



Nottingham Trent
University

Human Resources

Salary Sacrifice Retirement Savings Plan Frequently Asked Questions

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1. The Plan

1.1. Why is NTU introducing a new pension scheme?

The Retirement Savings Plan – the Plan – has been introduced to give colleagues more choice and flexibility when it comes to saving for their retirement.

The new pension scheme set up through Legal & General, is a Group Personal Pension (GPP), a type of defined contribution scheme that gives members flexibility over how much to contribute, including the option of contributing nothing, while still getting the peace of mind that NTU will contribute a minimum of 8% into their Plan.

Additional benefits of the Plan include life assurance (death in service) cover and income protection – this ensures you receive a percentage of your salary if you can't work at NTU because of a or serious illness or injury.

1.2. How much do I contribute, and what does NTU contribute?

You can choose how much you contribute. The more you contribute, the more NTU contributes into your plan - this is called a 'contribution-matching' scheme. The table below shows the amount the University will contribute depending on your level of contribution as a percentage of your salary:

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

When you join the scheme, the default contribution rate is set at 2% from you, and 10% from NTU, making a combined 12% contribution into your plan. This reflects guidance from [the Living Pension foundation](#) which recommends the equivalent of 12% of a full-time living wage salary is saved in a pension.

However, if that's not right for you, you can decide on a different amount to contribute. So you can join the scheme with a 0% contribution and NTU will still contribute 8% into your plan. You can change your contribution level later if you wish.

As with other pension schemes, you do not pay income tax on pension contributions to the Retirement Savings Plan.

1.3. Can I contribute more than 4%?

You can contact Legal & General to arrange for a single one-off payment into your Plan. You can find out how to do this on the [NTU/L&G microsite](#). If you wish to increase your regular contributions, e.g. more than 4%, there isn't the facility to do this currently.

1.4. What are the other benefits of the Plan?

Being a member of the Retirement Savings Plan also offers you:

- **Income Protection:** provides a regular income for a specified period based on a percentage of your salary, if you are under 70 and unable to work at NTU due to long-term illness or injury.
- **Life Assurance (death in service) cover:** your beneficiaries will receive a lump sum worth five times your salary if you die while you are employed by NTU before the age of 70. Your fund will also be paid to your beneficiaries in the event of your death, usually tax free.

1.5. What is a discretionary entrant and when does it apply?

The discretionary entrant is a stipulation to the scheme made by the current insurer, Legal and General (L&G). It means that if you apply to join the Plan 3 months from when you first became eligible to join, we will send you a discretionary entrant form to complete and return directly to L&G to apply for the Life Assurance and Income Protection benefits.

The form will ask you to complete some questions about your health which L&G will review. If you declare a health condition, you may be asked to provide your medical history (medical underwriting).

Once L&G have received sufficient information, they will inform us of their decision to provide cover – it may be approved or declined and in some cases a decision will be postponed, for example, if there is outstanding information, such as a diagnosis, or test results.

2. Other pension schemes available

2.1. What are the main differences between the Plan and the other pension schemes available for NTU colleagues?

NTU offers two other main pension schemes, the [Local Government Pension Scheme](#) (LGPS) and the [Teachers' Pension Scheme](#) (TPS). A third scheme - the Universities Superannuation Scheme (USS) is also in operation; however, membership is only offered to those colleagues who were contributing to USS immediately before joining NTU.

Most academic staff are part of the TPS, and most professional services staff are part of the LGPS. The LGPS and TPS are both defined benefit occupational pension schemes, which means that pension benefits on retirement are based on your salary and service. The Retirement Savings Plan is a defined contribution scheme, which means that pension benefits on retirement are based on the performance of invested funds. Further information about fund choices and investments can be found on the [NTU/L&G Microsite](#).

How much colleagues contribute into each pension scheme varies significantly. To a large extent this is because of the type of scheme they are, with different choices about pension benefits available on retirement. The table below shows the difference in colleague and NTU contributions across the three schemes.

	Colleagues % contribution	NTU % contribution
Teachers' Pension Scheme (TPS)	Between 7.4% and 11.7% (Colleagues who are paid more contribute a higher percentage.)	28.68% (from April '24)
Local Government Pension Scheme (LGPS)	Between 5.5% and 12.5% (Colleagues who are paid more contribute a higher percentage.)	17.2%
Retirement Savings Plan	Between 0% and 4% through salary sacrifice deduction* (Colleagues choose their contribution rate, with a default rate of 2%.) Colleagues can choose to pay more into their fund directly.	Between 8% and 12% (Depends on which rate colleagues choose, with a default rate of 10%.)

*Dependant on meeting the eligibility criteria – see Eligibility section 5

3. Joining and leaving

3.1. If I have more than one job role at NTU, can I apply for the Retirement Savings Plan?

If one or more of your roles is not enrolled in an NTU workplace pension scheme, then you can apply to join the Retirement Savings Plan.

3.2. If I join the Retirement Savings Plan, can I transfer another pension into the Plan?

It is possible to transfer another pension into the Plan; depending on the type of pension you have you may have to seek advice before you can transfer it.

Once you have joined the Plan you can register for your online account (Manage Your Account) through the [Legal and General Microsite](#) where you will be able to find further information about transferring in another pension.

3.3. What happens if I change jobs?

Most roles at NTU are linked to either the LGPS or the TPS, and when you join, you are usually contractually enrolled into one of these two pension schemes, unless you choose to opt out.

If you opt out, and decide to join the Retirement Savings Plan instead, you will normally remain in this scheme even if you change roles.

In some cases, you may be contractually enrolled back into LGPS or TPS. This may happen if your new role changes from a professional services role to an academic role (or the other way around) for example. If this happens, you will be able to opt out of LGPS or TPS and join the Retirement Savings Plan for your new role.

3.4. What happens to my Additional Voluntary Contributions (AVCs) plan with LGPS/TPS If I opt out and join the Retirement Savings Plan?

If you have an Additional Voluntary Contributions (AVCs) plan with the LGPS or TPS and you opt out of the schemes, you will no longer be able to contribute to your AVC plan so your payments will cease. The value of your AVC plan will continue to be invested until it is paid to you.

You should refer to the provider of your AVC plan for your options when you opt out.

3.5. What happens if I leave NTU?

When you leave, your contributions through your NTU salary and the NTU contributions into the Plan will stop. However, the Plan is 'portable' so you can take it with you if you leave NTU.

Upon leaving, your fund will move from the Retirement Savings Plan to a leaver scheme with L&G and a leaver pack will be sent to you explaining your options. The following options will be available to you:

- you can leave the plan with L&G (you are able to continue to pay into the plan with a personal direct debit if you wish); or
- you can transfer it to a pension with a new employer; or
- you can access your funds (if you are over 55, or over 57 from 2028)

4. Salary Sacrifice

4.1. Why is it a Salary Sacrifice plan?

The University operates pension salary sacrifice for members of the Retirement Savings Plan which means that you agree to give up part of your salary in exchange for the University making all pension payments for you. This arrangement is designed to make pension contributions more efficient and will reduce National Insurance (NI) costs for you and the University.

4.2. How will being a member of the Retirement Savings Plan affect my entitlement to the basic state pension?

Provided your earnings do not fall below the Lower Earnings Limit (LEL) threshold for paying National Insurance (NI), your basic state pension will not be affected. You can check your NI contributions record at www.gov.uk/government/publications/rates-and-allowances-national-insurance-contributions.

4.3. Will joining the Retirement Plan with salary sacrifice affect my terms and conditions of employment?

Yes, by joining the Retirement Savings Plan with salary sacrifice, you are agreeing to a temporary change to your contract, to give up a portion of your salary before tax and national insurance deductions.

4.4. What happens if I am participating in other salary sacrifice schemes, e.g. cycle to work, childcare vouchers?

If you are participating in other salary sacrifice schemes, the total monthly deduction for all schemes cannot reduce your salary below the National Minimum Wage or Lower Earnings Limit. Therefore, you will need to take this into consideration when deciding on your contribution levels.

4.5. What are the impacts of salary sacrifice?

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, adoption or shared parental pay. If you want to find out further information about how your entitlement to statutory benefits may be affected by salary sacrifice, you should contact [HMRC](#).

You may want to check with lenders, for instance credit cards, loan applications or mortgage companies, regarding the criteria they apply and whether they will take account of your salary before salary sacrifice has been applied.

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

4.6. How will the contributions show on my payslip?

You will see an extra item on your payslip, showing your contribution to the Retirement Savings Plan. Your payslip will show individually your monthly salary prior to salary sacrifice, and the monthly value of your salary sacrifice contribution to the Retirement Savings Plan.

5. Eligibility

5.1. What is the eligibility for joining the Plan by Salary Sacrifice?

Any benefits paid through salary sacrifice cannot reduce your salary:

- below the National Minimum Wage (NMW)
- below the Lower Earnings Limit for National Insurance (NI) purposes.
- below the salary threshold for the Standard Occupational Classification (SOC) code for employees with a Skilled Worker Visa

Non-salaried colleagues, like those on zero hours or worker contracts, are also not eligible for salary sacrifice.

5.2. Where can I find out what the National Minimum Wage is?

The National Minimum Wage (NMW) is the minimum pay per hour employees are entitled to, which is updated annually by the government. The latest NMW rates, can be found on the [gov.uk website](#).

5.3. Where can I find out information about the Lower Earnings Limit for National Insurance Purposes?

The Lower Earnings Limit for National Insurance purposes is set annually by the government. Information on these limits can be found on the [gov.uk website](#). The total monthly deduction

for pension contributions cannot reduce your gross monthly pay (i.e. pay before tax and NI deductions) below the Lower Earnings Limit.

5.4. How will I know if I am eligible to join by Salary Sacrifice?

NTU will check the pension contribution you have chosen to ensure that your salary does not fall below the NMW or the LEL. If the deductions from your salary would reduce your salary below the NMW or the LEL then you will not be eligible to join by salary sacrifice.

In this case, you will be able to join the Plan without salary sacrifice and you will still benefit from tax savings on your contributions. You won't benefit from the additional National Insurance savings. We will let you know if this is the case.

6. Terms of the Plan

6.1. How will my data be handled?

Information supplied on the application form will be used by Nottingham Trent University in accordance with the UK GDPR, Data Protection Act 2018 and other applicable legislation.

We have a legal obligation to protect any personal data we collect from you. The University will use your information in the following ways:

- To enable us to administer your Retirement Savings Plan application.
- To share your data with the Plan provider, Legal and General.

By completing and submitting an online application/amendment form, you consent to the University processing your data in this way.

6.2. Where can I find more information about NTU's GDPR policy?

Information about NTU's GDPR policy is available to colleagues to review on [MyHub](#).

6.3. Where can I find more information about Legal and General's Privacy policy?

This is available for colleagues to review on the [NTU/L&G Microsite](#).