Can I leave the UREPF before I am due to retire?

If you leave the UREPF before you reach retirement, you will be entitled to a pension from the UREPF at Normal Pension Age. This will be based on your CARE pension built up from 1 August 2011 and any pre CARE pension built up before 31 July 2011, revalued to your actual retirement date. After leaving, you will not build up any more benefits under the UREPF.

If you are considering leaving the UREPF for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action. You should also note that as UREPF is closed to new entrants, you will not be able to re-join.

Sources of further information

If you have any questions, or would like any more information, please contact the Pensions Office, Room 110, Whiteknights House, University of Reading, PO Box 227, Reading. RG6 5AH or send an e-mail to pensions@reading.ac.uk or telephone 0118 378 7121.

At the end of this statement is a list of formal documents which provide further information about the UREPF. Copies are available from the Pensions Office.

As part of our commitment to keep you informed about your pension, the Trustees will be sending you a Summary Funding Statement, like this one, each year. It is important to keep us informed of address changes to ensure our communications reach you so if you change address you should let us know so that we can update our records. If you are a contributing member employed by the University please log on to Employee Self Service by following the link from the HR homepage (see the website address at the bottom of the back page). Alternatively, please contact the HR Department. Pensioners and members who are no longer employed by the University should send their new address details to the UREPF administrator (quoting your National Insurance number):

Barnett Waddingham
The University of Reading Employees’ Pension Fund
St. James’ House
St James’ Square
Cheltenham, GL50 3PR

Additional formal documents available on request from the Pensions Office:

- The Statement of Funding Principles – explains how the Trustees plan to manage the UREPF with the aim of being able to continue to provide the benefits that members have built up.
- The Schedule of Contributions – explains how we invest the money paid into the UREPF.
- The Actuarial Report and Accounts of the UREPF – shows the UREPF’s income and expenditure for the year ending 31 July 2016.
- The Actuarial Valuation Report as at 31 July 2016 – contains details of the Actuary’s check of the UREPF’s financial situation as at 31 July 2016.
- The Actuarial Valuation Report as at 31 July 2015 – contains details of the Actuary’s check of the UREPF’s financial situation as at 31 July 2015. Previous year’s Annual Actuarial Reports are also available on request.
- The members’ explanatory booklet – explains how the UREPF works.
Measuring the UREPF’s financial security

For each year you pay contributions to the UREPF, you earn benefits based on your Reference Salary. If you have left the UREPF, you will only have earned benefits during the time that you were a member while you were in active service or if you retired.

If you are a former member who has now retired or the widow, widower or registered civil partner of such a member, you will now be receiving a pension from the UREPF.

The estimated cost of providing the benefits you and other members have earned to date is known as the UREPF’s ‘liabilities’. The University pays in contributions to ensure that these liabilities can be met when you retire.

As at 31 July 2014, the Fund’s assets were £136.7m and the liabilities of the Fund were £135.1m.

The Trustees’ recovery plan

Following the 2014 valuation, the Trustees agreed a plan with the University to improve the UREPF’s finances over a 5-year period, from 1 August 2015.

This was motivated by this year’s Actuarial Valuation, which highlighted that as the market conditions were extremely volatile, no actions would be taken to change the investments. This was decided because the investment returns provide a good match against the Fund’s pension liabilities. The Fund also chose to retain its £50m holdings in equities in order to obtain some growth on the asset base.

The next valuation is as at 31 July 2017 and once this has been completed, the Trustees will revise the Investment Strategy again to ensure that it remains appropriate.

Financial support for the UREPF

Following each actuarial valuation, the University’s Actuary examines the UREPF’s needs to pay to cover the cost of benefits and in the future. We then agree a level of contributions for the UREPF with the University and the Trustees. The University also assesses the UREPF’s funding position in light of the investments that have been achieved by the Fund’s assets over the year.

Investments held by the UREPF

The Pensions Regulator has legal powers to make any directions following a valuation as to:

• the methodology used to calculate the Fund’s financial position and the length and structure of the recovery plan;

• the contributions that should be paid under the schedule of contributions.

However, the Regulator has never had to use these powers in respect of the Fund.

Paying for your pension

For example, the rate at which the UREPF’s assets grow on the assets.

The Trustees review and update the Schedule of Contributions at least each time the UREPF has an actuarial valuation. We also agree a funding plan with the University, called a Statement of Funding Principles. This sets out how we will manage the Fund.

Financial support for the UREPF

The Trustees review and update the Schedule of Contributions at least each time the UREPF has an actuarial valuation. We also agree a funding plan with the University, called a Statement of Funding Principles. This sets out how we will manage the Fund.

The level of benefits available from the Fund is defined in terms of a Schedule of Contributions as at the time of buying the policy. By definition, this schedule includes the assumptions used to be made about what will happen in the future, for example, the rate at which the UREPF’s assets will grow.

The Joseph Rowntree Foundation 2015

The Trustees have also reviewed the Investment Strategy of the Fund. It was agreed to pay 62.4 per cent in 2015/16, 62.1 per cent in 2016/17, 62.4 per cent in 2017/18, and 62.2 per cent in 2018/19 and 61.6 per cent in 2019/20.

These shortfall contributions will be paid on top of the University’s regular contributions (see Paying for your pension on the right).

To cover the amount of the shortfall, assumptions have to be made about what will happen in the future, for example, the rate at which the UREPF’s assets will grow. If the assumptions do not turn out to be correct, it may be necessary to adjust the level of contributions in future to remove the shortfall.

The level of contributions that is required to be paid to cover the cost of benefits and in the future. We then agree a level of contributions for the UREPF with the University and the Trustees. The University also assesses the UREPF’s funding position in light of the investments that have been achieved by the Fund’s assets over the year.

Making good any shortfall in the UREPF’s financial position is dependent on future investment performance and continuing extra contributions from the University.

Investments held by the UREPF

The Trustees review and update the Schedule of Contributions at least each time the UREPF has an actuarial valuation. We also agree a funding plan with the University, called a Statement of Funding Principles. This sets out how we will manage the Fund.

The level of benefits available from the Fund is defined in terms of a Schedule of Contributions as at the time of buying the policy. By definition, this schedule includes the assumptions used to be made about what will happen in the future, for example, the rate at which the UREPF’s assets will grow.

The level of benefits available from the Fund is defined in terms of a Schedule of Contributions as at the time of buying the policy. By definition, this schedule includes the assumptions used to be made about what will happen in the future, for example, the rate at which the UREPF’s assets will grow.

The Trustees have also reviewed the Investment Strategy of the Fund. It was agreed to pay 62.4 per cent in 2015/16, 62.1 per cent in 2016/17, 62.4 per cent in 2017/18, and 62.2 per cent in 2018/19 and 61.6 per cent in 2019/20.

These shortfall contributions will be paid on top of the University’s regular contributions (see Paying for your pension on the right).

To cover the amount of the shortfall, assumptions have to be made about what will happen in the future, for example, the rate at which the UREPF’s assets will grow. If the assumptions do not turn out to be correct, it may be necessary to adjust the level of contributions in future to remove the shortfall.

The level of contributions that is required to be paid to cover the cost of benefits and in the future. We then agree a level of contributions for the UREPF with the University and the Trustees. The University also assesses the UREPF’s funding position in light of the investments that have been achieved by the Fund’s assets over the year.

Making good any shortfall in the UREPF’s financial position is dependent on future investment performance and continuing extra contributions from the University.

If the UREPF had to wind up

Winding up a pension scheme means closing it down. The Trustees then have to deal with all the assets elsewhere. If the UREPF started to wind up, the University would be legally required to take steps to ensure that members’ benefits were protected. In addition, the Pensions Regulator may require the Trustees to offer a continued benefit to members. The Government has set up the Pension Protection Fund (PPF) to pay certain benefits if a pension scheme is wound-up, where the scheme and its employer are unable to pay certain benefits. The PPF seeks to cover the cost of paying at least the same level of benefits with an insurance product. If the PPF is unable to pay benefits, a pension from the PPF may be less than the benefit built up in a personal pension scheme.

Further information and guidance is available on the PPF website at www.pensionprotectionfund.org.uk. Or you can write to the Pension Protection Fund, PO Box 25, Croydon, Surrey CR9 2NA or by the telephone on 0845 600 2045.