



# Enhanced Defined Benefit (DB) pension benefits on redundancy

While the benefit is referred to as ‘enhanced redundancy’, this benefit is about how your DB pension benefits are treated if you are in a severance/redundancy situation.

This is available to all DB members who moved to the hybrid section or defined contribution section on or after 1 April 2018 (and have not transferred their benefits or started to receive their pension).

The table below shows how a defined benefit members’ pension is calculated in this situation. There are some differences between DB sections. The actual severance payment in relation to termination of employment is dealt with separately.

## UUPS Enhanced pension benefits on redundancy: how it works

Pension section	Benefit for members over age 50 at point of severance/redundancy
<b>Defined Benefit Section (for joiners after 1 April 1998) &amp; M&amp;S Section</b>	Pension benefits paid immediately (only applies to members in the scheme before 5 April 2006*) as follows: <ul style="list-style-type: none"> <li>• Benefits accrued prior to April 2010 will be reduced in respect of the period until age 63 (rather than age 65)</li> <li>• Post April 2010 benefits are reduced from Normal Retirement Age**</li> </ul>
<b>Water Pension Section &amp; Mirror Image Section &amp; Local Government Section &amp; Lattice Section</b>	Pension benefits paid immediately: <ul style="list-style-type: none"> <li>• Benefits accrued prior to April 2010 will be unreduced.</li> <li>• Post April 2010 benefits are reduced in respect of the period from Normal Retirement Age**</li> </ul>

\* Members who joined the scheme after 5 April 2006 are able to draw immediate pension if they are age 55 or over at point of severance/redundancy. The same calculations as above would apply.

\*\* Normal Retirement Age is State Pension Age applicable to the individual, subject to a minimum age of 65. You can check your State Pension Age by using the Government’s state pension calculator.

## DC Top up/AVC options

- If you are over 55, you can access your DC/AVC pot or decide to leave it invested in the scheme
- If you are under 55, and joined the scheme before April 2006 you must take your DB, DC topup & AVCs at the same time

If you don’t any benefits you receive before age 55 would be unauthorised payments and result in extra tax for you and the Scheme.

For further information on the DC/AVC options please see the “DC retirement options” leaflet on the pensions website.

## Money Purchase Annual Allowance

If you take your DC pot (including AVCs) on a “flexible” basis the amount you can pay into pension savings and still get tax relief will be reduced to the “Money Purchase Annual Allowance (MPAA)”. For further details please see the MPAA leaflet, held on the pensions website or visit [www.gov.uk/tax-on-your-private-pension/annual-allowance](http://www.gov.uk/tax-on-your-private-pension/annual-allowance).

For further information please contact WTW. Details can be found in the 'Contact Us' section of the UU pensions website