

## **Linacre College - Statement of Pensions Policy**

This policy statement replaces all previously published statements and applies to all employees.

An employee will be treated as being anyone who has been issued a contract of employment with the College. All employees aged over 16 and under 75 are eligible for membership of the appropriate College pension scheme.

Membership is by contractual enrolment, automatic enrolment or by application.

### **Contractual enrolment**

Anyone taking a job at Linacre College, who is aged between 16 and 75 will be offered the opportunity to join an appropriate pension scheme. The employee will agree to join an appropriate scheme by signing their employment contract. They will have a statutory right to refuse membership of the scheme (by giving written notice to the Accounts Manager). However, if they decide not to join they will not receive any form of alternative benefit in compensation for not being a member of the scheme.

### **Automatic enrolment**

In order to comply with the Pensions Act 2008, the College has a duty automatically to enrol or re-enrol into a qualifying pension scheme any eligible employee who is

- not already in one;
- aged between 22 and State Pension age;
- earns more than an amount set by the Government (currently £10,000 a year);
- works in the UK.

The pension schemes offered by the College meet or exceed the qualifying standards set by the government.

The College will write to inform an employee that they will be automatically enrolled in a pension scheme. An employee who is automatically enrolled into a College pension scheme will have the right to opt out. Once they have been enrolled into the pension scheme, they have one calendar month during which they can opt out and get a full refund of any contributions they have made from their salary. They may opt out after this period but may not get a refund. They can opt out by getting an opt-out notice from the pension scheme which they then complete and give to the Accounts Manager. If they decide to opt-out of a College pension scheme they will not receive any form of alternative benefit in compensation for not being a member.

## Application

Any employee of the College who is not eligible for automatic enrolment but who is aged over 16 and under 75 and earns more than a threshold set by the Government (currently £5,772) or who is aged between 16 and 21 or State pension age and 74 is entitled to opt in to an appropriate College pension scheme, by application to the Accounts Manager. The College will write to any such employee informing them of their right to opt in.

## College pension schemes

The College offers the following workplace pension schemes. These have been confirmed as qualifying schemes, which means they meet or exceed the government's standards. The employer and employee both pay into these schemes.

- **The Universities Superannuation Scheme (USS):** This is a national scheme for staff employed on academic and academic-related scales of pay (generally grades 6 and above).
- **The University of Oxford Staff Pension Scheme (OSPS):** This is the College's scheme for those of its staff who are on scales of pay for support staff (generally grades 1 – 5). The scheme is also open to similar employees of the University colleges and other institutions that participate in the scheme.
- **National Employment Savings Trust (NEST):** This is a national scheme. The College will offer this scheme to student employees who ask to join a qualifying scheme.

When there is a change in a worker's status (for example, an employee is promoted above grade 5, or a casual/student worker is recruited to a position as an employee) the appropriate scheme will be that which is applicable to the new position or grade.

## Pension Contributions

Any employee or worker who is a member of a College pension scheme pays personal contributions to the pension scheme in accordance with the rules, as amended from time to time, of the pension scheme. Personal contributions are usually collected by the College by way of deductions from employees' salaries and paid over to the relevant pension scheme, together with any employer's contribution.

Members of USS or OSPS are 'contracted-out' of the State Second Pension Scheme and its predecessor, the State Earnings Related Pension Scheme (SERPS), by virtue of their membership of those schemes. National Insurance contributions for contracted-out employees are deducted at a reduced rate. The College pays the balance of cost of providing the benefits due under these schemes.

## Salary Exchange for Pension Contributions (Salary Exchange)

Employees who join USS or OSPS, apart from those who are earning close to the National Insurance contributions lower earnings limit, are automatically enrolled into Salary Exchange from three months after the date of joining the pension scheme, unless they give notice in writing to the Accounts Manager that they do not wish to be enrolled. In this case, the appropriate opt-out form should be completed and returned to the Accounts Manager at least one month before automatic enrolment. The opt-out form can be obtained from the Accounts Manager.

Eligible employees may change their decision annually on 1 April or if they experience a 'life change' event.

Under Salary Exchange, the deduction for an employee's personal pension contributions is reduced to nil. At the same time the employee's pensionable salary is reduced by an amount equal to the employee's pension contributions and the College increases its contributions to the pension scheme by an equivalent amount. Pensionable salary and pension scheme benefits for the employee are not reduced. Salary Exchange enables participating employees to achieve a reduction to their National Insurance contributions. Salary Exchange may not be of benefit to employees whose initial contract is for less than two years and who are expecting a refund of pension contributions at the end of the contract.

Employees who do not participate in Salary Exchange will continue to pay to the applicable pension scheme the personal contributions as described above.

## Further information

General information on pensions and saving for later life can be found on:

- <https://www.gov.uk/workplacepensions>

Information on the pension schemes is available from:

### USS

- <http://www.uss.co.uk/Pages/default.aspx>

### OSPS

- <http://www.admin.ox.ac.uk/finance/pensions/osps/>

### NEST

- <http://www.nestpensions.org.uk/schemeweb/NestWeb/public/home/contents/homepage.html>