

**REFER ALL QUERIES ON CRSP TO THE PENSIONS OFFICE IN THE UNIVERSITY'S PENSION OFFICE**

## UNIVERSITY OF NOTTINGHAM

### Contributory Pension and Assurance Scheme

#### CONTRIBUTORY RETIREMENT SAVINGS PLAN (CRSP)

**THIS FACTSHEET WAS FIRST PUBLISHED IN 2006. THIS VERSION RETAINS MOST OF THE ORIGINAL TEXT BUT HAS BEEN UPDATED TO REFLECT THE CURRENT POSITION AND MONETARY LIMITS APPLICABLE IN 2010**

#### June 2006 Outline

The University of Nottingham offers a money purchase pension plan, CRSP. CRSP is available to all employees, as defined below, and the purpose of this leaflet is to give brief details of the benefits of the Scheme. A member's booklet will be made available from your local HR contact.

CRSP is registered with HM Revenue and Customs (HMRC) in order that it receives all the available tax concessions. Members of CRSP will receive tax relief at their highest tax rate on their contributions.

#### ELIGIBILITY

To become a member of CRSP you must fulfil the following conditions:

- (a) Be a non-teaching staff employee of the University of Nottingham, with a written statement in your Terms & Conditions saying that you may join CRSP
- (b) Have attained the age of 18 and be under age 65
- (c) Have completed an application to join CRSP

The University of Nottingham will make a substantial contribution to CRSP on your behalf (see next section "Contributions").

#### CONTRIBUTIONS

The scale of contributions is set out below and is calculated at outset to be a fixed % of annual Reference Salary.

**Reference salary.** This is a sum equivalent to contractual annual salary, before any adjustments that may result from a salary sacrifice arrangement.

Members will be able to subsequently vary their regular contributions at the CRSP Anniversary date, or earlier (at the discretion of the University) in the event of a variation to the Contract of employment, such as a Promotion or a change in your contractual hours.

Rates of regular pension contribution%			
University	6	8	10
Employee regular Monthly Contribution	3	4	5

## **ADDITIONAL CONTRIBUTIONS**

Members may make additional contributions, but the maximum contribution from the University will be as described above.

Members of CPAS, who maintain CPAS membership and choose not to join CRSP, may also make additional personal contribution, but they will not be eligible for the University money purchase contributions.

All members may pay additional contributions that will be invested in the same way as the regular contributions and used to provide benefits upon retirement. The limit on contributions is such that the total amount that can be paid by an individual member, on which they receive tax-relief, cannot exceed 100% of their total remuneration from their employer in any one tax year. The Annual Allowance from April 2010 is £255,000 and includes all other pension contributions or defined benefit, (CPAS) accrual within the year.

## **ADMINISTRATION CHARGES**

A detailed schedule is attached.

## **INVESTMENT OF CONTRIBUTIONS**

There is a range of funds that will variously meet the requirements of Long Term Capital Growth in order to maintain real rates of return, Capital Security in order to preserve the value of funds in the short-term and Conversion funds to facilitate the switch at retirement to income producing investments.

## **NORMAL PENSION AGE**

The Normal Pension Age under CRSP is 65 for all employees.

### **Early Pension**

Subject to the agreement of the University, you can take your retirement benefits earlier than normal retirement date, but not before age 55 unless you are in ill health. You will not have to stop working before taking your benefits and, subject to employer consent, will be able to take your pension and cash sum while continuing to work for the employer. However, you should note that the earlier you retire the smaller your pension is likely to be as you will have paid fewer contributions and your pension will be payable for a longer period.

### **Late Pension**

Subject to the agreement of the University, you can continue to work after you have reached your normal retirement date. With the consent of the University, you may continue to make regular contributions and the employer will pay the corresponding contributions. This means that your benefits will not be paid to you until you actually decide to retire or reach your 75th birthday (if earlier). If employer consent to continue contributions beyond your normal retirement date is not given, then the funds in your account remain invested until you actually retire.

## PENSION BENEFITS

On reaching the Normal Pension Date, the funds that have accumulated can be used to provide pension benefits. You will be able to choose the benefits that are most suitable to your circumstances at the date of retirement. The main options are: -

- a) Tax Free Cash Sum up to 25% of the fund
- b) Pension for your life
- c) Pension for your life with a dependants benefit becoming payable on your death

It is important to note that, under current legislation, all pensions (including State Pensions) are subject to income tax and the pension provider is obliged to deduct tax from pensions in payment.

## TAXATION

Contributions payable by you are deducted from your earnings before your income tax liability is calculated. As a result you receive tax relief at the highest rate of tax you pay.

Contributions are invested in funds that generally incur a small liability to tax. This liability to tax is accounted for by the Investment Manager. From a taxation point of view, Pension Fund Investments are accepted as being very tax efficient.

## PLAN ANNIVERSARY DATE

1 August

## DEATH IN SERVICE BENEFIT

To be a sum equal to the death-service lump sum (2.5 x reference salary at the date of date) plus a return of members CRSP accumulated fund.

## HOW TO JOIN THE SCHEME

Please contact your local HR Department.

On behalf of the University

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