



The London School of Economics & Political Science

### **Change to terms and conditions of employment under PensionPlus (USS)**

If you are currently in the Universities Superannuation Scheme (USS), you will automatically be included in PensionPlus and the following change to the terms and conditions of your employment shall apply.

If however you would prefer to opt out, you must sign and complete an opt-out form. This is available from HR Division reception (Tower 3, Room W100) or by email from [hr.pay.info@lse.ac.uk](mailto:hr.pay.info@lse.ac.uk). Opt-out forms must be returned to HR by **26 June 2009**.

Your contract of employment with the London School of Economics & Political Science ("the School") sets out your salary. The changes under PensionPlus mean that your basic salary and any other pensionable pay elements will be reduced, with effect from 1 July 2009, by 6.35 per cent. The School will increase its employer pension contribution into USS by the equivalent amount. The 6.35 per cent reduction in respect of PensionPlus will appear as a separate entry on your pay advice slip.

Any other non-pensionable element of your pay will continue to be paid as before and is unaffected by PensionPlus.

Your pensionable salary and all entitlements to benefits under USS are unaffected by PensionPlus.

If you are entitled to additional pay, such as a responsibility allowance for undertaking work of a different grade, or other elements of your pay which are derived from your annual base salary, this payment will continue to be calculated by reference to your base salary.

### **Definitions**

Basic salary	Your annual salary, as per the published salary scales
Pensionable salary	The amount that pension contribution is calculated from. It is made up of your basic salary and any other elements of pay which are pensionable.
Base salary	Your annual salary as per the published salary scales and any other elements of pay which are pensionable or non-pensionable, prior to PensionPlus adjustment.
Adjusted salary	Your pensionable salary minus 6.35 per cent PensionPlus adjustment, plus any other elements of pay which are non-pensionable.

Any holiday pay which you are entitled to receive as a lump sum on leaving the School's employment will be based on your base salary, and is unaffected by Pension Plus.

Reviews of your base salary (including basic salary plus any supplements, honoraria, allowances or other payments) will continue to be undertaken in line with existing School policies and procedures. Should your base salary change as a consequence of any such review, any notification will refer to your base salary rate (ie before PensionPlus adjustment).

PAYE and National Insurance calculations will be made on your adjusted salary. These statutory deductions, together with some other statutory and voluntary deductions that may be applicable (eg season ticket loan repayments) are deducted from your adjusted salary to produce your net (take-home) pay.

In accordance with statutory requirements, Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay, Statutory Adoption Pay and Statutory Redundancy Pay will be based on your adjusted salary.

However the School pays enhanced occupational maternity pay, occupational paternity pay and occupational adoption pay, which will continue to be based on your base salary. This tops up the statutory payments, so that the amount of pay you receive will not be affected by PensionPlus.

Unless you apply to opt out of PensionPlus under a lifestyle change event, any occupational maternity, paternity or adoption pay will continue to be reduced by 6.35 per cent under PensionPlus, as long as this does not reduce your pay below statutory pay.

Any occupational sick pay due shall continue to be based on your base salary. Your occupational sick pay will be reduced by 6.35 per cent under PensionPlus, as long as this does not reduce your pay below statutory pay.

Any payment due under the School's occupational redundancy scheme shall be based on your base salary, so that the amount of pay you would receive would not be affected by PensionPlus.

You will not be able to participate in PensionPlus if it would bring your adjusted salary below the National Minimum Wage.

PensionPlus applies only to standard pension contributions. It does not apply to Additional Voluntary Contributions (AVC).

In the event that USS applies an employee contribution other than 6.35 per cent, the PensionPlus reduction from your base salary will be amended to the equivalent percentage.

The School reserves the right to amend or discontinue PensionPlus should the School determine that it is appropriate for it to do so taking into account such matters as it may consider relevant from time to time including changes to UK tax and national insurance legislation.

If you agree to these terms (ie you do not opt out by 26 June 2009) you will not be able to opt out of PensionPlus until 1 July 2010 and thereafter each subsequent 1 July, unless you experience a lifestyle event - further details of which are included in the PensionPlus booklet.