome to the RCPS and JSS

11 Sep 2024

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Brief agenda



- Who are JSS and what is the RCPS
- Funding the scheme
- New starter 'pack'
- Questionnaire and Choices forms
- Partnership pension option
- Transfers
- Death Benefit and Partner Nominations
- When you leave
- Further information

- Please ask questions via Q&A
- Time for questions at the end as well



<https://jsspensions.nerc.ac.uk/>

JSS and the RCPS

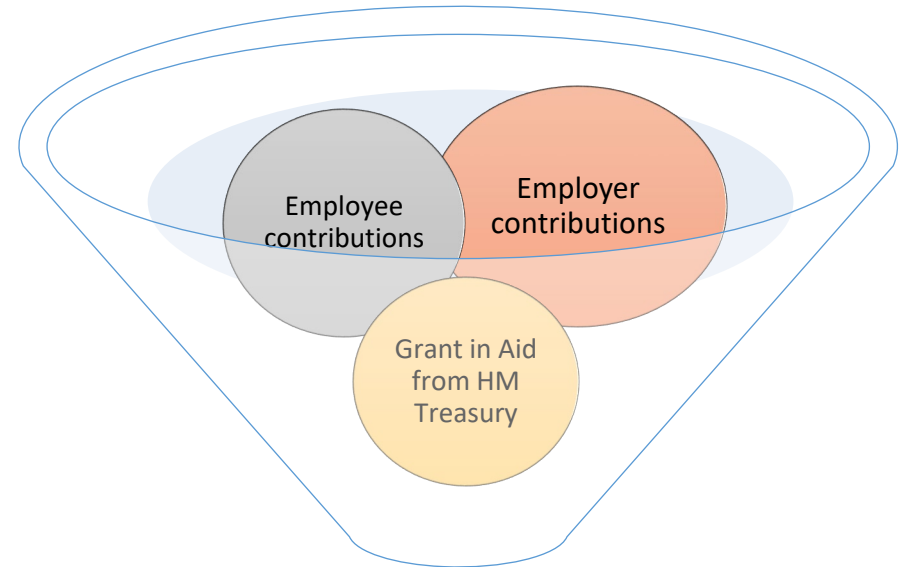


- JSS (Joint Superannuation Services) is the scheme administrator, part of UKRI. We are responsible for administration of the scheme; from enrolling new starters to finalising pension awards, paying pensions and other benefit payments.
- RCPS Management Board; act as trustees and oversight of JSS, comprises employer and TU representation
- RCPS (Research Councils' Pension Scheme); a Defined Benefit scheme established in 1994, operates by-analogy to the Principal Civil Service Pension Scheme. Multiple participating employers. Has different sections depending on when you joined, older Final Salary sections and the current Nuvos (Career Average) section. Nuvos has been the default scheme section since 2007.
- Your employer has elected to use the RCPS to comply with their Auto Enrolment duties
- You need to achieve two years membership to qualify for a Nuvos pension.

JSS cannot provide any financial advice or recommendations

Funding the RCPS

1. **There is no fund!** Similar to National Insurance; our NI contributions pay for some of today's State Benefits
2. Employee and employer contributions pay today's pensioners/benefit recipients
3. Employer contribution rate (26%) is set by our actuary, no relevance to your individual pension accrual, based on cost of providing the scheme benefits
4. RCPS is Defined Benefit – defines the future benefit you will accrue; guarantees a future pension
5. Defined Contribution – defines the contributions paid in (not the future value of the pension)



Directly pays the pensions for
16,000 pensioner on payroll

**2024-25 Forecast
Expenditure = £190m**

Contributions



1. Employee contribution rate is determined by your annualised earnings; your monthly pensionable earnings x 12. Does not include backdated pay due to late pay awards
2. Contributions are deducted before tax
3. Rates and earning thresholds reviewed by the scheme actuary and RCPS Management Board
4. Rates for 2024-25 are as follows:

Annualised Pensionable Earnings	Employee Contribution rate %
Up to and including £34,199	4.60
£34,200 - £56,000	5.45
£56,001 - £150,000	7.35
£150,001 and above	8.05



Nuvos accrual



Career Average Scheme, where the pension you accrue is based on your actual pensionable earnings, time in the scheme and accrual rate of 2.3%. Pension age 65. Accrued pension is revised annually for inflation, using CPI.

Example:

Year 1: 2.3% of £30,000 earnings = pension £690 p.a. payable at 65

Year 2: £690 x CPI (2%) plus another £690 = £1,408 p.a.

After 10 years:

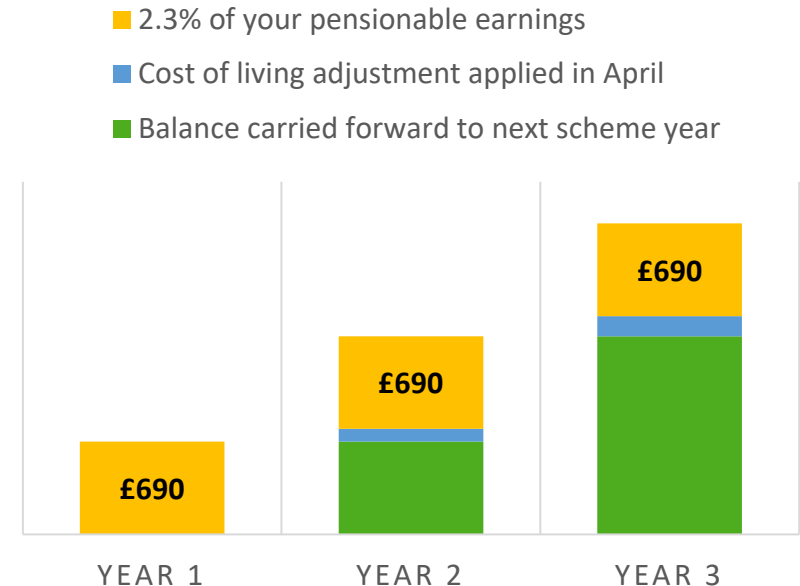
£7,706.41 p.a. (CPI at 2%), or;

£6,900 p.a. (CPI 0%)

Maximum accrual is 75% of final pay

Option to take a tax-free lump sum at retirement

Remember; no link to contributions!



New Starter Pack



Within a month of joining, we will email you a new starter pension pack. If you have not received this, please contact your HR team.

- Letter introducing you to the scheme and explaining your options
- How we manage and process your data
- Statement of Membership details – based on data your employer has given to JSS
- Pension Choices form – Nuvos or Partnership or Opt out

If you want to choose Partnership you will need to decide which provider and how much to pay in

- Death benefit nominees
- Pension Scheme Questionnaire

Answers provided may affect the scheme you are eligible to be enrolled in

- Transfer request form



Partnership option



- Defined Contribution (DC) – member takes the ‘risk’, chooses a fund
- Scottish Widows and Standard Life
- Enter at start of employment or ‘Switch’ into at a later date
- Employee contribution between 0 – 100% - **option to pay nothing**
- Your employer will match up to 3%
- Accessed from age 55
 - Buy an annuity
 - Flexible income drawdown
 - Full fund as lump sum (25% tax free)
 - Combinations
- No minimum enrolment period
- Death in Service cover included (3x pay)
- No guarantees on investment performance

Employer Contribution Rate	
Age at last 6 April	% of pensionable earnings
Under 31	8%
31 – 35	9%
36 – 40	11%
41 – 45	13.5%
46 or over	14.75%
Employer matches up to 3% of your contributions	

Check our Nuvos or Partnership guide: <https://jsspensions.nerc.ac.uk/docs/pension-choice-nuvos-or-partnership-an-overview.pdf>

Transfers In



You may wish to consider transferring in a pension from a previous provider/employer into your new Nuvos pension.

1. Complete a transfer request form
2. We will contact the other scheme to request a transfer value. We will convert this to a Nuvos pension value and send you a quotation
3. You then decide if you wish to proceed with the transfer
4. Once you sign and accept the quote, we complete the transfer

Some schemes do not allow transfers – we will always explain why a transfer cannot proceed

We participate in the Public Sector Transfer Club

Information and forms on our website: <https://jsspensions.nerc.ac.uk/members/transfers.asp>

We cannot give you any financial advice

Important – the transfer (incl. payment) must be fully completed within the first 12 months of scheme membership. There is no discretion with this deadline. Please send us the transfer request form within your first 11 months of membership.

Added Pension



Saving more towards retirement

You buy an extra amount of pension (no employer contribution)

- Purchase by one off lump sum, and/or monthly contribution.
- Monthly contributions
 - % of your pay, or
 - A fixed amount, e.g. £100

Tax efficient: tax is deducted after additional (and normal) pension contributions taken

Guaranteed growth; your Added Pension is uprated by CPI annually

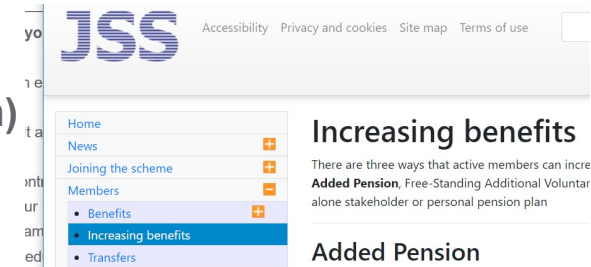
Maximum amount of pension that can be purchased in Nuvos: £9,000 p.a. (2024-25)

For Nuvos, Added Pension is not part of the 75% limit for pension accrual

Minimum monthly contribution of £10 per month (or percentage equivalent). Minimum lump sum payment of £100

New scheme members are able to set up Added Pension by monthly deduction within the first 3 months of membership. Otherwise, contracts start from 1 April. Lump sum purchases not permitted during first year of membership.

Added Pension calculators and information: <https://jsspensions.nerc.ac.uk/members/increasing.asp>



Additional Benefits



Optional tax-free pension lump sum

Create a tax-free lump sum; £12 lump sum for every £1 surrendered. Decision made at time of retirement. You cannot access the lump sum separate to the pension.

Death Benefit Lump Sum

Greater of twice your pay or five times the pension built up.

Spouse / Civil Partner / Partner Pension

37.5% of your accrued pension incl. Added Pension and any transfers, for life.

Child / dependants pension

Children's pensions paid to age 23 if they are in full time education; 30% of your pension (or 50% if no spouse/partner). Pension payable for life to any financial dependants, e.g. someone with a serious disability.

Partial retirement

Option to partially retire, access some/all of your pension while continuing to work.

Ill health retirement

Pension may be paid early if you become too ill to work.



When you leave the RCPS



Leaving with less than two years membership, two options:

1. Receive a refund of your employee contributions (not the employers)
2. Transfer the pension to another scheme



With more than two years scheme membership:

Below normal scheme pension age (65)

- Receive a Preserved Award detailing the pension payable to you when you reach 65
- The accrued pension is increased by CPI annually – we will write to you each year
- Three months before your 65th we will write to you with your pension options
- You can access the pension from age 55 – will be actuarially reduced (c.5% per year)
- May be able to transfer your Nuvos pension to another scheme

At or above age 65

- Nuvos pension put into pay, you can choose a tax-free lump sum
- Defer taking it until a later date – will be increased for late payment

Your actions



- ✓ Check all your personal details – if any are incorrect, let us know, email memberships@jss.ukri.org (please include your scheme or NI number when emailing)
- ✓ Complete the questionnaire and choices forms – you will remain in Nuvos unless you indicate otherwise
- ✓ Complete the Death Benefit Nomination form (make sure it is witnessed)
- ✓ Complete the Partner Nomination form (not needed for spouses/civil partners)
- ✓ Complete the Transfer Request form
- ✓ Consider buying Added Pension

Send all the forms back to us within a month; email or post



Further information



JSS Website: <https://jsspensions.nerc.ac.uk/>

- Joining the scheme page: <https://jsspensions.nerc.ac.uk/join/index.asp>
- Scheme guides, calculators, forms, previous webinar recordings and further information
- You can also call, email, zoom or visit us. We're based in Polaris House in Swindon. Contact details are <https://jsspensions.nerc.ac.uk/contact.asp>.
- We will send you an Annual Benefit Statement every year (Jul-Sep)

Thank you and any questions?

- We will upload a recording of this to our website, with these slides
- Email us with any other questions you may have

Other webinars:

General pension awareness

Partial retirement

Buying added pension

Annual Benefit Statements

Research Councils' Pension Scheme

<https://jsspensions.nerc.ac.uk/>