

# Election for Employee Specific Voluntary Salary Cap (VSC) effective from 1 April 2018



Please complete this form using BLOCK CAPITALS

## Member details

Member name : \_\_\_\_\_

National Insurance Number : \_\_\_\_\_

## Institution details

Full name of employing institution : \_\_\_\_\_

With effect from 1 April 2018 I elect for a VSC of:

(If you have one employment the VSC cannot be set less than the salary threshold, which is currently £55,550. Please note that the threshold is expected to increase from 1 April 2018 following confirmation of CPI pension increases by HM Treasury. If the salary threshold increases to more than your chosen VSC, your VSC will be set to the level of the salary threshold automatically.)

£

If you have more than one employment, you can specify a VSC for one employment only. For this employment you can specify a VSC that is lower than the salary threshold, provided that the total of your VSC, and other salaries, is not less than the salary threshold.)

I elect to be covered for death in service and incapacity benefits based on my:  
(please tick only one box)

VSC  Uncapped salary

If you elect for uncapped salary, you will be required to pay additional contributions towards the cost of providing those benefits – the current rate is 2.5% of your salary that exceeds your chosen VSC.

## Declaration by member

I have considered the effect of taking this election, and have taken such independent advice as I consider appropriate (if any). In particular, I understand that:

- My future build-up of retirement benefits, and the contributions I will pay (or, if I participate in a salary sacrifice arrangement, paid by my employer on my behalf), will be based on the VSC that I have set, and not my uncapped salary. My past service retirement benefits accrued before 1 April 2018 will not be affected by this election. If I have elected for death in service and incapacity benefits to be based on my chosen VSC I understand that, on either of these events happening, the benefits payable will be based on my chosen VSC and will be less than the benefits I would otherwise have received had they been based on my uncapped salary;
- If I have elected for death in service and incapacity benefits to be based on my uncapped salary, I agree to pay special contributions salary in excess of my chosen VSC towards the cost of maintaining those benefits. I understand that the current rate is 2.5% of salary in excess of my VSC, but this rate is subject to review from time to time and may be adjusted;
- I can pay additional member contributions (USS Investment Builder and MPAVCs) and elect for the match but understand that any such contributions, and the employer matching element, will be based on the VSC that I have chosen. If I have already elected for the match, that election will automatically continue, but will be based on my VSC;

- If I continue to pay added years AVCS (from being a member of the final salary section) or revalued benefit AVCs (from being a member of the pre-1 April 2016 CRB section) I will continue to pay contributions based on my uncapped salary;
- This election will remain in force until at least 31 March 2019 and cannot be varied or canceled until that date (I understand that notice of cancellation must be given by 3 March 2019 at the latest);
- This election will automatically continue in force each scheme year, unless I notify the Pensions Contact at my employer in writing before 3 March in any year that I want it to cease;
- If I have set the VSC at the level of the salary threshold, or the salary threshold increases to more than my chosen VSC, the VSC will automatically increase in line with increases to the salary threshold. If my actual salary is less than the VSC at any point, this election will continue until the next 31 March when it will be canceled automatically;
- The VSC will be operated in accordance with the rules of the scheme (as amended from time to time) and shall override any inconsistency in any factsheets or other information about the VSC; and
- The operation of the VSC is subject to regular review and may be amended from time to time.
- Neither my employer nor the Trustee can provide financial advice.

Signed : \_\_\_\_\_

Date : \_\_\_\_\_

Please submit this completed form to the Pensions Contact at your institution.

### Declaration by employer

- I acknowledge receipt of the member's election for a Voluntary Salary Cap (VSC) under USS, and confirm that I am authorised to provide this declaration on behalf of the employer and I confirm that with effect from 1 April 2018.
- Standard member and employer contributions (including, where appropriate, those paid in accordance with a salary sacrifice arrangement), AVCs to the USS Investment Builder and the match will be based on the member's chosen VSC and not their uncapped salary. If the member has already elected to take the match, this will automatically continue but the contributions will be based on the member's VSC;
- If the member has chosen to maintain cover for death in service and incapacity benefits based on his/her uncapped salary, additional contributions of (currently) 2.5% of the amount by which the uncapped salary exceeds the chosen VSC will be paid to the scheme (I acknowledge that the rate of 2.5% is subject to review from time to time and may be adjusted);
- If the member is paying legacy added years AVCs or revalued benefit AVCs, the contribution rate specified in the member's AVCs agreement will continue to be applied to uncapped salary and these contributions will be paid to the scheme;
- The VSC will be operated in accordance with the rules of the scheme (as amended from time to time) and shall override any inconsistency in any factsheets or other information about the VSC;
- I have recommended that the member considers taking independent financial advice before making this election; and
- The employer will be required to pay recovery plan contributions on the amount by which the member's uncapped salary exceeds their chosen VSC and this will be payable to the scheme for so long as a recovery plan is in force. The current rate is 2.1% and is subject to change from time to time, as determined by the Trustee Company on actuarial advice.

Name : \_\_\_\_\_

Position : \_\_\_\_\_

Institution name : \_\_\_\_\_

Institution code : \_\_\_\_\_

Signed : \_\_\_\_\_

Date : \_\_\_\_\_

Please provide a copy of this completed signed form to the member and send a copy to the trustee company via post to:  
Universities Superannuation Scheme Ltd,  
Royal Liver Building,  
Liverpool,  
L3 1PY.

For USS use only:

Case type - Joiner:

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