Transcript Points of Interest and Q&A Session on Pensions and PASNAS

BM Brendan Mulkern:

Good afternoon everyone. My name's Brendan Mulkern and I provide pensions support to the university and I'm here this afternoon to provide you with a briefing on the PASNAS pension arrangement operated by the university. I've worked in pensions for quite some time. 1988 was when I first started in pension scheme administration, and I spent some of my time with USS. Mainly around the pension schemes that are operated within the higher education sector and for many years the pension arrangements in the sector remain the same and schemes like PASNAS were operated by many employees within higher education. Things have changed in more recent times, but one of the things about the PASNAS scheme is that it's remained available for staff within the University of Southampton. It's a traditional scheme in many senses, and we'll go into a description of the design of the scheme and the kind of benefits that it provides, and I hope you find that helpful.

Pensions can be complex. It's increasingly high profile, of course, and we're trying to dedicate these briefings to cover some of the common questions that members ask, but also to leave time for particular questions that we've had members ask during the briefings in recent times. I hope you find that general coverage of common questions useful, but also leaving time available to cover some of the other questions that members of PASNAS have at this time. Hopefully that format is something that's of interest to you.

(Slide 2 of presentation)

BM Brendan Mulkern:

These are some of the common questions that we intend to cover, and I hope you find useful.

First of all, what is my PASNAS pension and how does it work? So, tell me about the fundamentals of the pension scheme.

Then about something called the accrual rate. Most schemes like PASNAS have what's referred to as an accrual rate at the heart of the scheme design. We'll talk a little bit about what that is in relation to PASNAS.

Can I make additional contributions? There could be many reasons why people want to pay more into the pension scheme in order to increase the amount of pension benefits that they might receive in the future. There are ways to do that, and we will look at those.

What happens to my benefits if I go part time? That's a change that can occur during an individual's working career, or perhaps something like a period of unpaid absence. We'll look at the impact of those on the pension rights that you build up in the scheme.

How can I find out more details about my pension and check how much I'll get? It is really important these days that people know where they can find out about their pension. To find out whether they're on track to get the kind of pension that they thought they were going to get. We will look at how you can do that.

Then the importance of completing an expression of wish form. Expression of wish relates to the payment by the scheme of death benefits in the event of death. This is a really important part of the pension scheme overall. You want to make sure that the trustees of the pension scheme have got up to date information in this area, so we'll look at how you can complete that expression of wish.

Those are the common questions we plan to cover, and we have some supplementary ones at the end which we hope you also find usable. Hopefully that sounds like a good approach and a good ground to cover during these slides.

(Slide 3 of presentation)

BM Brendan Mulkern:

Firstly, by way of context, these slides are not financial advice or guidance.

Often in certain circumstances you may need specific pensions advice or guidance, and in that case, you may want to seek that advice or guidance from a pension professional. Now the first place that I will suggest people go if they want more specific advice about their pension is to go to the Money Helper website. Money Helper is an independent, impartial resource set up by government to help people with information about finance generally, but specifically about pensions. You can find out more on the money helper site about gaining financial advice. Your pension will often be quite a significant asset that you hold, and you may have some decisions around for example retirement, where you want somebody to help you to make the right decisions. Money helper has got a guide which can help you to decide whether you want financial advice, and then in particular how you might gain it.

The important thing is, that this is not financial advice or guidance. This is information provided on the pension scheme to help you to understand the scheme better.

We've made every effort, of course, to make sure that the information in this presentation is accurate, but, as always, the PASNAS scheme rules are the primary reference point, and they should be the reference in the event of any query between what's said here and the definitive arrangements for the scheme.

(Slide 4 & 5 of presentation)

BM Brendan Mulkern: First common question, what is my PASNAS pension and how does it work? We now step into a few slides which describe the main benefits of the scheme.

At its heart, PASNAS is a tax efficient way to save for income and other benefits in retirement. It's a way of saving right now while you're working, doing it tax efficiently so that you can draw benefits when your career or when your employment ends and you move into the retirement phase. Your employer pays in too. That's a big advantage of paying into a pension scheme. Your contribution you pay is 7.2% of your salary at the moment, but the employer pays in too and together those contributions are buying your pension benefits, which will be available to you in the future. As well as that benefit, that income primarily for you in retirement, the scheme also provides death and other protections along the way. So, benefits for your beneficiaries for example, in the event of your death. If you have children and you were to die, then again there could be benefits paid for your spouse, children and other dependents. An important package of benefits overall for individuals who are members of the PASNAS scheme.

There are two kinds of pensions within the United Kingdom, one is referred to as a DB or defined benefit type pension saving and there is also defined contribution, DC type pension saving. PASNAS is a traditional defined benefit type pension scheme. They could be quite attractive. They're the kind of scheme that people often like because they provide a predictable, guaranteed level of retirement benefit and other benefits. A defined contribution scheme is different because it is dependent on the amount of money that you pay in, and that money being invested in a pension pot for you and the pot being used at retirement to provide you with retirement benefits. That's defined contribution scheme, but a defined benefit type of scheme like PASNAS works differently in that the kind of benefit that you get is defined within the scheme rules. You can have greater certainty of the amount of benefits that you will gain ultimately from the PASNAS scheme. That's the attraction of DB schemes they provide that guarantee to you. The main characteristics of defined benefit schemes are the fact that you get this promised level of income, that's what's referred to as a pension at retirement. Remember, this is what happens when your salary ends and you finish work at the university, or indeed at another employer. When the salary income ends and you want to start receiving your retirement pension, the scheme provides regular pension income payable monthly to you for the rest of your life. That's at the heart of the of the scheme, but this scheme also provides a separate cash lump sum tax free at retirement. So, at the point of your retirement, you'll receive the cash sum in addition to the commencement of your pension income. That's an attraction of DB schemes, but also PASNAS in particular, because you've got this automatic separate cash lump sum as well. Bear in mind that when you're presented with information about your benefits at retirement, you'll have a pension value that you've built up, you'll have a lump sum amount that you've built up in the scheme, but you can actually at the point of retirement exchange one for the other. Say for example if you want more lump sum, a greater amount of tax-free lump sum at retirement and are willing to take a reduction to your pension. That's an option that you can choose at retirement through the exchange facility, or indeed can move things the other way if you wish and give up some of your lump sum in order to have a larger annual monthly pension payable to you throughout your retirement. This can often boil down to personal preference as to whether there's somebody looking for additional tax-free cash at retirement or they really place a value on having the larger amount of regular income for the rest of their life. But there are standard benefits and then you can use this exchange facility to vary between in the amounts of your pension and lump sum at retirement.

You can normally access your benefits from age 55. That's the minimum pension age in the UK at the moment for UK approved schemes. Note that this is increasing to age 57 from April 2028, but at the moment the minimum pension age is 55. Bear in mind though, if you choose to draw your benefits before the schemes normal pension age, that is currently age 66, then there will be some reductions applied to your benefits to account for the fact that you're drawing those benefits early. For example, if you reached age 60 and you decided you were going to finish work and draw your benefits, you can expect to receive reductions on some, if not all, of your benefits. This is a little bit more complex than I have just described because there are actually different normal pension ages applied to different periods of service which have been earned in PASNAS. For example, you may well have built up benefits, if you've been in PASNAS for a long period of time, whilst the normal pension age was 60. You may have built up benefits where the normal pension age was 65 and you may have more recently built-up pension benefits where the normal retirement age is 66. These would all be taken into account, but the main thing to flag is that if you choose to retire before 66, then there will be appropriate adjustments made to your benefits based on the number of years before the relevant normal pension age.

You can pay additional contributions, so if you wish, you can pay more in order to build up your future retirement income. The arrangement that exists within the PASNAS scheme is a defined contribution arrangement, so it's a slightly different kind of arrangement that exists for the additional contributions that you might choose to make. Making additional contributions is optional by you. The arrangement is chosen by the Trustees and it’s a defined contribution arrangement with Prudential. We do indeed have a common question about paying extra which will be covered later in the presentation.

If you want to find out more about defined benefit (DB) type pensions and defined contribution type pensions, then the money helper site will point you to good, plain language information about those two types of pension schemes.

(Slide 6 of presentation)

BM Brendan Mulkern:

As I've explained, PASNAS is a good defined benefit pension scheme, and it provides benefits on what's referred to as a final salary type basis. That means that it's the salary that you earn in the period immediately before retirement that's used in calculating your benefits. That is, in most cases, the best, most favourable way to calculate an individual's pension benefits.

Note that PASNAS has of course been closed to new entrants from the 1st of January 2019. That means that those people who were in the scheme before 1st of January 2019, they remain members and carry on building up membership just as normal through their contributions. There are no new admissions to the scheme since that date, but it's important when people think about whether they wish to remain a member of the pension scheme or not. We certainly hope that people will continue to see the advantage of pension saving within PASNAS, but if an individual were to contemplate opting out of the scheme, that would be pretty significant in the case of PASNAS, because if you do opt out you wouldn’t be allowed to return to PASNAS at a future point. We would always say, perhaps doubly so in the case of a PASNAS member, to think very carefully about leaving the scheme because you could not return to the scheme if you had opted out. There would be a different pension arrangement if you wanted to return to pension saving at a future point. And please consider any decision to think about opting out very carefully and take guidance and advice on it because you're pension scheme is a valuable asset.

This diagram explains the basics about how pension benefits build up within a pension scheme like PASNAS. You have on the left the point at which you join the pension scheme. That could be shortly before the 1st of January 2019, when the scheme closed, or indeed, you may have been in the pension scheme for many years. But we will know your records will show the date at which you commenced membership of PASNAS. You will then build up years and days of pensionable service, periods during which you work for the university and paid in contributions as the University (your employer) has done. Every year and day of pensionable service counts in the build-up of your pensionable service. The amount of your pensionable service is a key component in calculating your final PASNAS benefits. Your pensionable service and what's referred to as your pensionable salary is used at retirement to calculate your retirement benefits. Your pensionable salary is normally the salary that you were earning within the last 12 months of your membership of the scheme, but we can take longer periods into account if, for example and your salary may have fluctuated in the years prior to actually leaving and retiring from the scheme. But generally speaking, for many people it is the salary earned during the last 12 months of employment. Those two elements pensionable salary and pensionable service are used in the calculation of your benefits. And clearly, if you've got a longer period of membership in the scheme, then you can expect to receive a larger pension benefit from the scheme compared to somebody who's got a lesser amount of benefits, assuming the same level of salary of course.

Now, of course, people don't always reach Retirement in employment and membership of PASNAS. They may well leave PASNAS, leave the university and go on to work elsewhere. And you may spend some of your career with another employer in the future before you subsequently then retire. If you leave with more than two years of membership of PASNAS, then you'll have what's referred to as a deferred benefit with PASNAS. And that means your pension that you've earned during that period of employment with the university will remain, will be revalued for you until that future point when you reach your retirement. You would then get in touch with the university, and they would arrange to bring your deferred benefit into payment with you having reached Retirement. If you have less than two years, then there's a different kind of benefit, but there are probably no people in that situation now, of course, because the scheme closed to new entrants on the 1st of January 2019. But don't worry if you don't expect to reach retirement with the University of Southampton, there will still be a valuable deferred benefit held in the scheme for you and payable in the future when you do actually reach that retirement age.

(Slide 7 of presentation)

BM Brendan Mulkern:

This is the basic formula for calculating your benefits. This is to calculate the pension. The fraction is 1/80th of final salary for each year of service, so that's the kind of core calculation which takes place and is taking into account your pension with salary, which is normally the last 12 months of salary during your employment and then your pensionable service in years and days. Using the 1/80th fraction, can allow you to calculate your pension amount. And 80th is interesting because the 1/80th fraction means that a person who has been in the scheme for 40 years for example, a very long career in PASNAS membership, that person would build up 40 years or 40/80th of their final salary or 1/2 of their final salary would be calculated as the pension value. 80th was a fraction used in order to mean that over a normal career length as it was traditionally a 40-year full career, a person would have 1/2 of their final salary payable to them as pension income. So, we use the 80th fraction in calculate in your pension.

The pension, as I mentioned is payable on the monthly basis, increased each April under the scheme rules and again there are complex rules which determine how exactly and what level of increase people receive, but you know that your pension will receive some revaluation each year in April.

Generally, you must cease employment in order to be eligible to retire. So, the pension becomes payable. Ordinarily, the time in which you cease your work for the University of Southampton and of course you are over the minimum pension age which is prescribed. The only hesitation that I make is flexible retirement. It is quite a separate facility that does allow people to reduce some of their work and commitment and draw a portion of their pension rights. But that is kind of separate, these are the terms for accessing the whole of your pension rights upon Retirement. The pension, of course, once it begins to be paid, is payable for life, and it's subject to income tax in the normal way. There would be a tax code allocated by the revenue office to the payment of your pension and that will be operated by the university as a regular monthly income for you for life.

I've talked about the fact that in addition to the pension, you'll receive a tax-free lump sum at retirement. That's three times the amount of the pension value that's calculated. So whatever the annual amount of pension, that’s determined according to that fraction, three times that amount will be your tax free lump sum, and that's payable to you to invest or spend at the point of your retirement. And as I mentioned, there is an exchange facility which allows you to have some variation if you choose to move away from that standard 1/80th pension calculation with the three times that amount as a tax-free lump sum. And as I mentioned, the normal pension age is 66. You can draw your benefits earlier, but you need to be aware there will be reductions if you choose to do that.

Those are the fundamental elements of the scheme, and in many ways, it describes a very traditional DB scheme which is very attractive and favoured by many individuals and providing that that generous final salary type design. So, it's the salary close to retirement which is used in calculating your benefits.

(Slide 8 & 9 of presentation)

BM Brendan Mulkern:

I think this takes us on to the next common question. What is an accrual rate?

Well, we've covered that a little in the section we've just presented. But let's look specifically at an accrual rate.

This is something common to all DB schemes. Whenever people try to compare DB schemes that they might be a part of, a crucial factor is to say, well, what is the pension accrual rate? For example, you want to understand what the rate is at which benefits are built up. Importantly, what the pension builds up at. As I mentioned for pension, the PASNAS accrual rate is 1/80th of your pensionable salary for each year of membership. Now, there are some pensions schemes that are different. You'll know that USS, for example, has got a DB section and benefits build up there at 1/75th, but it's only salary up to a certain level. There are often difference, many public services pension schemes, for example, are DB will have a different accrual rate, but there may well be different arrangements for cash in many of those public service pensions schemes. So, there can be intricacies where you if you want to try and compare 1 scheme to another, but the PASNAS scheme as I mentioned is a good scheme providing a 1/80th accrual rate and importantly is final salary which is used in the calculation of your benefits. And at the heart as I've described, it's about accumulating those years of membership, maximizing the number of years and days that you have in the scheme so that you are increasing the amount of membership which is used to calculate your overall final pension and lump sum amount. And that separate lump sum amount is incredibly valuable within PASNAS. That's an additional attraction at retirement that you receive the tax-free cash as well three times the amount of the pension value. That kind of collectively describes what the accrual rate is within the PASNAS scheme, and you can either work that out yourself, or you can actually ask the university's pensions team to help you to calculate your entitlement in the PASNAS scheme.

(Slide 10 & 11 of presentation)

BM Brendan Mulkern:

Can I make additional contributions? So, this is a really popular question.

People often get to the position where they want to think about increasing their pension and they want to look at the options that are available to them, and they may be comparing this to additional saving separately that they're doing.

What's the attraction over pension saving? Well, the PASNAS scheme does have a dedicated facility. It's referred to as an AVC. The additional voluntary contribution facility is an arrangement which specifically allows people to pay more into their pension to build up to top up the rights that they're going to get from PASNAS, the trustees importantly decide on the arrangement that applies, and they've chosen an arrangement with prudential, and that's operating for many years. And indeed, it's quite a common arrangement. A very similar arrangement for example, operates with members of the teachers' pension scheme an additional voluntary contribution arrangement run by Prudential. The way that it works is you pay extra contributions. The big attraction is those contributions will gain tax relief. So, for every one pound that you put into your additional pension saving, if you're a basic rate taxpayer, that will only cost you 80 pence. And that allows you to accumulate a larger pension value overall, which will be used to top up your pension saving from PASNAS. And that tax advantage that's offered on the contributions that you make into the scheme really sets Pensions apart from maybe private separate pension saving in the bank. Beware though, of course, if you decide to go for pension saving through an AVC like this, this is linked to the benefits payable upon your retirement. It's not something that you can draw upon periodically before age 55 for example. You might be able to have that if you were to save privately in a bank or building society, but you will not get the same tax advantages in those arrangements as you do with an AVC arrangement like the one operated by Prudential for PASNAS.

This arrangement is defined contribution in nature in that this top up is about building up a fund of money that's invested and is used to generate a larger and additional pension pot as you can, that will be used in topping up your retirement benefits. And that fund that you build up can be used to increase either your pension or your lump sum or indeed both and, in some cases, depending on the amount of benefits that you can build up, you can actually produce an additional tax free lump sum from your additional pension savings. So, tax relief on those contributions that you paid in, but also having a tax-free lump sum able to be drawn from your prudential AVC pension saving. If you want to know more about this, then you should contact the pensions team. By the way, remember you can increase, decrease, change, or pause your additional pension saving contributions from time to time, if that's what you wish to do. So, it's quite flexible in terms of you being able to choose how much additional pension saving you want to make, and you can set the contribution for example as an additional percentage of your salary, or you can set it as a fixed cash sum if you want to instead have that kind of deduction being made from your salary.

Just in passing, there is something also called added years or added years AVC's they existed some time ago. There may well be some of you who are still actually continuing to pay to added years contracts with PASNAS, buying a period of extra years within the scheme, but there aren't any new added years contracts. I mentioned them because there may well be some of the existing members who have been in the scheme sometime who maybe did enter into added years contracts previously, they'll still be running and will continue to run until the scheduled end date, but there aren't any new contracts. The option for any new additional contributions for additional pension saving is to this facility run by Prudential.

(Slide 12 & 13 of presentation)

BM Brendan Mulkern: What happens to my benefits if I go part time or have a period of unpaid absence? There are two parts to this question, let's first of all deal with the part time aspect of it.

Well, of course people worry in a final salary pension scheme that if they move part time before they retire , then all of the pension benefits are going to be calculated by reference to a part time and not full time level of salary, well, we can set that concern aside because the scheme already takes that into account in that it's always the full time equivalent salary that's used in calculating pension rights from PASNAS. But know, we do take into account any periods during which people have worked part time by adjusting the period of membership. So, for example, if somebody works for two years, but they pay into the scheme and they're employed on a part time basis, say 50%, that two years of membership will actually count as one year of pensionable service. The length of your pensionable service during which you are working part time will be adjusted down according to the part time service fraction. But the salary used in calculating your benefits will always be the full time equivalent, and that's why your pension record will always be marked and recorded to show any periods of part time working so that we can correctly adjust your overall pensionable service in your account at retirement.

Now there can be other reasons why you might be absent from the scheme. For example, that can include ill health, or it can include things like maternity, paternity, or adoption absence. The general rule is that if you're receiving some pay during these periods of absence, then you will continue to pay contributions as normal, and indeed, if you're absent due to illness, contributions will continue to be based on your normal full pay. So, periods of paid absence are normally periods during which you will continue to pay contributions and your employer will too into your PASNAS benefits and you will continue to build up pension membership of the scheme on that basis. It's only when you have periods of unpaid absence that you may well then be in a situation where you have the period of membership not counting during that period whilst you were unpaid, but in certain cases having the option to pay for that period upon your return to duty. Watch out for any periods during which you might be on unpaid absence because it might mean that you may need to exercise options if you want that period to count for pension purposes.

If you're going to be absent for any other reason, for example through something like a career break, then the best thing to do in those cases is to contact the PASNAS pensions team, because they can help you to look at whether you've got an option available to have that membership count or not.

So looking at, generally speaking, the type of absence, we're looking at whether pay continues during that period of absence or not and if it's paid then generally appear will continue to count. But if it's unpaid you may have an option, or indeed you may need to contact the pensions team to see which choices you indeed have in your particular circumstance.

(Slide 14 & 15 of presentation)

BM Brendan Mulkern:

How can I find out details about my pension and check how much I'll get?

I mentioned that it's incredibly important that you have an understanding of the pension that you've built up. This is the question really that most people will have.

How much benefit have I built up to date based on my current salary for example, and then maybe what am I projected to receive if I were to carry on in employment and in membership of PASNAS through to my Retirement?

If you want to know that kind of information about your pension, then you can do so by getting in touch with the pensions team. You can ask for an estimate of your future pension benefits.

For example, if you say, well, I do plan to retire in the future and I think my planned retirement date is going to be age 62 and then the pensions team can help you to see what pension and lump sum value you would gain, if indeed you've carried on in PASNAS membership to that particular age.

Contact the pensions team and they'll be as helpful as they can in helping you to understand what kind of pension and lump sum either you've built up already or which you could expect to receive at a projected future retirement date.

(Slide 16 & 17 of presentation)

BM Brendan Mulkern:

The importance of completing an expression of wish. This is almost one of the central purposes of these briefings, was to alert people to the expression of wish facility. In many circumstances, still people do not complete an expression of wish form and, sadly, in the event of their death, the trustees of the pension scheme find it is very difficult to make a decision regarding the award of their pension rights as it is not always clear who the members chosen beneficiaries might be. In cases like these the death benefits can be payable less tax efficiently that it would otherwise be if an expression of wish was in place.

Then this explains very briefly the fact that the scheme provides these generous death benefits. Generally speaking, for death in service, there is something called a death grant. Single lump sum payable to your beneficiaries, your chosen recipients. A death grant payable of three times your pensionable salary plus a return of contributions. And as I mentioned, this is payable to your nominated beneficiary, the person who you nominate through the expression of wish form to receive it. It can be a single recipient, or it can be multiple recipients of that death grant.

It's important that you fill in an expression of wish form and that you indicate your wishes in terms of who you would want to receive any benefit in the event of your death in service. That then informs the trustees.

Keep your expression of wish up to date. Many pension scheme trustees say complete one of these forms at least every three years, to make sure the trustees in the event of your death have the very latest information on what your intentions are. That means, as I mentioned, the trustees can then award the death grant to your chosen recipient or recipients, and to do that tax efficiently. It does not then form part of your estate and it doesn't fall subject potentially to things like inheritance tax. If the trustees can pay through that facility, then it's essentially tax free. So please fill in the expression of wish form to indicate your wishes and make sure it's kept up to date.

(Slide 18 & 19 of presentation)

BM Brendan Mulkern:

A little bit of extra information at the end of the presentation, which I hope you find useful.

First of all, on tax relief and salary sacrifice, you may already be paying pension contributions and gaining the benefits of salary sacrifice. But if you're not, there is an advantage in paying your pension contributions by salary sacrifice, because you actually lower the amount of National Insurance contributions that you pay overall. You also lower the National Insurance contribution that the university pays as well.

What happens with salary sacrifice? Essentially, it's an election that you make in order that the university pays the whole of your contribution where both the employer and the employee contribution share is paid over to the trustees of the pension scheme and an adjustment is made to your salary to reflect the fact that the employer is making your contribution on your behalf. As I mentioned, by doing that, these are all approved arrangements at the revenue, you can make a saving on your National Insurance contributions, as can the university.

If you're not in salary sacrifice, then there is a dedicated page on the Internet which explains more about it and it's another way to make a little bit of saving on the pension contributions that you make. So please do look at that link and if you're not paying contributions by salary sacrifice right now, then you can elect to do so if you wish.

(Slide 20 of presentation)

BM Brendan Mulkern:

And lastly, about avoiding pension scams. Unfortunately, this is a growing problem within the pensions industry. The potential for people to reach out to individuals who are members of pension schemes and to encourage them to transfer. Often giving them options and choices that appear too good to be true. All, unfortunately often in this case, if they appear too good to be true, they often are. This can often for example, be an encouragement to transfer a benefit so that you can access it from age 50. Well, as I've explained, the minimum pension age in the UK is age 55, so it is not lawful to access your benefits from the scheme like a registered approved pension scheme before the age of 55. But these are luring people into making transfers of their pension rights, often to destinations that, for example, can be overseas with the attraction of guaranteeing high returns and access potentially to earlier benefits than the minimum pension age set in the United Kingdom. Be incredibly wary if you see any of these offers are being made to you. In fact, these are fraudulent kind of offers that are made to people and we'd ask that you report them to the university's pensions team and also to action fraud. You can see the link there on the slide, because people like action fraud and the Pensions Regulator really want to address this problem.

There have been too many cases in recent years of people being encouraged to transfer their pension rights to these dodgy destinations and actually then to lose the entirety of their pension value. That can often be decades of pension saving, which have been put into these scams, so please be incredibly wary if you have any approach or you see any of these approaches being made then we'll ask you to immediately contact the university pensions team because they've got an obligation to raise these issues when they see them with people like the Pensions Regulator and please also utilize action fraud.

(Slide 21 of presentation)

BM Brendan Mulkern: And finally, Money Helper. I've talked about money helper earlier on, but these are some dedicated contact points.

It's an incredibly good service, impartial free information on pensions and if you want additional guidance or help regarding your pension, then please do contact money helper. That's a government backed service as I mentioned.

Some questions and answers that we have received during the briefings that we've delivered. Cearah, I think I am going hand back to you and we'll cover some of the more frequent questions we've received during the discussions.

CW Cearah Wurdeman: Thanks very much, Brendan.

One of the questions that we received in our live sessions is, Am I able to transfer in previous pension benefits into my PASNAS scheme?

BM Brendan Mulkern: Thanks Cearah.

Well, no. Not any longer. The ability to transfer in pension rights ceased really with the scheme being close to new entrants on the 1st of January 2019. So you wouldn't be able to transfer any previous pension rights from another scheme into PASNAS.

CW Cearah Wurdeman: Thank You.

Another common questions that came up is, Does the university have a set retirement age or can I continue contributing to the scheme and working after normal retirement age which is currently age 66?

BM Brendan Mulkern:

Well, yes you can. The scheme is clearly linked to your continuing employment with the university. But if you continue in employment after the schemes normal pension age of 66, then you can carry on paying into membership of PASNAS. The scheme itself has an upper age of 75, so people who continue in employment up to 75, they would at age 75 expect to commence receipt of the pension benefits if they hadn't done so previously. But otherwise, people who continue in employment after the schemes normal pension age will continue in membership and continue to build up rights in the pension scheme beyond the normal pension age of 66.

CW Cearah Wurdeman:

Thank you.

And another common question that came up is if I paid additional contributions into Prudential, does the university pay employer contributions towards this?

BM Brendan Mulkern:

Well, no they don't. With the AVC additional volume contribution facility that's about you making additional pension saving to top up your retirement benefits. The university doesn't contribute to that, but importantly, you still get tax relief. There is still a kind of supplement being made to the additional benefits that you're building up which can be quite attractive. By the way, if you're a higher rate taxpayer, then again you get higher rate tax relief from the contributions that you're paying in. So that can be an advantage, but there's no employer contribution into additional pension saving.

CW Cearah Wurdeman:

Thank you.

Another question that came up often is could I retire and claim my PASNAS pension benefits? Retire from the university, but then continue working elsewhere for another institution or another company.

BM Brendan Mulkern:

Yes, you can. The PASNAS benefits are linked to your retirement from employment with the University of Southampton. The receipt of benefits from the PASNAS scheme doesn't itself prevent you from taking up employment elsewhere and earning additional income from that future employment. And indeed, you could do that within higher education, maybe with another university for example. Or you could do that elsewhere, or indeed in the private sector. There used to be many pension schemes used to in the past, what they referred to as reemployment rules, but those are generally all been swept away in most if not all, pension schemes. So being in receipt of Retirement pension from PASNAS doesn't prevent you becoming reemployed.

And indeed, in the future, earning income from that future employment, so many people choose to do that, of course, maybe work in a part time capacity in the future whilst also drawing the PASNAS income because they've retired from employment with the university.

CW Cearah Wurdeman:

Thank you.

And then another question relating around the last question I've just asked, if I retired and took my PASNAS pension at normal retirement age, could I continue working at the university in my current post and rejoin another pension scheme?

BM Brendan Mulkern:

No. The one important thing with PASNAS is that in order to be eligible to draw your pension rights, you need to retire. That means ceasing employment with the university, and it is only once that Retirement requirement has been satisfied that you're eligible to receive your PASNAS benefits. So it is absolute. The only exception to that is flexible retirement, where an individual may actually agree to having a specific reduction in their working commitment going down to half time working and drawing a proportion of their pension rights. But setting aside flexible retirement, which is a different option, access to your PASNAS benefits is linked to your retirement from your employment with the University of Southampton.

CW Cearah Wurdeman:

Alright. Thanks, Brendan.

And then another common question that came up in the live sessions is, why PASNAS doesn't have an online portal to view benefits.

I think this would more be an answer from my side.

Currently, there's no online facility for individuals to view their live benefits online, and this is because PASNAS are small in-house pension scheme. So there are certain system limitations. However, it is something that we will be investigating, perhaps for the future, for individuals to access their benefit details online. However, currently if you need any information about your pension, you can contact the pensions team for this information and we'll gladly assist you with that.

I don't know if there were any other questions that you can recall from the previous sessions, Brendan, that I've missed.

BM Brendan Mulkern: No, I think we've covered them, Cearah in that in that sweep up piece.

CW Cearah Wurdeman: Great. Thanks so much Brendan for that. For doing the recording for us.

Just to mention that we will be including the actual slides with the links on SUSSED with the recordings, so you'll be able to access all those links that Brendan mentioned directly from the presentation for money helper and any of the PASNAS SUSSED pages.

Thanks so much Brendan.

BM Brendan Mulkern: Thanks, Cearah.