

25<sup>th</sup> August 2011

Dear Colleague

The University is writing to members of USS, USPAS and SGSS about the introduction of Salary Exchange on pension contributions. This is an arrangement whereby an employee gives up an amount of his/her cash salary equivalent to the contributions he/she is making to an approved employer pension scheme. In return, the employer agrees to increase the employer pension contribution to the pension scheme by the same amount.

However, you should not join Salary Exchange if your total pay before Salary Exchange will be below:

£5664 a year for a USS member;  
£5765 a year for an USPAS member;  
£5468 a year for an SGSS member

This is because when you deduct the pension contribution the result is below the NIC lower earnings threshold of £5304 a year.

For this reason the University has set an initial safeguard limit of £7800 per annum.

The University has identified that your earnings are below this safeguard limited and therefore we are writing to let you know that you will automatically be **opted out** of Salary Exchange.

What this means is that you will continue to contribute to the pension scheme in the same way as you do at the moment.

If your earnings are around £7800 and want to participate, please contact Tracey Llewellyn, HR Administrator.

To find out more information on Salary Exchange visit:

[www.sussex.ac.uk/humanresources/salaryexchange](http://www.sussex.ac.uk/humanresources/salaryexchange)

Yours sincerely

Jane Summerville  
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