This guide describes the pension and associated benefits available to members of staff who hold a contract of employment issued by the Division of HR who have been enrolled in the University of Leicester Stakeholder Pension Plan.

The benefit package comprises three elements.

- the University of Leicester Stakeholder Pension Plan (“the Plan”) - a plan for you to save money while you are working to provide benefits for your retirement – (including the option of a tax-free cash lump sum at any time from age 55)

- a “Life Assurance Plan” which provides a lump sum for your dependents if you die while you are still working

- an “Income Protection Plan” which provides an income should you be unable to work for a continuous period of more than 52 weeks due to injury or serious ill health.

This Guide was issued in June 2016 and is valid until further changes are made by University of Leicester or legislation.
## Contents

### Stakeholder Pension

Joining......................................................................................................................................................................................... 2

Contributing................................................................................................................................................................................ 4

Investing ..................................................................................................................................................................................... 7

Leaving service ................................................................................................................................................................................... 9

Taking your benefits ................................................................................................................................................................. 10

Protecting your family .............................................................................................................................................................. 13

Maternity and Family Leave ..................................................................................................................................................... 14

Tax and your benefits ............................................................................................................................................................... 15

State benefits............................................................................................................................................................................ 16

Life assurance ........................................................................................................................................................................... 18

Income protection .................................................................................................................................................................... 19

Further information .................................................................................................................................................................. 20
University of Leicester
Stakeholder Pension Plan
Joining

The University of Leicester Stakeholder Pension Plan (“the Plan”) is a ‘defined contribution’ personal pension. This means that you know how much is being paid into it by yourself and the University. After joining the Plan, you will be issued with a personal policy – it works like a savings account or an investment plan but is for your pension benefits. The Plan is administered by FriendsLife and is likely to be a suitable way to provide benefits on or before retirement in a tax efficient and cost effective way.

You are able to join the Plan immediately on appointment (see Opting in section below) but if you do not do so you will be auto-enrolled into the Plan if you meet certain conditions. By law, employers must enroll employees into a ‘qualifying pension scheme’ and make a minimum level of contribution, provided the employees meet certain characteristics.

The Plan meets the required standards for a qualifying pension scheme.

To ensure you have all the information about the Plan, please read this Guide and the information provided by FriendsLife.

Opting in

Most new members of staff join the Plan through auto-enrolment. However, if you did not meet the criteria for auto-enrolment, you still have the option to opt in to the Plan – see the ‘Contributing’ section of this guide for details of the contributions you and the University will pay.

If you opt in to the Plan, FriendsLife will include details of your right to change your mind and a cancellation form with your membership confirmation letter. You then have one month from the date you receive the letter to cancel. You should only return the form if you want to cancel your membership of the Plan.

Auto-Enrolment

The Government requires employers to enroll all eligible employees into a workplace pension scheme. This process is called auto-enrolment. You will be assessed for auto-enrolment three months after you commence employment with the University and, if you meet the eligibility criteria, you will be enrolled into the Plan on a default package and pension contributions will be taken from your salary. At this point, FriendsLife will write to you with details of the Plan, and will also provide details of the statutory one month opt-out period should you not wish to remain in the Plan.

Opting out

If the University of Leicester enrolled you automatically, you can then ‘opt out’ by following the instructions FriendsLife will send you. You will have one month from the date in the instructions to opt out. If you choose to opt out, the amount of salary you have sacrificed will be reinstated so that effectively any amount paid into the Plan during this period will be ‘refunded’ and contributions will stop. It will be as if you never joined the Plan on this occasion. You will receive any refund as salary and you will pay Income Tax and National Insurance on it in the normal way. By opting out you will lose your employers contributions and will not be building up a retirement fund in the Plan.

Other pension arrangements

If you already have a personal pension you can still be a member of the Plan; you are allowed to contribute to more than one pension at the same time. Bear in mind that the conditions in the ‘Contributing’ section of this guide will apply to all contributions you make to any pension plan. Please note that the University will not contribute to any other pension arrangement.
Benefits from other pension schemes

You may be able to transfer in benefits from a previous pension arrangement. However, this is a complex area and you should seek independent financial advice beforehand. For details on how to find an independent financial adviser, please see the Further Information section of this guide.

If you want to arrange a transfer, please contact FriendsLife.

If you leave the Plan (cease contributions) whilst still working for the University

If you decide that you want to leave the Plan any time after the initial one month period, please advise University’s Pension Office. Your benefits will be treated as if you had left employment – see the ‘Leaving service’ section. If you leave the Plan you will no longer benefit from the Life assurance and Disability / Ill-health benefits. You will be allowed to rejoin the Plan at a later date if you choose, and will also be subject to the re-enrolment procedures.

Enrolment at a later date

If you opt out or stop contributions to the Plan while still working at University, the University must check regularly how the 'automatic enrolment' rules apply to you in the future (usually every three years) and, if necessary, put you back in the Plan at this time and advise you if this happens. If this applies to you, you have the right to opt out again.
Contributing

When you join the Plan you will initially be enrolled in a default package. This means that

- You will initially be enrolled onto Tier 1 and your contributions will be set at 3% of Pensionable Salary, including tax relief;
- The University’s contribution at Tier 1 will be 5%;
- Your funds will be invested into the Plan’s default investment fund, the FriendsLife My Future Fund;
- You will not be automatically enrolled into the University’s pension salary sacrifice arrangements;
- Your Selected Retirement Age (SRA) will initially be set at the default level of 65 years.

You will be able to change these elements at any time.

Making Changes to your arrangements

To make changes to your arrangements you should contact:

<table>
<thead>
<tr>
<th>Change</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>To change your contribution rate or to join the University’s pension salary sacrifice scheme</td>
<td>University Pensions Office</td>
</tr>
<tr>
<td>To make changes to your investment fund or to change your Selected Retirement Age</td>
<td>FriendsLife</td>
</tr>
</tbody>
</table>

Contribution rates

When you join the Plan, you must give up a minimum of 3% of your Pensionable Salary* to receive a 5% contribution from the University. You can change the Tier you are enrolled on or even choose to pay more than Tier 4 however, the University’s contribution is capped at 11% of your Pensionable Salary*. To change you contribution level contact the University’s Pensions Office.

*Pensionable Salary is defined as basic salary plus shift allowance and contractual overtime.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Your Pension Contribution*</th>
<th>The University’s Pension Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Tier 2</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Tier 3</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Tier 4</td>
<td>6%</td>
<td>11%</td>
</tr>
<tr>
<td>7% or more</td>
<td></td>
<td>11%</td>
</tr>
</tbody>
</table>

*Including Tax relief
Example of Pension Contributions

The example below is based on a £15,000 pa salary which is £1,250 per month.

<table>
<thead>
<tr>
<th></th>
<th>Tier 1</th>
<th>Tier 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3% total employee contribution</td>
<td>6% total employee contribution</td>
</tr>
<tr>
<td>Gross Salary per month</td>
<td>£1,250</td>
<td>£1,250</td>
</tr>
<tr>
<td>Income tax per month</td>
<td>£66.67</td>
<td>£66.67</td>
</tr>
<tr>
<td>National Insurance per month</td>
<td>£69.40</td>
<td>£69.40</td>
</tr>
<tr>
<td>Net monthly cost of pension contributions</td>
<td>£30.00</td>
<td>£60.00</td>
</tr>
<tr>
<td>Net monthly income (Take Home Pay)</td>
<td>£1,083.00</td>
<td>£1,053.93</td>
</tr>
</tbody>
</table>

**Pension contribution per month**

<table>
<thead>
<tr>
<th></th>
<th>Tier 1</th>
<th>Tier 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee from pay</td>
<td>£30.00</td>
<td>£60.00</td>
</tr>
<tr>
<td>Tax relief applied by FriendsLife</td>
<td>£7.50</td>
<td>£15.00</td>
</tr>
<tr>
<td>University contribution</td>
<td>£62.50</td>
<td>£137.50</td>
</tr>
<tr>
<td>Total monthly pension contribution</td>
<td>£100.00</td>
<td>£212.50</td>
</tr>
</tbody>
</table>

If you are enrolled on Tier 1, your total contribution is 3% of Pensionable Salary. Of this, 2.4% (i.e. £30) is taken from your salary and a further 0.6% (£7.50) is applied to the contribution by FriendsLife, who will claim this tax relief from HMRC. In addition, the University will contribute 5% of your pensionable salary (i.e. £62.50).

If you pay Income Tax at the higher or additional rate, you may be able to claim further tax relief on your annual tax return or through your local tax office. HMRC will normally then adjust your personal tax coding, allowing you to take home slightly more salary before you start paying higher or additional rate tax. In other words, you receive the extra tax relief in your pay, rather than in the Plan.

**Paying contributions through the University’s Pension Salary Sacrifice (PSS) scheme**

The University has a salary sacrifice arrangement whereby pay can be given up equivalent to your pension contributions and the University makes the pension contribution on your behalf. When you join the Plan, the current arrangements are that you do not automatically join the University’s salary sacrifice scheme. This is something you have to opt into and if you wish to do so please contact University’s Pension Office for further details.

**How does it work?**

PSS alters the way in which you participate in the Plan. Rather than you personally making the employee contribution from your salary, in exchange for a reduction in salary equivalent to the employee contributions, the University makes this payment on your behalf. For most people, this results in a reduction in the National Insurance Contributions that you make and increases your take home pay each pay period.

Below is an example which demonstrates how participation in the PSS arrangement affects national insurance contributions. The example is based on a 6% employee contribution from a salary level of £15,000.
PSS has been designed to ensure that your entitlement to other University payments (e.g. pay rises, overtime) and benefits (e.g. life assurance) are unaffected and continue to be based on your normal pay before PSS.

If you take maternity, paternity, adoption or parental leave or you are on long term sickness absence this may affect the relevance of the PSS arrangements to you. Please contact the University's Pension Office for more information.

**NOTE**: PSS may affect your entitlement to some State benefits which are based on your income or the National Insurance you pay. If you are unsure how PSS might affect your State benefits, you should contact HMRC or visit http://www.hmrc.gov.uk/specialist/salary_sacrifice.pdf

For further information on PSS please contact the University’s Pensions Office.
Investing

When you join the Plan your contributions will initially be invested in the Plan’s default investment fund, the FriendsLife My Future Fund.

The default option

If, following enrolment, you do not make an active decision on where to invest your contributions they will continue to be invested in the Plan’s default investment fund, the FriendsLife My Future Fund. This default investment fund incorporates a lifestyle strategy, which changes the mix of investments as you get older – to invest for growth early on in your working life and gradually move your savings into lower risk funds as you approach retirement.

FriendsLife have specifically designed the My Future Fund to enable you to take advantage of the Government’s recently announced options for how you take your pension at retirement. It contains, within it, separate streams specifically geared to:

- the ultimate purchase of an annuity;
- the withdrawal of cash as a single sum on retirement; or
- the drawdown of cash over a period of time.

There is also a general default stream that does not specifically target any one particular option. This is the investment stream that you will initially be enrolled onto.

Further detail on the Plan’s default investment options can be found in the FriendsLife document ‘How contributions are invested’.

Charges

FriendsLife make a fixed charge for providing the Plan administration and investment services. This is called the ‘Annual Management Charge’, or ‘AMC’. The AMC for the default investment fund – the FriendsLife My Future Fund - is currently 0.43% of your fund value – that is 43 pence for each £100 of your fund value. The AMC will be automatically reflected in your fund value.

Funds managed by other fund managers may carry a higher AMC. These are detailed in the FriendsLife guide - Choosing your own investment funds. Providers also have the right to charge additional expenses, which may vary.

Other fund choices

There are a large number of other funds available to you for investing your contributions. The FriendsLife ‘Choosing your own investment funds’ guide gives you full details of the funds available, selecting your own funds and details on the different lifestyle strategies.

Changing your investment funds

You should carefully consider where you want your pension contributions to be invested, as this may have a significant impact on your choices at retirement.

Important factors to consider might be your salary, other savings or pension arrangements and your attitude to risk. You may also want to consider getting independent financial advice. Any investment decision you make now is not final – indeed it is a good idea to review your retirement planning throughout your working life.

On joining the Plan, your ‘selected retirement age’ (or ‘SRA’) is set to age 65, unless you specify otherwise. You can currently change your SRA to any age from 55 onwards, by contacting FriendsLife directly. It is important that you review your SRA and advise FriendsLife as soon as possible if you want to change it. Otherwise, any automatic changes to your investments may be made at the wrong time, which could mean becoming exposed to unnecessary risk. You can change your SRA by contacting the FriendsLife team on 0345 602 9221.

Please note that there are no guarantees for this investment option and the value of your investment may go up or down.
Keeping track

FriendsLife will send you an annual benefit statement that will show:

- details of the contributions paid;
- the current value of your fund; and
- an estimate of the benefits you might receive, based on the contribution rate at the time.

If you prefer, you can register for online access to your personal pension details, by visiting the [Accessing your plan online section](#) of the FriendsLife University of Leicester microsite

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Important information

Some funds invest in a particular market, with the investment manager for that fund choosing the assets. You may only want to choose specialist funds like this if you are familiar with investing (and the risks it involves), or if you are familiar with that market or how the fund might behave.

Typical examples include:

- If you invest in overseas funds, changes in currency exchange rates may affect the value of your investments. Some funds in regions where markets are still developing (often called 'emerging markets') may be especially volatile, with dramatic falls and rises in value.
- Property funds can carry extra risk because of the time it takes to buy and sell property – this may make the funds more volatile and you may find that there are delays with moving money you have 'tied up' in property to another type of investment.
- Some cash or deposit funds are actually 'money market' funds that invest in different types of asset. As a result, these funds can be more volatile than ordinary cash investments and may rise and fall in value. This means the value of your capital – the original amount you invested – is not guaranteed.

Please familiarise yourself with the descriptions from the fund guide and take advice as appropriate to your circumstances.
Leaving service

If you leave the University, you keep the fund you have built up.

You may:

- Leave your benefits in your fund and they will continue to be invested in the funds you choose.

- Continue paying contributions to your fund independently of the University (The University’s contributions will cease as you have left employment).

- Transfer your fund to another pension arrangement.

- Use your fund to take a pension by your chosen method if you are aged 55 or over.

The most suitable option for you will depend on your circumstances at the time you leave the University employment. You may wish to seek independent financial advice before making any decisions.
Taking your benefits

There are several options to choose from when taking your benefits.

You can currently take up to 25% of your fund value as a tax-free cash sum. The rest of your fund can be used to provide an income for you, either by:

- the purchase of an annuity; and/or
- the drawdown of cash over a period of time, otherwise known as ‘Flexi-access drawdown’;
- the withdrawal of cash as a single sum

The level of your benefits will depend on the size of the fund you have built up. You can currently draw retirement benefits from age 55 onwards. (You do not need to retire or leave University first.)

Annuities

If you decide to buy an annuity, your options are:

- Pension for yourself – a regular income, payable for life.
- Pension increases – you may choose whether your pension remains at its starting level, or increases in payment (normally to help protect it against rises in the cost of living).
- Family pensions – you can choose to have a pension paid to your spouse or other dependents following your death.
- Guarantee – you can have your pension guaranteed for a minimum length of time (up to 10 years) – that is, if you were to die within this guarantee period, your pension would be paid in full for the rest of the period.
- Term – you can buy an annuity for a fixed number of years rather than one which continues until your death.

Please note that you have a fixed amount of money (your fund value) for providing benefits – so for each ‘extra’ option you choose, you will start with a smaller amount of pension.

You should also bear in mind that your pension will generally be smaller the earlier you take your benefits. This is because fewer contributions will have been paid in, your fund will have been invested for a shorter period of time, and your pension is likely to be paid for a longer period. On the other hand, the later you take your benefits the higher your pension is likely to be, because more money will have been paid into your fund, it will have been invested for longer and your pension will potentially be paid over a shorter time.

Before taking your benefits you will receive a statement from FriendsLife showing full details of your options and more information about buying pensions.

You can buy your annuity from an insurance company of your choice – you do not have to take your benefits from FriendsLife.

Flexi-Access Drawdown

Instead of buying an annuity, you may draw an income from your fund and carry on investing the rest. If you are thinking of doing this, remember that your fund – and the income you receive – may go up or down depending on how well your investment choices perform.

For more information with regards to this option, please call FriendsLife’s Retirement Information Centre on 0800 023 4298.

Taking your pension as a cash lump sum

It may be possible for you to cash-in your fund. Under current legislation the first 25% will be tax-free but the remaining 75% will
be subject to tax. Further details will be provided by FriendsLife at retirement.

Making your choice

There are some important things to consider when deciding what to do with your retirement savings. You’re likely to have many years to enjoy in retirement, therefore it’s important to plan how much you need, make your savings last and understand the tax implications.

Guidance

Pension Wise is the Government’s new free, impartial and independent guidance service to help you understand your choices. It is available to those aged 50 or over. Pension Wise offers you:

- tailored guidance (online, over the telephone or face to face) to explain what options you have and to help you think about how to make the best use of your pension savings
- information about the tax implications of different options and other important things you should think about
- tips on getting the best deal, including how to shop around

Visit www.gov.uk/pensionwise for more information or to book an appointment call 030 0330 1001.

Advice

Before you make any decision we strongly recommend you consider taking professional advice. You can find an independent adviser by going to www.unbiased.co.uk.

Alternatively, if you call FriendsLife’s Retirement Information Centre on 0800 023 4298, they will be able to refer you to an IFA firm called Foster DeNovo. Please note that any fees associated with using Foster DeNovo or any other IFA will be met by you and not the University. You will need to enter into your own individual agreement directly with the IFA.

Other resources

The Pensions Advisory Service (TPAS) is an independent, non-profit organisation that provides free information, advice and guidance on pensions. It can also deal with potential complaints from members regarding their scheme.

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
Telephone: 0345 601 2923
Website: www.pensionsadvisoryservice.org.uk

The Money Advice Service provides free and impartial money and pensions advice on their website: www.moneyadviceservice.org.uk

You should be aware that pension scams are on the increase in the UK. The Pensions Regulator provides guidance on how to avoid these scams on its website at www.thepensionsregulator.gov.uk/pension-scams.aspx

The Financial Conduct Authority also has guidance on its website on how to avoid being scammed and also on how to check whether your adviser is authorised at www.fca.org.uk/consumers
Protecting your family

Financial protection for your dependents is available from the Plan.

If you die before taking your benefits...

The fund you have built up to the date of your death would be payable to your beneficiaries as a cash sum.

Your wishes

It is important that you complete a nomination form outlining who you would like to receive any benefits following your death. Equally, if your personal situation changes – for example, you marry, divorce or become a parent – you may need to update any nomination form you have already completed.

A copy of the nomination form can be found on the FriendsLife University of Leicester microsite or by calling FriendsLife on 0345 602 9221

If you die after taking your benefits...

The benefits payable will depend on whether you chose to buy an annuity at retirement (rather than draw an income or take your pension as a cash lump sum) and, if so, whether you included pensions for your partner or family.
Maternity and family leave

Maternity leave (and adoption leave)

Your maternity leave will still count as pensionable service as long as:

- you have been employed by the University for 26 weeks by the end of the week you are 15 weeks from the expected date of delivery, and
- you are still receiving your contractual salary or statutory maternity pay (SMP) from the University.

The University and you maintain pension contributions during Maternity Leave, as long as contractual pay or SMP is payable. During Maternity Leave, your contributions will be calculated as a percentage of maternity pay (i.e. actual pay). However, the University’s employer contributions will be calculated on your normal rate of pay. The University will also pay the shortfall in your employee contributions (i.e. the difference between the contributions you will pay based on your maternity pay and the normal employee contribution based on your normal rate of pay) so that full employee contributions are made during the paid period of Maternity Leave.

During unpaid Maternity Leave, the University’s employer pension contributions will cease unless you continue to pay employee contributes to the plan. If you decide to continue your pension contributions the University will also continue to pay the employer contributions.

Employment during Maternity Leave will be treated as continuous service for the purposes of the University’s Life Assurance and Income Protection schemes

If you are in the PSS scheme prior to taking maternity leave, you will be required to temporarily suspend this arrangement for the period of your maternity leave as PSS is not compatible with SMP.
Tax and your benefits

Are there any limits to how much I can build up?

There are limits to the amount you can build up tax-efficiently – these limits are set by HM Revenue & Customs.

**Tax limits**

All of your contributions, including any additional voluntary contributions, are currently eligible for tax relief at the highest rate of tax that you pay.

Retirement lump sums (up to 25% of the value of your total benefits) are paid tax free. Tax is payable on all pensions (including any lump sums in excess of the tax-free allowance) unless your tax office advises otherwise.

HM Revenue and Customs sets a limit on the maximum amount you can build up in a single year in a tax-preferential way, called the annual allowance. There are also limits on the maximum value you can build up in a tax preferential way over your lifetime for your retirement, called the lifetime allowance.

Finally, there is a limit to the amount of tax-free cash you can take at retirement.

**Annual Allowance**

HMRC operates a restriction on the level of contributions that you (and the University) can make into your pension(s) in any tax year. This is called the annual allowance and at April 2016 is set at £40,000. If the total payments into the Plan made by you and the University, plus contributions made to any other pension arrangements, are likely to be close to £40,000 in any tax year you may face a tax liability.

The annual allowance falls to £10,000 if you are already in receipt of benefits from a defined contribution pension.

If you draw your benefits due to ill health (provided this satisfies the requirements set by HMRC) or die while still building up your plan, the annual allowance will not apply in that year.

**Lifetime allowance**

The lifetime allowance applies to the value of all the pension benefits you build up from all sources* (apart from the State) over your working life. For the 2016 / 2017 tax year the allowance is £1 million.

You are allowed to build up benefits over the lifetime allowance, but you would have to pay a tax charge on the excess. This charge is

- 25% if you take the excess benefits as a pension or annuity (which would then be subject to Income Tax)
- 55% if you take the excess as cash.

Before benefits are paid the ‘administrator’ will ask about the % of lifetime allowance used and you will need to find the information from all of your pension sources (exception of the State pension)

Again, if you think your contributions or benefits may be close to either of the allowances, please consider taking financial advice about the most suitable action to take.

* Widow’s pensions and other pensions paid to you following the death of someone else may be ignored.
Important note – do you have Primary, Enhanced, Individual or Fixed Protection?

If you join an employer’s pension plan or a life assurance scheme you will lose your Enhanced or Fixed Protection. If you join an employer’s pension plan through automatic enrolment but opt out within the one month period, you will be treated as if you have never been a member and you will not lose your protection.

If you have Primary Protection or Individual Protection 2014, pension contributions can continue to be paid into your pension plan. Please note that any pension savings in excess of your protected lifetime allowance will be subject to a lifetime allowance charge.

If you believe that this issue may affect you, you must seek independent financial advice before joining either the Plan or the Life Assurance Plan (please note that this advice is at your own cost).

The University of Leicester, FriendsLife and its advisers are not responsible for any tax charge or loss of tax relief you incur through joining or being automatically enrolled into the Plan.
State benefits

The State pension until April 2016 was made up of two parts, payable from State Pension Age:

- **The Basic State Pension** – a flat rate amount payable to everyone who has paid enough National Insurance contributions.

- **The State Second Pension (S2P formerly SERPS)** – which provides mostly earnings-related benefits. The total benefit is based on your full earnings built up over your working lifetime.

State Pension Ages have been under ongoing review by the Government, and your own State Pension Age depends on both your sex and date of birth. You can use the State Pension age calculator on the Government’s website [https://www.gov.uk/state-pension-age](https://www.gov.uk/state-pension-age) to find your State Pension age, based on the rules currently in force.

A new State Pension system came into effect from 6 April 2016. More information can be found at: [https://www.gov.uk/new-state-pension/overview](https://www.gov.uk/new-state-pension/overview)

You can get an indication of your State pension by visiting the Government’s website at: [https://www.gov.uk/check-state-pension](https://www.gov.uk/check-state-pension)
Security
Life assurance

Who is eligible?

The Life Assurance Benefit is provided under a separate arrangement for all members of staff who are contributing members of the Pension Plan.

How do I join?

As a member of University staff, who is enrolled in the Pension Plan, you are automatically included within the Life Assurance Benefit arrangement upon joining the Plan unless you request otherwise. The Life assurance Benefit Arrangement is administered by the University in trust.

It is important that you notify the Trustee of the Life Assurance Plan (i.e. the University) of the person(s) whom you would like to benefit in the event of your death. You can do this by completing the appropriate Expression of Wish form which can be obtained upon request from the University's Pension Office. The Expression of Wishes form is not legally binding but the Trustee will take account of your wishes. If you have previously completed a form, a new one is not required unless you wish to change your nominated beneficiaries. Please note this is a separate form from the ‘nomination form’ referred to under the ‘Protecting your family’ section of this guide

The life assurance company may apply special terms to some individuals – they will let you know if this applies to you.

Level of cover

As a contributing members of the Pension Plan, if you die while still in employment at the University, a lump sum life assurance benefit of five times your basic salary will be payable.

The Life Assurance arrangement has a ‘free cover level’ – that is, a level of cover that can be paid out without the need for any medical underwriting. The free cover level may be sufficiently high to mean that you would receive the full level of cover without underwriting. If not, University of Leicester will let you know what to do next so that you can qualify for the full level of cover.

If you leave...

Cover will cease if you leave the employment of the University. Cover will also cease at age 75 if you are still in service and are contributing to the Plan.
Income protection

If, after you have been unable to work for a continuous period of 52 weeks due to injury or serious ill health, you may be eligible to receive an income from this insurance arrangement. You will become eligible for this benefit on joining the Plan. This benefit is administered by the insurance company and payment is subject to their terms and requirements.

The benefit provider may apply special terms to some individuals – they will let you know if this applies to you.

**Level of cover**

The income payable would be 50% of your salary (before your injury or illness), less a deduction for Employment and Support Allowance.

Depending on the terms of the benefit, you will receive this income if you cannot carry out your own role (or any other). You may receive a scaled down level of income if you can return to do some form of work – for example, by reducing your hours, taking on fewer duties or moving to a suitable role with less pay.

Please make sure you read the full details of the cover (available on request) and understand any special conditions that may apply.

The Income Protection arrangement has a ‘free cover level’ – that is, a level of cover that can be paid out without the need for any medical underwriting. The free cover level may be sufficiently high to mean that you would receive the full level of cover without underwriting. If not, University of Leicester will let you know what to do next so that you can qualify for the full level of cover.

**Paying the benefit**

| You will receive this income through payroll in the normal way (and pay tax and National Insurance on it accordingly), until you return to work, reach the Plan’s default SRA of 65, or die. If your claim continues for 12 months or more, your income will increase by up to 3% a year, to help protect it against inflation. |

| During any period of long-term absence, both your own and University of Leicester’s pension contributions will continue and you will usually remain covered for the life assurance benefit for as long as you remain an employee. |

**If you leave**

This benefit will stop immediately if you leave the University or if you withdraw from the Pension Plan while remaining in University employment.
Further information

About the Plan
University of Leicester has appointed KPMG LLP, to advise them on the Plan, Life Assurance and Income Protection Plan. Because KPMG LLP is paid by fees by University of Leicester, rather than by commission from FriendsLife, you will not pay any extra charges if you join the Plan other than those detailed in this Guide and the FriendsLife ‘Choosing your own investment funds’ guide. Please be aware, KPMG LLP acts as adviser to the University and not to individual members. Accordingly, no financial advice will be given to members.

FriendsLife is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

About this Guide
This Guide aims to give you an accurate summary of how the benefits work. However, it cannot cover everything. If you need more information please contact University of Leicester’s Pension Office.

The FriendsLife information and policy documents will always over-rule this Guide if any differences between them come to light.

University of Leicester has the right to make changes to your benefits package, including reducing or withdrawing employer contributions (where applicable), within current law. If this were to happen, you would receive full details of the changes.

Taking advice
If you are unsure whether any of the benefits covered in this booklet are suitable for you, please consider seeing an independent financial adviser. Any costs of seeking advice would be met by you.

You can find an independent financial adviser by going to www.unbiased.co.uk

Queries
If you have a query with regards to the Plan, please contact FriendsLife on 0345 602 9221. You can access specific information relating to your benefits under the Plan by registering on the ‘membersite’. You can register online by accessing the link www.FriendsLife.co.uk/membersite or via the microsite specifically set up for the Plan, http://FriendsLifepension.co.uk/UOL.

The membersite gives you access to a forecaster to help you estimate how much your pension and savings could grow to and an investment analysis tool to help you understand your overall investment portfolio.

Other queries and complaints
If you have a query you would like to raise with University of Leicester or a complaint, please contact:

Pensions Office
University of Leicester
University Road
Leicester
LE1 7RH

Tel: 0116 252 2404

If you cannot settle your complaint with the Pensions Office, you may be entitled to refer it to the Financial Ombudsman Service; visit www.financial-ombudsman.org.uk or call 0800 023 4567 for further information.
The Pensions Advisory Service (TPAS)

TPAS is an independent non-profit organisation that provides free information, advice and guidance on all pensions, including State, company, personal and stakeholder schemes. TPAS is available to help at any time if you have questions about your own pension arrangements.

TPAS
11 Belgrave Road
London
SW1V 1RB
Tel: 0345 601 2923
www.pensionsadvisoryservice.org.uk

You can also find more information about the automatic enrolment rules on the TPAS website at: www.pensionsadvisoryservice.org.uk/automatic-enrolment

The Financial Services Compensation Scheme (FSCS)

FriendsLife is covered by the FSCS. You may be entitled to compensation from the FSCS if FriendsLife cannot meet their obligations. This depends on the type of business and the circumstances of the claim.

For further information about compensation scheme arrangements please contact the

FSCS at: 10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU

Tel: 0800 678 1100 or 0207 741 4100
www.fscs.org.uk