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These FAQ's explain how Bangor Benefits for Pensions and Salary Exchange work, and aim to answer any questions you may have. Please note that all amounts shown in this booklet are calculated as at April 2016 and may be subject to future changes in line with legislation.

Bangor Benefits for Pensions is a Salary Exchange scheme which changes the way employee pension contributions are made. Salary Exchange schemes are a cost-effective way of making payments and similar arrangements also exist for childcare vouchers, Tir Na Nog Nursery payments, a Cycle to Work Scheme, and the ability to buy additional Annual Leave.

The scheme will form part of your terms and conditions of employment and we have set o s-344.7246(1) 56.027

- The Bangor Benefits for Pensions Scheme
- Contributions to the USS post October 2016
- Pay and conditions
- My pension
- Tax and National Insurance
- Other matters
- What to do now

1. How does Bangor Benefits for Pensions work?

You do not make employee pension contributions to the Universities Superannuation Scheme (“USS”). From 1 April 2016, employee contributions are 8% of salary (previously 6.5% for CRB section members and 7.5% for Final Salary section members).

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3. Am I eligible to participate in Bangor Benefits for Pensions?

As a Member of the USS, you are eligible to participate in Bangor Benefits for Pensions. You will not be able to participate in Bangor Benefits for Pensions if your Adjusted Salary would be brought below the National Minimum Wage, (('NMW') £6.70 per hour from October 2015) or the National Living Wage (('NLW') which applies to those who are 25 and over and stands at £7.20 per hour from April 2016). We will monitor pay levels and advise you if you are likely to be affected, however if your circumstances change and you think you might fall into this category you should contact the HR Department on 01248 383865, or the University's Pensions Officer on 01248 383261.

4. How will new employees be treated?

All new employees will be auto-enrolled into USS if they satisfy the auto-enrolment criteria. They will also automatically be opted into Bangor Benefits for Pensions if they are appointed on a fixed hours contract for a duration of three months or more, unless they complete a Bangor Benefits for Pensions opt-out form or we have identified that it is detrimental for them to participate.

5. How will this affect my pay?

Under Bangor Benefits for Pensions you do not pay employee pension contributions directly from your salary. Instead, your Base Salary will be reduced by the amount of pension contributions that you would normally pay into the USS. This revised salary is known as your Adjusted Salary. In exchange for this reduction in your salary, the University makes an equivalent additional employer contribution to the USS. This is known as "Bangor Benefits for Pensions".

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The example below highlights the pre and post Bangor Benefits for Pensions position of an employee earning £50,000 per year and contributing £4,000 (being 8% of Base Salary) per year into the USS. Under

6. How will my contributions be treated if I earn more than the annual salary threshold?

A salary threshold will be implemented and revalued each year by the USS (starting at £55,000 per year from 1 October 2016). From this date all members will have access to the defined contribution ('DC') section of the scheme (now termed the USS Investment Builder). Contributions on salary above the salary threshold will be allocated to your individual account within the DC / Investment Builder section in line with the pension scheme rules.

7. Can I make AVCs and will these be included under 25% of Pension for Pension 40.6134(e)95922(l)a.6134(n)1.4

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8. *What happens if there are several Salary Exchange benefits?*

salary; however the University will continue to make pension contributions based on your Base Salary prior to Maternity Leave.

During unpaid periods of such leave, all pension contributions will cease until you return to work.

Adoption Leave

The qualification rules for Adoption Leave and Adoption Pay are complex. If you are considering, or going through an adoption placement, please contact the HR department on 01248 383865 for further advice. However, it is the University's intention that you will be no worse off as a result of participating in Bangor Benefits for Pensions.

12. Will taking part affect Statutory Sick Pay (SSP)?

If you receive Occupational Sick Pay from the University the reduction under Bangor Benefits for Pensions will continue to be applied to your pay, providing you have sufficient non-statutory pay.

If your pay would be brought below the required level of Statutory Sick Pay the reduction under Bangor Benefits for Pensions will stop.

When sick leave is unpaid, all pension contributions will cease until you return to work.

<https://www.uss.co.uk/~media/document-libraries/uss/member/pre-factsheets/final-salary/limits-to-tax-relief-and-tax-free-benefits--fs.pdf?la=en>

Career Revalued Benefits:

<https://www.uss.co.uk/~media/document-libraries/uss/member/pre-factsheets/limits-to-tax-relief-and-tax-free-benefits--crb.pdf?la=en>

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You may have elected to cease accrual of service (e.g. to deal with either Lifetime Allowance or Annual Allowance threshold issues) but have opted to contribute 2.5% of salary to maintain your death in service and incapacity benefits.

From October 2016 you can choose to make contributions to the DC section / Investment Builder (see question 6 and 7) but you will not receive the matched DC contribution from the University. The University will not be permitted to contribute to the DC / Investment Builder section as part of the EOO.

24. I am under the age of 21. Can I take part?

Yes. Even though the University is not required to pay NIC on the first £43,000 per annum of earnings of employees under the age of 21 and so will not make any savings. As you are still required to pay employees NIC, you will still make a saving as a result of participating.

25. I am an apprentice under the age of 25. Can I take part?

Yes. From April 2016 employers of apprentices under the age of 25 will no longer be required to pay employer's NIC on the first £43,000 per annum of earnings of apprentices, This means that the University will not make any savings under Bangor Benefits for Pensions for such employees but the apprentices themselves do pay NIC and therefore you will make a saving.

26. Will Bangor Benefits for Pensions impact on my

