



JOINT STATEMENT AND AGREEMENT BETWEEN THE UNIVERSITY OF EXETER, THE UNIVERSITY AND COLLEGE UNION, UNITE AND UNISON REGARDING PENSION SALARY EXCHANGE.

Introduction

- 1 The University and trade union representatives welcome the benefits which will accrue to the university and its staff through Pension Salary Exchange.
- 2 Subject to the terms detailed in paragraphs (4) to (8) below and the principles in paragraphs (9) to (14) below, the University and trade union representatives agree that Pension Salary Exchange should be introduced from 1 August 2007 for current employees who are contributing members of the Universities Superannuation Scheme (USS) and the University of Exeter Retirement Benefits Scheme (ERBS).
- 3 This agreement is an addendum to the agreed Conditions of Employment.

Participation in salary exchange scheme for pensions

- 4 All employees of the University on 1 August 2007 who are contributing members of USS or ERBS will automatically become participants in Pension Salary Exchange, subject to the right to opt-out within the defined window period or in the event that a 'life changing event' occurs.
- 5 New employees who commence their employment with the University after 1 August 2007 will automatically join the Pension Salary Exchange scheme three months after they become contributing members of USS or ERBS, subject to the right to opt-out.
- 6 Employees who are not contributing members of USS or ERBS will not be eligible to participate in Pension Salary Exchange.
- 7 Employees will not be eligible to participate in the scheme if their participation would reduce their pay below the National Minimum Wage.
- 8 The salary exchange scheme for pensions shall operate by:
 - (a) the employee agreeing to give up the proportion of their salary which is paid to USS or ERBS (as appropriate) as the employee contribution; and
 - (b) the University contributing an equivalent sum as 8(a) to USS or ERBS (as appropriate) in addition to the employer contribution; and
 - (c) benefits under USS or ERBS (as appropriate) and for the purposes of contractual benefits (ie University Sick Pay, University Maternity Pay, overtime and pay-in-lieu of holiday for staff who leave during the holiday year) will continue to be based on the 'reference salary'. (The 'reference salary' is the value of the salary that would be payable had the salary exchange scheme not been entered into.)

Principles

- 9 The savings which accrue to individual employees through reduced employee National Insurance Contributions will be retained by each participating employee.
- 10 The savings which accrue to the University through reduced employer National Insurance Contributions will, after accounting for implementation and administration costs, be retained by the employing School or Service, to be used to support the functions and goals of that School or Service.

- 11 Through individual employee communications, documents, presentations, telephone support and the internet, the University will ensure that every member of staff employed by the University at 1 August 2007 is aware of the salary exchange scheme and its benefits and implications and of the right to opt-out.
- 12 In particular, the University will ensure that those staff who may be disadvantaged by participating in the scheme – eg those whose pay may fall below the National Insurance Lower Earnings Limit or those who may exceed HMRC pension limits if they participate or those in receipt of Working Tax Credits – are given clear information about their situation and are advised to seek independent financial advice.
- 13 The Pension Salary Exchange is subject to the approval of HM Revenue and Customs (HMRC) and may be withdrawn or modified by the University, following consultation with trade union representatives, in the event that HMRC approval is withheld.
- 14 In the event of a change in HMRC rules affecting the salary exchange scheme for pensions, the University reserves the right to suspend withdraw or modify the scheme, following consultation with trade union representatives.

Date: June 2007