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This guide is produced by Aviva on behalf of the Independent Trustees, and tells you how your pension scheme works and the benefits you can choose when you retire.

You should also read the Investment guide, which explains how you can invest your savings. There’s a default investment solution if you’d rather not make your own investment choices.

In this guide all references to ‘we’ or ‘us’ means Aviva.

Why should I save into a pension?

These days you can expect to live for longer after you retire, giving you the freedom to do the things you never had time to do when you were working.

You may even choose not to retire completely, but to continue working part-time instead. Whatever you decide to do, you’ll still need money, so providing financially for your future is important.

Even if retirement seems a long way off, the sooner you start saving the better. The State Pension is unlikely to be enough to pay for the lifestyle you want in later life. By starting to save for retirement as early as you can, you’ll put more in and could look forward to a higher pension than if you had started later. Also, if you have a particular level of income in mind, starting early means that you may not have to contribute as much, as your savings have more potential to grow. The Aviva Pension forecaster tool helps you forecast your potential Pension income at retirement and determine whether it meets your required goals. You can access the forecaster tool online at www.avivamymoney.co.uk.

To encourage all of us to save more for retirement, some employers have to automatically enrol eligible employees into their pension scheme.

Please be aware that the value of the investments in your Account is not guaranteed and can go down as well as up. You could get back less than is paid in.

Who looks after the scheme?

Mercer provides pension and investment advice to trustees and employers. Mercer has created the Mercer Master Trust to support your employer in providing retirement benefits to you. Over 1 million people benefit from the experience of Mercer’s team of pensions and savings experts.

Your employer’s pension scheme is part of the Universities and Colleges Retirement Savings Scheme. Aviva, the scheme administrator, has developed its experience and expertise over 300 years.

Although it is your responsibility to regularly review your pension savings, the scheme is managed on your behalf by Independent Trustees. The Trustee Board is formed of a professional corporate Trustee and two experienced independent individuals from investment and advisory backgrounds. Between them, they have many years of experience managing pension schemes so you can be assured that the scheme is well governed and that you are able to invest in a suitable range of funds. The Trustees will also ensure that any costs and charges are reasonable and offer value for money.
How does the pension scheme work?

You and your employer pay into your Universities and Colleges Retirement Savings Scheme (we refer to this as ‘your Account’ in this guide). These contributions are invested in funds that aim to increase in value over the long term. Investments potentially give you a better chance of beating inflation and reaching your pension goal over the long term.

The size of your Account will depend not only on how much you save but also:

- when you start saving and the age at which you decide to retire
- the charges taken from your Account
- how you invest and the investment performance of your savings.

Normally, from the age of 55, you can access the money you have built up in your pension. You don’t normally have to stop working to access the money in your Account.

If you die before taking your benefits, your Account normally pays a cash lump sum to your dependants or beneficiaries. You can nominate who you would like to receive the cash lump sum. The trustees will take your wishes into account but are not bound by them.

Your pension savings are held for you – they are held entirely separately from the assets of your employer; your employer cannot access them.

Please be aware that the value of the investments in your Account is not guaranteed and can go down as well as up. You could get back less than is paid in.

How your Account works

Contributions paid in your employer and you* + or − Any investment return − Charges administration, investment and management = Your pension savings

*If applicable

The diagram above shows an example of how your pension plan works with contributions being made, potential investment growth being added and, charges being taken out. Please note that the diagram is for illustrative purposes only.

Charges and expenses

To cover the costs of running your Account and managing your investments, some charges apply.

The scheme annual management charge (AMC) covers the cost of running your Account. It is a percentage of your Account value that is calculated daily and deducted monthly from your Account by selling fund units. You will have received details of your scheme’s AMC in the Announcement Letter included with this guide. In addition to the AMC there is a payment of 0.06%, authorised by the Trustees, to Mercer Limited for their services to the scheme. This is deducted with the AMC, in the same way.

The fund AMC is charged by fund managers for managing a fund. Some funds incur additional expenses, the Investment guide includes details of investment charges and expenses.
Joining

How do I join?
Your employer may enrol you into the scheme as part of your contract of employment or to comply with automatic enrolment regulations.
If you haven’t been enrolled, please see the Scheme announcement enclosed with this guide to find out how to join.

I didn’t want to be automatically enrolled; what can I do?
You can opt out within a month of being automatically enrolled and it will be as if you had never joined the scheme. Any contributions paid into your Account will be refunded back to your employer, who will then pay you back any contributions they deducted from your pay.
Once the one month opt-out period has expired, any contributions already paid will remain in your Account. You can then choose to stop saving into your Account at any time. Please refer to page 13 for further information.

I chose to join but have changed my mind; what can I do?
If you chose to join the scheme, you cannot opt out, but you can stop making contributions at any time.
Please bear in mind that if you opt out or choose to stop contributing:

- You will lose the future contributions your employer would have paid into your Account for you.
- The State Pension alone is unlikely to be enough for you to live on in retirement.
- You will be automatically re-enrolled, if eligible, into a pension scheme, approximately every three years by your employer.
- If you leave the scheme and do not transfer your money to another pension provider, the money you have paid into your Account will remain invested. Charges will be taken from your Account and this could significantly reduce its value, especially if the value of your Account is small.

What if I’m temporarily absent from work?
Your contributions (if applicable), and your employer’s contributions will continue to be paid, as long as you continue to be paid.
If you take unpaid leave, all contributions will stop until you return to work, when they will restart. Your membership will remain continuous and any pension savings you’ve already built up will continue to be invested.

What if I take maternity, paternity or adoption leave?
Your employer must continue to pay their contributions in full while you are being paid but your contributions may reduce. You should ask your employer for more information.
Paying in

What contributions can be paid into my Account?
Your employer will deduct any contributions due from your pay and send them together with their own contributions directly to us to be invested for you. The Scheme announcement enclosed with this guide details the contribution rates.

It won’t cost as much as you think
Saving won’t cost as much as you might think. This is because your contributions are deducted from your pay before income tax so each £10 you save will only cost you £8 if you pay basic rate tax, or £6 if you’re a higher-rate taxpayer.

The diagram, labelled ‘How Your Account Works’, on page 4 shows an example of how your pension plan works with contributions being made, potential investment growth being added and, charges being taken out. Please note that the diagram is for illustrative purposes only.

What if I don’t pay tax?
When paying into a pension scheme, members may receive tax relief on contributions they make. This means that money that would have gone to the government as tax goes into an individuals’ pension instead.

Your pension contribution is deducted from your pay before tax is calculated. As your earnings are within your personal allowance you do not benefit from the tax relief a taxpayer would receive.

However, this doesn’t affect the amount that is paid into your pension and you’ll continue to benefit from the money that your employer pays in.

How much should I pay in?
Your employer will let you know the minimum you have to contribute but you can save more if you want. There are two main things to think about:

1. How much you will need in retirement, and how much you need to save to provide that level of income. Some of your outgoings in retirement will be lower, for example you may have paid off your mortgage and your daily travel costs may be less, but other costs, like your energy bill, may increase as you will be at home more.

2. How much you can afford to save. We all have conflicting financial priorities but even if you can’t afford to save that much now, you can always increase your contributions over time.

If your employer allows, you may be able to pay lump sums into your Account through payroll.
What if I can’t afford to save much?

There are a few things you can do:

- Think about what you could give up so you can save a bit more and potentially increase the contributions made by your employer. It doesn’t have to be much – a coffee on the way to work, perhaps, or one less takeaway a month.
- Plan to increase your contributions regularly when you have more disposable income.
- Think about other sources of income you may have in retirement. Review your entitlement to State Pension or pensions from other employers.
- Rethink your target retirement income, or perhaps consider working part-time to supplement your pension.
- If you pay less than the auto-enrolment minimum, your employer is not obliged to make contributions. If they choose not to, this may significantly reduce the amount available to provide you with retirement benefits.

We would encourage you to review your contributions regularly so that you build up enough savings to provide the retirement income you need.

Think carefully before reducing your contributions or stopping saving, even for a while. Not only will you risk not having enough to live on in retirement, you may also miss out on your employer’s contributions to your pension.

Is there a limit to what I can pay in?

Contributions can only be accepted until the day before your 75th birthday. Before then, you can pay in as much as you want. However, HMRC puts a limit on the total amount that can be paid into all your pension arrangements each year before a tax charge is payable. For the 2019/20 tax year this annual allowance is £40,000. Anything paid in above this may incur a tax charge.

If you earn more than £110,000 (2019/20 tax year) your annual allowance may be reduced.

If you flexibly access your pension savings your annual allowance in respect of money purchase pension arrangements is £4,000 for the 2019/20 tax year. If you have taken flexible benefits, the scheme from which you took those benefits will have told you.

You can find out more about the annual allowance on the HMRC website at [www.gov.uk/tax-on-your-private-pension](http://www.gov.uk/tax-on-your-private-pension). If you think you might be affected then we strongly recommend that you receive individual tax advice. For more information about tax please refer to a financial adviser. Contributions can only be accepted until the day before your 75th birthday.

Can I transfer a previous pension into my Account?

Your Account can accept transfers which comply with any applicable legislation. By transferring a previous pension into your Account you may find it easier to keep track of your pension savings. You could also benefit from lower charges and the possibility of a higher income in retirement, but this will not always be the case. If your previous scheme offered guaranteed benefits or you were in a scheme that provides benefits linked to your salary (a defined benefit scheme), it is unlikely to be in your interests to transfer.

There’s no guarantee you’ll be any better off by transferring to a new arrangement. You should be aware of charges, loss of guarantees or loss of potential growth to your existing pension if you do transfer.

Before transferring a previous pension we recommend that you speak to a financial adviser. Financial advisers can help you with all aspects of retirement planning, although you may be charged for this advice. In some cases you must take advice before you can transfer your benefits.

You can find a financial adviser from:

- [www.unbiased.co.uk](http://www.unbiased.co.uk)
- The Pensions Advisory Service
- The Money Advice Service

Tax relief

Any transfer values will not receive tax relief as this will have already been applied by the previous scheme.

Before transferring a previous pension we recommend that you speak to a financial adviser. Financial advisers can help you with all aspects of retirement planning, although you may be charged for this advice. In some cases you must take advice before you can transfer your benefits.

You can find a financial adviser from:

- [www.unbiased.co.uk](http://www.unbiased.co.uk)
- The Pensions Advisory Service
- The Money Advice Service
How will contributions into my pension be affected by tax?

Your employer will deduct contributions from your earnings before income tax is taken under Pay as you earn (PAYE). This way you receive tax relief at your highest marginal rate.
Investing your savings

Why investing is important

You want your savings to grow as much as possible and where you choose to invest your pension savings will affect how much you will have in your Account when you retire.

The Trustees are responsible for ensuring that there is a good range of investment funds for members to choose from, and to regularly review the performance of the funds. It is also their responsibility to ensure that all charges and expenses incurred are fair and reasonable.

Do I have to choose my own investments?

Choosing investments can be quite daunting, which is why a default investment solution has been chosen that the Trustees believe is appropriate for most employees. This is referred to as the Do it for me strategy in the investment guide. When you join the scheme, contributions will be invested in the default investment solution, which is called Aviva Pension MyM Mercer Growth/Balanced Risk Fund (which leads into Cash Target Retirement Funds). Contributions will continue to be invested in this solution unless you choose to invest in one or more of the other funds available.

If you are thinking about making your own investment choices, you need to think about your attitude to investment risk, as well as the potential reward you may get from the different funds available.

Managing your investments

The investments you choose now may not be right for you as your circumstances might change, especially as you get closer to retirement.

Even if you choose to stay in the default investment solution you should regularly review your investments to check your Account is going to meet your retirement goals.

The easiest way to manage your investments is online, at any time at www.avivamoney.co.uk

There’s lots more information about investments, the default investment solution and all the other funds you can choose from and the relevant charges in the Investment guide that accompanies this guide.

Please be aware that the value of an investment is not guaranteed and can go down as well as up. The value of your Account could be less than has been paid in.
What are the tax implications while my money is invested?

You will not incur a personal tax liability on any fund growth as long as it remains invested. Any growth in the value of the investment funds you choose is free of capital gains tax. However, these funds cannot claim tax relief in respect of dividends paid to shareholders in UK companies, or any tax deducted from payments made from overseas investments. Any investments the fund holds in overseas assets will be subject to the tax rules applicable to that country.

How do I keep track of my Account?

Once you have joined, you can view full details of your Account online at www.avivamymoney.co.uk.

Also on the website you can:
- change the funds in which you are currently invested and/or change where future contributions are to be invested
- update your personal details
- change your selected retirement age.

We will also send you a statement each year, showing:
- how much has been paid in
- the value of your savings
- how much your savings could be worth in the future.

We will also remind you from time to time about the importance of reviewing your savings, including increasing your contributions, as the amount you save will have a significant impact on the amount you have to provide your retirement income.

If you can’t find what you’re looking for on the website, contact Aviva. Contact details can be found on the back page.

Please be aware that the value of an investment is not guaranteed and can go down as well as up. The value of your account could be less than the amount paid in.
Benefits at retirement

Six months before your retirement date, Aviva will write to you and explain the options available for taking your pension.

Your retirement choices are some of the most important decisions you’ll make. There are currently several options available to you, some are explained below.

Start by asking yourself what you want from your pension savings. Are you looking for the security of a guaranteed income? Or do you want to take your pension as a cash sum? Perhaps you’d rather leave your pension fund invested, but withdraw an income from it as you need.

For those options where you are still invested, it’s important to note that the value of your pension can fall as well as rise and is not guaranteed. You could get back less than you invest.

Whatever option you choose, you can usually take 25% of your pension as a tax-free cash sum. And you don’t have to select just one option – you may be able to combine any of the choices shown below.

But please note it’s up to the trustees whether they offer all the options. We recommend you speak to a financial adviser for help in determining which option(s) suits your needs best.

When you are ready to consider the options available, it’s important to shop around different providers to find the best deal. Whatever option(s) you choose it’s important to think about provision for your lifetime.

Your choices at retirement

- **Tax-free cash sum**
  
  With all of the following options, you can take up to 25% of your pension savings as a tax-free cash sum.

- **Annuity**
  
  You can use your pension savings to purchase an annuity which provides a guaranteed regular income, typically paid for the rest of your life.

- **Drawdown**
  
  Drawdown allows regular flexi-access withdrawals while the balance of your pension savings stays invested.

- **Cash**
  
  You can choose to take all or some of your pension savings as cash while any remaining balance of your pension savings stays invested.
There are a number of things to consider regarding the options available, in particular the tax implications of taking cash lump sums and/or receiving income, which will be based on your personal circumstances. It’s also important to remember that tax benefits and the options available today may change in the future.

Information available to you

Pension Wise is a government service offering free and impartial guidance for people over 50 years old. This tailored guidance is available online, over the phone or face to face. Go to www.pensionwise.gov.uk or call 030 0330 1001.

We recommend you get guidance or advice to help you decide what to do with your pension savings. The Money Advice Service publishes a consumer factsheet, ‘Your pension – it’s time to choose’, which is available on their website, www.moneyadviceservice.org.uk.

How will my pension income be taxed?

You can normally take a tax-free cash sum of up to 25% of your Account value. Once any tax-free lump sum has been taken, the balance of your pension will provide taxable income, taxed under PAYE. The amount of tax you have to pay will depend on your income tax rate at the time the pension income is paid.

HMRC puts a limit, called the lifetime allowance, on the total amount that can be taken from pension schemes before a tax charge is payable. The standard lifetime allowance is £1,055,000 for the tax year 2019/20. Your lifetime allowance reduces each time you take benefits.

If, when you take benefits, or at age 75 if earlier, the value of benefits being taken exceeds your remaining lifetime allowance then the excess will be subject to a tax charge, known as the lifetime allowance charge.

Your personal lifetime allowance may be higher than the standard lifetime allowance, if you have been granted one or more types of protection by HMRC.

You can find out more about the lifetime allowance on the HMRC website www.gov.uk/tax-on-your-private-pension. If you think you might be affected then we strongly recommend that you receive individual tax advice. For more information about tax please refer to a financial adviser.

If you don’t have a financial adviser you can find one at www.unbiased.co.uk.

Tax details in this document are based on our interpretation of current law and HMRC practice for the 2019/20 tax year. It’s important to remember that they can change and how they affect you will depend on your main place of residence as advised to us by HMRC and your other individual circumstances.
Stopping saving

If you stop saving into your Account the options available to you are:

- Do nothing. You can leave your savings invested in your Account until you want to take your benefits. If you have left your employer you won’t be able to pay any more money in but you will be able to manage your Account in the same way. Charges will still be taken from your Account, this could reduce the amount available at retirement.

  Or

- Transfer the full value of your Account to another pension provider. Please note that the transfer option is not available until you have ceased active membership of the scheme.

If you’re aged 55 or over

If you’re aged 55 or over you have the option of taking your retirement benefits now.
Help and further information

If you have a question about the scheme
My Money has a lot of useful information, as well as a Pension forecaster that helps you work out how to achieve your target pension. You can find this at www.avivamymoney.co.uk.
If you can’t find what you’re looking for on the website, please contact Aviva; contact details can be found on the back page.

If you have a complaint
We hope that any issues can be resolved informally with us.
If this isn’t possible, there is a formal procedure to resolve any complaints or disputes, known as the Internal Disputes Resolution Procedure. You can get details of the procedure from us.

Some important legal information:
- The Trustees have taken care to make sure that this guide reflects the Trust Deed and Rules as accurately as possible. It doesn’t cover everything and the Trust Deed and Rules will always take priority. This version of the guide was published in September 2019. It covers your membership in the Universities and Colleges Retirement Savings Scheme and applies to you on joining. If this guide changes and this affects you, we’ll let you know.
- You can request a copy of the Trust Deed and Rules from the Trustees at any time.
- Each year the Trustees produce an Annual Report. You may request a copy from them.
- The Mercer Master Trust is a Registered Pension Scheme. This means it is a pension scheme registered with HMRC for tax purposes under Chapter 2 Part 4 of the Finance Act 2004. The Universities and Colleges Retirement Savings Scheme is part of the Mercer Master Trust.
- All information about you and your dependants will be treated confidentially.
- The information in this guide is based on the Trustees’ and Aviva’s understanding of current legislation, taxation and HMRC practice. These can change without notice.
Useful organisations

There are a number of organisations that can help you find out more about workplace pension schemes.

GOV.UK

The GOV.UK website – www.gov.uk – is a great source of information from the Government. On the website you can find information about pensions and retirement, including the State Pension, Pension Credit, National Insurance in retirement and much more.

Pension Tracing Service

The Pension Tracing Service provides a tracking service for people who have left benefits in pension schemes, and also for dependants of members, who have lost touch with previous employers.

Pension Tracing Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU
Website www.gov.uk/find-lost-pension
Call them on 0345 600 2537

The Pensions Advisory Service (TPAS)

The Pensions Advisory Service (TPAS) is an independent non-profit organisation that can assist members and beneficiaries of the scheme with pension questions and issues they have been unable to resolve with the Trustees of the scheme.

The address of TPAS is:
11 Belgrave Road, London, SW1V 1RB
Call them on 0300 123 1047
Email enquiries@pensionsadvisoryservice.org.uk
Website www.pensionsadvisoryservice.org.uk

Any question about the scheme or your entitlement under it should be addressed to the Trustees in the first instance.

Pension Wise

A free and impartial government service that helps people over the age of 50 understand the options for their pension pots.

The address of Pension Wise is:
Pension Wise
PO Box 10404
Ashby de la Zouch
Leicestershire, LE65 9EH
Call them on 0300 330 1001
Email contact@pensionwise.gov.uk
Website www.pensionwise.gov.uk

The Money Advice Service

The Money Advice Service produces a range of factsheets on pensions and retirement. You can view or download these from the following website: www.moneyadviseservice.org.uk

The Pensions Ombudsman

The Pensions Ombudsman can investigate and determine pension complaints in accordance with the Pension Schemes Act 1993.

Address:
10 South Colonnade,
Canary Wharf,
London, E14 4PU.
Tel: 0800 917 4487.
Fax them on 020 7821 0065
Email enquiries@pensions-ombudsman.org.uk
Website www.pensions-ombudsman.org.uk
The Pensions Regulator

The Pensions Regulator is an independent body, accountable to Parliament and the general public. Its main objectives are to protect the benefits of members of work-based pension schemes and to promote good administration. The Pensions Regulator keeps a register of pension schemes, holding information about the scheme and the employer. It may intervene in the running of schemes where the Trustees, managers, employers or professional advisers have failed in their duties.

The address of the Pensions Regulator is:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
Sussex
BN1 4DW

Call them on 0845 600 0707
Email them at customersupport@tpr.gov.uk
Website www.thepensionsregulator.gov.uk
Useful scheme contacts

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Tower Place West, 4th Floor
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EC3R 5BU

**The Trustees of the Mercer Master Trust**

The Trustees of the Mercer Master Trust are independent professional trustees.

Their address is:

c/o BESTrustees
Five Kings House
1 Queen Street
London
EC4R 1QS
How to contact Aviva

Call us on 0345 600 6303 on Monday to Friday between 8am and 5.30pm. We may record calls to improve our service. Calls may be charged and these charges will vary; please speak to your network provider.

Visit our website at
www.avivamymoney.co.uk

Email us at
mymoney.questions@aviva.com

Write to us at
Aviva, PO Box 2282, Salisbury, SP2 2HY

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If you would like a braille, large print or audio version of this document, please contact us.