



Nottingham Trent
University

Human Resources

Retirement Savings Plan – Guidance

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1. Introduction

The Retirement Savings Plan – the Plan - has been introduced to offer you an alternative option to those currently available to save for your retirement and has been designed with flexibility and choice in mind.

You can join the Plan if you are not a member of another workplace pension scheme or if you decide to opt out of your current workplace scheme.

Set up through Legal & General (L&G), the Plan is a Group Personal Pension Plan (GPP) a type of [defined contribution scheme](#) where you build up a fund or a pension account in your own name.

The Plan allows you to build up a retirement fund over time, from all contributions paid into your plan. You can decide how the [fund is invested](#) and is 'portable' so you can take it with you if you leave NTU. The amount you receive upon retirement depends on the level of contributions, investment performance, scheme charges, and your choices at retirement.

Further details about investment and retirement options are available on the [NTU/L&G website](#).

2. Contribution rates

The Plan is a 'contribution-matching' scheme and offers you flexible contribution rates. The default employee contribution rate is 2% of your salary, and NTU will contribute a further 10% of your salary, making a combined contribution rate of 12%.

However, if this doesn't suit you, you can choose how much you contribute, as shown in the table below:

Your contribution	NTU contribution	Total contribution
0%	8%	0%
1%	9%	10%
2% (default rate)	10% (default rate)	12%
3%	11%	14%
4%	12%	16%

You can also make additional contributions above 4% of your salary on a regular or one-off basis. However, the maximum amount that NTU will contribute is 12% of your salary.

You can find out more about additional contributions through [Legal & General - Boost your savings \(legalandgeneral.com\)](#).

3. Eligibility

You can join the Retirement Savings Plan if you are not a member of another workplace pension scheme.

If you are a member of one of the other NTU contractual pension schemes - Local Government Pension Scheme (LGPS) or Teachers' Pension Scheme (TPS) - but wish to apply to join the

Retirement Savings, you will be required to opt out of your relevant contractual pension scheme.

More details on how to opt out can be found on the [Retirement Savings Plan](#) page.

4. Salary Sacrifice

The Retirement Savings Plan operates as a salary sacrifice arrangement which means that if you are eligible, you agree to give up part of your salary in exchange for the University making all pension contributions for you. You are agreeing to a temporary change to your contract, to give up a portion of your salary before tax and national insurance deductions.

This arrangement is designed to make pension contributions more efficient and will reduce National Insurance (NI) costs for you and the University. You can use the [L&G salary sacrifice calculator](#) to estimate the savings that salary sacrifice could deliver for you.

Please note: this tool is for illustrative purposes only.

4.1 Joining without salary sacrifice

You will automatically join the Retirement Savings Plan with salary sacrifice except where the pension contributions will:

- bring your earnings below the National Minimum Wage (NMW) or below the Lower Earnings Limit for National Insurance (NI) purposes.
- result in the salary of an employee with a Skilled Worker Visa, falling below the salary threshold for the Standard Occupational Classification (SOC) code that applies to their role.

All applications will be subject to subsequent eligibility checks by the Reward and Benefit team. For instances where applications do not meet the salary sacrifice eligibility requirements, you will be able to contribute to the Retirement Savings Plan without salary sacrifice. This means that pension contributions will be made with the appropriate tax relief but no National Insurance savings.

4.2 Benefits of salary sacrifice

By joining the Retirement Savings Plan with salary sacrifice, you do not have to pay National Insurance contributions on your pension contributions. This means:

- You are not taxed on the amount you contribute to the Retirement Savings Plan each month.
- Tax is only calculated on the part of the salary which remains once the pension contributions have been deducted.
- National Insurance (NI) contributions are calculated after the pension contributions have been deducted, which means you may receive NI savings on your pension contributions.

Before applying to join the Retirement Savings Plan, you should consider the impact of salary sacrifice arrangements on any benefits and life assurance cover.

4.3 Impact of salary sacrifice on benefits

You should be aware that the reduction in gross pay through salary sacrifice could have a negative impact on:

- The calculation of any statutory benefits such as statutory maternity pay (SMP)
- The salary used for finance agreements such as mortgage applications.

In some cases, however, the reduction in gross pay may have a positive impact on eligibility for tax credits or Universal Credit.

4.4 Impact of salary sacrifice on statutory Maternity Pay, Adoption Pay and Shared Parental Pay

Participating in the Retirement Savings Plan with salary sacrifice may affect the level of statutory maternity, adoption or shared parental pay you are entitled to if you take maternity, adoption or shared parental leave.

This is because the calculation to determine the statutory maternity, adoption and shared parental pay is based on the level of salary on which National Insurance (NI) contributions are paid.

With salary sacrifice, you are reducing the amount of NI you pay (your gross pay is lower) which could affect maternity, adoption and shared parental pay payments.

5. Joining the Retirement Savings Plan

The application form to join the Retirement Savings Plan can be completed and submitted on [MyBenefits](#).

5.1 New Starters at NTU

As a new starter to NTU, you are automatically enrolled into the relevant contractual pension scheme, the Local Government Pension Scheme (LGPS) or Teachers' Pension Scheme (TPS). If the Retirement Savings Plan is more suited to you, you can opt out of your contractual scheme and apply to join the Retirement Savings Plan. Detailed information about how you opt out and join the Retirement Savings Plan can be found on [MyBenefits](#).

5.2 Colleagues who are members of an existing workplace pension scheme

If you are an existing member of a contractual pension scheme - the Local Government Pension Scheme (LGPS) or Teachers' Pension Scheme (TPS) - and if the Retirement Savings Plan is more suited to you, you can opt out of your contractual scheme and apply to join the Retirement Savings Plan. Detailed information about how you opt out and join the Retirement Savings Plan can be found on [MyBenefits](#).

When you opt out of your contractual pension scheme you can leave your contributions in the scheme or transfer them to another scheme. In some cases you may be able to get a refund of your contributions (depending on how long you have been a member of the scheme).

Find out more about your options in the [Local Government Pension Scheme \(LGPS\)](#) or [Teachers' Pension Scheme \(TPS\)](#).

5.3 Becoming a member of the Retirement Savings Plan

Once you have become a member of the Plan, the NTU Benefits team will confirm by email whether you have joined the Plan by salary sacrifice or non-salary sacrifice. Following the first pension contributions, you will receive a welcome email from Legal and General which will be followed by information about your policy.

5.4 The next steps

When you receive your workplace pension enrolment email from Legal and General, it will include information about what to do next.

If you subsequently decide that you don't want to be in the Plan, you can opt out by the date L&G has provided to you (within 30 days). You'll get back the money that you've already paid in and be treated as if you never joined. If you decide to opt out, you can do so online via the link and the enrolment code provided in the L&G email or by calling 07448 033634.

If you decide you wish to leave the Plan after this time, your money must stay invested until you are at least 55 years old. (Please note this minimum age increases to 57 years old on 6 April 2028). Please refer to the section '*Leaving the Plan*'.

6. Making changes to your Plan

6.1 Change to contributions

You may wish to make a change to the contributions you pay into your Plan. Please note that where applicable the employer contribution will also change. Please refer to the [contribution levels table](#).

If you decide to amend your contributions, you can complete and submit the *My Plan amendments form* which is available on [MyBenefits](#).

Changes to contributions will usually take effect in the month following your request.

6.2 Contribution Holiday

There may be instances such as extended leave, e.g. career break, where you choose to temporarily stop your contributions into the Plan. This will temporarily stop both employee and employer contributions. You will need to tell the NTU Benefits team your intentions to take a contribution holiday by completing and submitting the *My Plan amendments form* on [MyBenefits](#).

Changes to contributions will usually take effect in the month following your request.

6.3 Leaving the Plan

If you wish to leave the Plan after the initial 30 day opt out period, your money must stay invested until you are at least 55 years old. (Please note this minimum age increases to 57 years old on 6 April 2028). It is not possible for contributions that you have made after the initial 30 day opt out period to be refunded.

You will not lose the contributions that have been built up in the Retirement Savings Plan and you can review the options available to you on the [NTU/L&G website](#).

You will need to complete and submit the My Plan amendments form (link), so contributions can cease.

Please note: When you opt out of the Retirement Savings Plan, you will no longer be covered by the life assurance or income protection benefits.

7. Additional benefits

Being a member of the Retirement Savings Plan, gives you access to additional benefits (provided by Legal and General) that will support you as well as your family whilst you're an eligible employee at NTU.

7.1 Life assurance

If you are under age 70, life assurance could pay a lump sum of 5 times your salary to your beneficiaries in the event of your death. You can find out more about the life assurance [terms and conditions](#).

You can nominate a beneficiary by completing an Expression of Wish form which will be made available to you on MyHR once your membership of the life assurance policy has been confirmed.

7.2 Income Protection

If you are under age 70, Income Protection aims to provide a regular income if they can't work because of a long-term illness or injury. You can find out more about the income protection [terms and conditions](#).

7.3 Wellbeing benefits

There are also [other benefits](#) available to you such as a Virtual GP, Care Concierge, Medigo (second medical opinion) and more.

8. Change in circumstances

8.1 Family leave – Maternity, Adoption and Shared Parental leave

Employee and employer pension contributions will continue for both paid and unpaid periods during family leave.

- **Retirement Savings Plan with salary sacrifice:**
Your salary sacrifice arrangement for pension contributions will continue for the period where you are receiving full pay (occupational pay). It is not possible to deduct salary sacrifice pension contributions from statutory pay. The University will maintain employee and employer pension contributions, during both periods of statutory pay and no pay.
- **Retirement Savings Plan without salary sacrifice:**
Your pension contributions for the period where you are receiving full pay (occupational pay) will continue which will be based on the pay you are receiving at the time. The University will maintain employee and employer pension contributions, during both periods of statutory pay and no pay.

8.1.1 Parental Leave: The University will maintain employee and employer pension contributions during periods of unpaid leave.

8.1.2 Paternity Leave: As your employment contract continues as normal, your pension contributions and University pension contributions will continue for the duration of paternity leave.

8.2 Sickness absence

Employee and employer pension contributions will continue for employees who receive occupational sick pay. For employees who receive statutory pay only or nil pay, no employer or employee contributions will be made. Contributions will continue when normal pay recommences.

8.3 Other types of leave

During periods of leave which are unpaid, and where benefits cease, e.g. career break, industrial action, employee, and employer pension contributions will cease, and a contribution holiday can be requested. Please see section 6.2 *Contribution Holiday* which explains how you can request this. Additional single contributions can be paid directly to L&G.

For periods of leave which are paid and there are no changes to your terms and conditions of employment, e.g. sabbatical, employee and employer contributions will continue.

8.4 Change in role

If you change role at NTU, this may result in a change to your salary. Therefore, such changes will be subject to subsequent eligibility checks by the Reward and Benefit team, to determine if you are able to remain a member of the Plan via salary sacrifice. If you do not meet the salary sacrifice eligibility requirements, you will be able to contribute to the Retirement Savings Plan without salary sacrifice. This means that pension contributions will be made with the appropriate tax relief but there will be no National Insurance savings.

If, through a change of role, you are contractually enrolled into another occupational pension scheme, e.g. Teachers' Pension Scheme (TPS) or the Local Government Pension Scheme (LGPS), there may be a requirement to opt out of that scheme. Your contributions to the Retirement Savings Plan will be suspended until the opt out of either the LGPS or TPS is complete. The [Pension and Payroll team](#) will be able to discuss your individual circumstances with you.

8.5 Auto re-enrolment

NTU is legally required to enrol all employees into a qualifying workplace pension scheme. Eligible employees who join the Retirement Savings Plan will be re-enrolled into either the LGPS or TPS pension schemes every 3 years because they are the qualifying pension schemes for auto re-enrolment.

Colleagues will be able to opt out of LGPS or TPS and opt back into the Retirement Savings Plan after auto re-enrolment has taken place. You will be notified in advance of when this will happen and the steps you need to take.

8.6 Leaving the University

If you leave the University, the contributions from NTU will cease and no further employee contributions will be deducted.

You will be able to leave your fund as it is without making any further contributions and it will continue to be invested, you can transfer your fund into another registered pension scheme, or you can continue to make personal contributions directly to the Plan.

If you are a member of the Retirement Savings Plan with salary sacrifice, the notional salary (your salary prior to salary sacrifice) will be used to calculate any payment for employees who leave the University due to redundancy or severance.

Although you can take your fund with you, you will no longer be covered the additional benefits, e.g. life insurance or income protection.

Version Control

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1	Reward/HR Projects	New scheme	January 2024