

**From:** [USS-Members](#) on behalf of [Stephanie May](#)  
**To:** [uss-members@lists.reading.ac.uk](mailto:uss-members@lists.reading.ac.uk)  
**Subject:** USS - Voluntary Salary Cap  
**Date:** 31 August 2016 09:04:48  
**Attachments:** [Voluntary Salary Cap Factsheet.pdf](#)  
[ATT00001.txt](#)

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Dear Colleague

Although I am sending this email to all members of USS at the University of Reading and Southern Universities Management Services, it is primarily aimed at anyone earning in excess of £55,000 pa and who is at or close to the Annual or Lifetime Allowance thresholds and who wishes to consider managing the accrual of their pension benefits. This is because the option detailed below is only available to those earning in excess of this amount.

### **Voluntary Salary Cap (VSC)**

As part of the USS changes being introduced this year, from 1 October 2016 it will be possible for individuals affected or potentially affected by pension taxation issues (Lifetime Allowance and / or Annual Allowance) to voluntarily elect for a limit to be placed on the amount of their pay which will be pensionable. This is known as the **Voluntary Salary Cap** and the attached USS factsheet gives more detailed information.

If you are affected or may be affected by these pension tax allowance thresholds, please take the time to read the factsheet along with the information available on the tax pages of the [USS website](#) as these give more detailed information. However, the key points are:

- the Voluntary Salary Cap level can be chosen by you, the member, but it cannot be lower than the USS salary threshold – currently £55,000;
- the election can be made effective from **1 October 2016** or from **1 April 2017**, or from any 1 April thereafter;
- the election can be cancelled with effect from 31 March each year;
- once made, the election will continue in force unless you choose to cancel;
- an election form can be obtained from myself or by emailing [pensions@reading.ac.uk](mailto:pensions@reading.ac.uk);
- the deadline for return has been set by USS Ltd as 2 September;
- death benefits will be based on the elected salary rather than your full pay *unless* you choose to pay contributions at the rate of 2.5% on the salary in excess of your chosen VSC.

The deadline set by USS Ltd for the return of this form is **2 September**. However, internally, in order to ensure members have sufficient time to obtain and complete a form should they so wish, we ask that **you return the form to me by 16 September 2016** but please make sure it is **dated no later than 2 September 2016**.

If you are not sure if the VSC is right for you and your circumstances, you do not have to make the election effective from 1 October as you can elect for it to start from 1 April 2017, and thus have until 28 February 2017 to take the relevant advice and submit the form.

Please note that neither I nor members of the pension team are able to provide you with financial advice.

Kind regards

Stephanie

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