



Brasenose College Pension Policy

Approved by Governing Body November 2016

1. Statement of Intent

The College encourages all staff and Fellows to provide adequately for their retirement and has determined this policy with a view to ensuring compliance with all applicable employment and pension legislation and best practice.

With the exception of staff covered by Statute XVI, there is no longer (since Pensions Act 2011) a specific **contractual** age at which staff are required to retire. (See section 10). Under the Pensions Act 2011, women’s State Pension age will increase to 65 between April 2016 and November 2018. From December 2018 the State Pension age for both men and women is expected to start to increase to reach 66 by October 2020.

2. Contractual Provisions

All permanent and fixed term staff are **offered** membership of an occupational pension scheme according to eligibility, as shown on the following table:

BNC Contract type	Permanent contract	Fixed term (if 1 yr or more)	Fixed term if less than 1 year
Academic	USS	USS	USS- academic staff on FTC NEST- casual: 140% lecturers. Out tutors (or external tutors) claiming through OxCORT are also eligible to join NEST
Non- academic	Grade 6 and above- USS NB or opt to continue in OSPS if already a member when promoted internally. See section 6 Grade 5 and below- OSPS See section 6	Grade 6 and above- USS only. Grade 5 and below: OSPS or NEST*	NEST only

*Employee choice on joining. Later during the contract any change requires Bursar's approval in view of difference in cost between the schemes.

3. Statutory Provision - Auto enrolment (AE)

In order to encourage saving for retirement, the Pension Regulator requires all employers to provide an occupational pension scheme, which is recognised as a 'qualifying scheme'. The employer must enrol any staff who earn above the minimum pay threshold, whilst meeting specified age requirements, into an occupational pension scheme. This is known as auto enrolment. Staff can then opt out of the scheme if they wish within a month of joining, but must contact the relevant pension scheme directly to arrange this. The College has been required to comply with the Auto Enrolment legislation of 2010 since its 'Staging Date', which was 1st November 2013.

Auto enrolment applies to all employees who are not currently in a pension scheme into which College contributes, including casual staff (and those falling within the definition of 'Worker' under the AE legislation). Strict rules regarding the communication of eligibility apply to employers and College is required to keep the necessary records.

Staff are assessed under the provisions of this legislation and enrolled in to the appropriate scheme, according to their contractual eligibility as per the schedule above. For College staff this means eligibility for USS, OSPS or NEST.

Re-assessment for auto-enrolment: The employer has a duty to continually monitor the earnings and age of staff and to enter them into a pension scheme either on joining or during employment when their earnings reach the necessary threshold which is set by the Government. Every three years the employer must also review staff who have previously chosen to opt out of the scheme and if they meet the criteria, must re-enrol them again into the scheme, regardless of any action they may have previously taken to opt out. Staff have a right to opt out of membership again at that stage if they wish.

4. Schemes operated by Brasenose College:

NB Pension scheme terms are subject to change over time and the pension providers reserve the right to amend these, with appropriate consultation and notice.

- Universities' Superannuation Scheme (USS)
A new, revised, defined benefit (DB) scheme was introduced on 1st April 2016 (USS Retirement Income Builder) with a salary cap, and a new, top up, defined contribution (DC) section of the scheme (USS Investment Builder) was introduced on 1st October 2016.

This pension scheme is available for non-academic staff in grade 6 and above and for academic staff. Details of the scheme: <https://www.uss.co.uk/members/members-home/the-uss-scheme>
Non-academic staff who have been promoted in to a USS eligible grade, but who wish to remain in an approved alternative scheme, such as OSPS, may do so subject to the approval of the College.

- Oxford Staff Pension Scheme (OSPS)
This is a defined benefit pension scheme available for non-academic staff in Grade 5 and below. Details of the scheme: <https://finance.admin.ox.ac.uk/osps>

- NEST (The Workplace Pension Scheme set up by the Government)

This is a defined contribution scheme.

Details of the scheme:

<http://www.nestpensions.org.uk/schemeweb/NestWeb/public/home/contents/homepage.html>

BNC offers NEST, as a lower cost alternative pension provider for:

- a) Employees contractually entitled to join OSPS, but who have chosen to opt out. Joining NEST means that they can pay a lower rate of employee contributions. Employer contributions are also lower than for OSPS.
- b) Casual workers who meet the criteria for auto enrolment (ie their earnings are above the statutory threshold. (In 2016/17 this is £10,000 per annum).
- c) External Tutors who either meet the auto enrolment criteria, or who exercise their statutory right to ask to join a pension scheme.

These schemes all meet the conditions of a Qualifying Pension Scheme under the auto enrolment legislation.

Staff members without access to the internet should request scheme information from HR or payroll.

4. Salary sacrifice arrangements on pension contributions

The College operates an HMRC approved salary sacrifice scheme for pension contributions, whereby the College pays the employee contributions on behalf of the employee, in exchange for which the employee accepts an equivalent reduction in gross pay. Both the employee and the employer thus benefit from a reduction in National Insurance Contributions. The contractual (and pensionable) salary is not reduced.

New employees who have not opted out of USS or OSPS are automatically entered in to this salary sacrifice arrangement after three months of employment, unless they have elected not to enter in to this arrangement.

5. Pensionable pay

- i) Scheme rules apply in all cases, and it should be noted that these are subject to change by the pension providers, with due notice. Pay for temporary, additional duties (such as overtime, college officer stipends etc) would not normally be counted as pensionable pay for OSPS or USS, and are thus **not** subject to pension contribution deductions.
- ii) NEST is a defined contribution scheme, and all pay elements are treated as pensionable, and are subject to both employee and employer pension contributions. Therefore, **all** pay elements count as 'earnings' for the assessment against auto-enrolment earnings triggers. For casual staff whose pay exceptionally exceeds the threshold for a pay period, usually one month, for example as a result of overtime earnings, auto enrolment may be postponed.
- iii) **Staff absence and pension contributions:** Scheme rules apply.
 - a) Staff absent on sick leave will continue to have deductions made at the normal rate.
 - b) Staff absent on unpaid sick leave or suspended from duty will need to check with the pension provider over the payment of pension contributions.

- c) Staff absent on maternity, paternity or shared parental leave can elect whether to continue to pay pension contributions or not, and or whether to make up any shortfall on their return.

6. Contractual issues/ changes.

- i) **Promotion and re-grading:** If an employee is promoted or regraded into a grade which is contractually eligible for membership of USS, (ie to grade 6 and above for non- academic staff) the employee may choose either to move to USS or alternatively to remain in the scheme of which (s)he is already a member, subject to that scheme continuing to be an authorised scheme eg OSPS.
NB In this instance the employee must complete an election form to confirm their decision whether or not to transfer or not into the new scheme. The election form must be returned to HR/Payroll within three months of becoming eligible for the new scheme.
- ii) **Pension membership for staff on fixed term contract:**
 - a) **Non- academic Staff** employed on a fixed term contract of less than one year are eligible **only** to join NEST.
 - b) **Academic staff** employed on a fixed term employment contract are eligible to join USS and no other employer pension scheme. There are restrictions depending on the length of the contract.
- iii) **Pension membership for Academic Casual staff:**
Out tutors, and casual academic staff (ie 140% lecturers) are only eligible to join NEST. They can choose to join at any time once they have been contracted and if so will pay employee contributions, but they will not receive employer contributions until their earnings reach the necessary threshold set by the Pensions Regulator for auto enrolment.
- iv) **Pension membership for Non- academic casual staff.**
Non- academic Casual staff can choose to join NEST once they have been contracted, and if so will pay employee contributions, but they will not receive employer contributions until their earnings reach the threshold set by the Pensions Regulator for auto enrolment.

Non- academic staff who previously opted out of OSPS on appointment prior to 2016 and who under scheme rules in place at that time were not able to join OSPS at a later stage, can now elect to join OSPS.
Staff in this position must submit a request in writing to be considered for OSPS for approval by the Bursar in view of the difference in cost to the employer between the schemes. Membership of OSPS will not take place until all paperwork has been received in time for the next payroll run.
- v) **Where a non- academic member of staff previously on a fixed term contract of one year or less, (whether or not a member of NEST), is offered a continuing contract, they can elect to join OSPS.** Any previous membership of NEST would cease.
- vi) **Where a member of non- academic staff has previously opted not to join OSPS, but later wishes to join this scheme, approval must be given by the Bursar.**

7. No compensation for option not to join a pension scheme

The College will not adjust the salary if an employee chooses not to join a pension scheme, or ceases to be a member at any point.

8. Regulation

The College is subject, as are all employers, to regulation by The Pension Regulator. All the schemes offered to employees are Qualifying Pension Schemes under the provisions of the relevant legislation.

9. Pensions Advice

No member of staff of the College is qualified or authorised to offer advice on pensions. Employees should consider all information available from the pension provider on their website and /or take advice from a Financial Advisor, regulated under the Financial Conduct Authority.

10. Retirement

Staff considering retirement should discuss future plans with their Line Manager, the HR Manager, the Bursar or Senior Tutor as appropriate. Provisional Pension figures can be obtained in the first instance by using the calculator on the pension providers' websites.

HR will contact staff around their 65th birthday to offer an opportunity to discuss possible retirement options