PASNAS Pension Scheme: Introductory information for new employees

This document provides introductory information only. For further details on the scheme itself or to discuss anything in more detail please contact the Pension Team pensions@soton.ac.uk

What is PASNAS?
PASNAS (the Pension and Assurance Scheme for Non-Academic Staff) is the University’s own pension scheme. The University of Southampton operates a number of pension schemes and provides PASNAS for employees in roles at Levels 1-3. Eligible employees will be auto-enrolled into PASNAS.

What is auto-enrolment?
To help people save for their retirement, all employers must provide a workplace pension scheme and must automatically-enrol workers into a scheme if they meet certain criteria.

You are eligible for PASNAS, and will be auto-enrolled into the scheme, if:

- You are employed by the University at Level 1-3; and
- You are employed on a permanent or fixed term contract of at least 12 months; and
- You are aged 20 or over, but under 64; and
- You work at least 5 hours per week

The majority of employees at Levels 1-3 will meet these eligibility criteria, and will therefore be auto-enrolled into PASNAS. If you do not meet the PASNAS eligibility criteria, but:

- You are aged 22 or over but under state pension age; and
- You earn over £10,000 per year (£833.33 per month)†

You will be auto-enrolled into the National Employment Savings Trust (NEST) instead of PASNAS. Further information on NEST can be found at www.nestpensions.org.uk.

Even if you don’t meet the criteria for auto-enrolment into PASNAS and NEST, you may still be eligible to join NEST. You can ask the University to enrol you into NEST if:

- You are aged 22 years or over, but under state pension age, and earn less than £10,000 per year (£833.33 per month)†; or
- You are aged 16 to 21 years, or over state pension age, regardless of your earnings.

† - This auto-enrolment earnings threshold is reviewed annually by the Department for Work and Pensions.

How do I join PASNAS?
If you meet the criteria for auto-enrolment into PASNAS or NEST you don’t need to do anything; the University will automatically enrol you into the appropriate scheme.

If you are eligible to join NEST, but don’t meet the criteria for auto-enrolment, you can ask the University to enrol you. Please contact the Pension Team to do this.

Salary Sacrifice – Important – Please Note
The University operates a salary sacrifice scheme for funding PASNAS pension contributions. This allows you to make savings on your National Insurance contributions. You will automatically be included in these salary sacrifice arrangements from your fourth full month of employment, providing you are entitled to membership of PASNAS and have not elected to opt-out.

You should be aware that, if you were to leave PASNAS with less than two years’ service, having been funding your pension via these salary sacrifice arrangements, you would not be able to claim a full refund of your pension contributions, however you would still have the option of transferring your pension benefits to another pension scheme.

You should take this restriction on refunds into account when deciding whether to participate in these salary sacrifice arrangements. For further information, please see the factsheet: Funding Your Pension via Salary Sacrifice

This factsheet was last updated in March 2017. Whilst every effort has been made to ensure its accuracy, if there is any difference between this factsheet and any relevant legislation, pension scheme trust deed and/or rules, the latter will prevail.

The Pension Team can be contacted at pensions@soton.ac.uk
What happens if I don’t want to join PASNAS?

If you meet the criteria for auto-enrolment, the law requires us to automatically enrol you into the scheme. If you don’t want to join PASNAS, you need to tell us within your first three months of employment; your membership will be reversed and we will arrange for any refund of contributions that may be due to you.

If you wish to leave PASNAS at a later date, you can do so at any time:

- If you have less than two years’ service in the scheme you can transfer your benefits to another pension scheme or you may be able to receive a refund of your pension contributions, depending on whether you have been funding your pension via salary sacrifice or not (see the factsheet: Funding Your Pension via Salary Sacrifice)
- If you have more than two years’ service in the scheme you will be entitled to deferred benefits according to the scheme rules, or you may be able to transfer your benefits to another pension scheme.

If you need more details and/or you want to opt-out of PASNAS, please contact the Pension Team who will be able to give you further information on the process.

Re-joining PASNAS

If you opt-out or withdraw from PASNAS you are able to re-join the scheme within six months of your decision. If more than six months has passed, you will need the University’s and the scheme Trustees’ agreement to re-join the scheme, and special conditions may be imposed at that time.

Automatic re-enrolment

The law requires us to automatically re-enrol you into a qualifying pension scheme at regular intervals (usually every three years). If you have previously opted-out of PASNAS, you will be automatically re-enrolled into NEST at these re-enrolment intervals. If you are re-enrolled and still don’t want to be a member of a pension scheme, you’ll need to opt-out again. We cannot accept previous opt-out requests as a continual opt-out; you must expressly opt-out after each re-enrolment if you still don’t want to be a member of a pension scheme.

Frequently Asked Questions

| What are the main benefits of the PASNAS scheme? | PASNAS is a defined benefit pension scheme. Retirement benefits are based on your pensionable service and your pensionable salary at your leaving date, as follows:

\[
Pension = \frac{\text{Pensionable service}}{80} \times \text{Pensionable salary}; \text{ plus}
\]

\[
\text{Lump sum} = \text{Pension} \times 3
\]

You have two other benefit options available to you when you retire:
- An increased lump sum and a reduced pension; or
- No lump sum and an increased pension. |

| What are the PASNAS contribution rates? | Member contributions for PASNAS are currently 6.35% of pensionable pay. Employer contributions for PASNAS are currently 17.25% of pensionable pay. **Please note:** Unless you choose otherwise, you will automatically be included in the University’s salary sacrifice arrangements for funding pension contributions. For further information see the factsheet: Funding Your Pension via Salary Sacrifice. |

| What are the Death in Service Benefits in PASNAS? | If you die before your Normal Retirement Date and you are an Active Member of PASNAS at the time of your death, a lump sum will be payable equal to the value of:

- 3 x your annual Pensionable Salary at death; and
- A refund of employee contributions (including any contributions paid via salary sacrifice)

A dependant’s pension and child’s pension may also be payable, depending on circumstances. |

This factsheet was last updated in March 2017. Whilst every effort has been made to ensure its accuracy, if there is any difference between this factsheet and any relevant legislation, pension scheme trust deed and/or rules, the latter will prevail.

The Pension Team can be contacted at pensions@soton.ac.uk
What is the retirement age in PASNAS?
The scheme pension age in PASNAS is currently 65. You may, with the consent of the University, request the payment of your benefits at any time after age 55, but the value of your benefits may be reduced to reflect early payment.
For further information please contact the Pension Team pensions@soton.ac.uk

Can I transfer funds from previous pension schemes into PASNAS?
It is possible, subject to the discretion of the Trustees, to transfer benefits from a previous pension arrangement into PASNAS. Please contact the Pension Team for further information. You are strongly advised to seek independent professional advice if you are considering transferring funds between pension schemes.

Can I make additional contributions into PASNAS?
No, PASNAS does not offer Additional Voluntary Contributions, however as a member you do have the option to pay into a money purchase AVC arrangement with Prudential. Please contact the Pension Team for further information.

Further information about PASNAS can be found at http://www.southampton.ac.uk/finance/services/index.page or by contacting the University’s Pension Team (pensions@soton.ac.uk)

It is strongly advised that you seek independent professional advice if you are unsure about any aspects of your pension.

VERSION CONTROL

<table>
<thead>
<tr>
<th>Last updated:</th>
<th>30.03.2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulted:</td>
<td>Pensions</td>
</tr>
<tr>
<td>Date consulted:</td>
<td>N/A</td>
</tr>
<tr>
<td>Owner:</td>
<td>HR Centres of Excellence</td>
</tr>
<tr>
<td>Review Date</td>
<td>March 2018</td>
</tr>
</tbody>
</table>