



# Your pension option: an overview

## Option to join the Universities Superannuation Scheme (USS)

This note provides an overview of the option to join an alternative pension scheme available to you from 1 August 2026 when the University of Kent merges with the University of Greenwich to become the London and South East University Group (“LASE”).

Following the merger, all Professional Services staff on Management Pay spines will have the option of joining the Universities Superannuation Scheme (USS).

You are currently a member of, or eligible<sup>1</sup> to be a member of the London Pension Fund Authority (LPFA) which provides benefits in the Local Government Pension Scheme (LGPS).

**Therefore, you will have the option to opt out of the LPFA and join USS from the date of the merger onwards. You can exercise your option to join USS at any time from 1 August 2026.**

**However, if you choose to opt out of the LPFA and join USS, this is an irreversible decision, and you will not be eligible to rejoin the LPFA in the future.**

Both the LPFA and USS provide:

- tax-efficient retirement savings
- a guaranteed pension for life
- a choice of retirement age
- life assurance and ill-health benefits

There is variation between the schemes, and more details are provided in the supporting documents and FAQs on the LASE pensions portal. This document provides an overview only. Leaving the LPFA is a big irreversible decision and so you need to be sure that opting out and joining USS is the right decision for you (if you wish to make this choice).



**If you are currently an LPFA member and wish to remain in the scheme, you don't need to do anything – your membership will continue.**

*Please note the information in this document is correct as at May 2026 but may be subject to change. If there are any discrepancies between the information provided in this document and the USS or LGPS rules, the rules will take precedence.*

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<sup>1</sup> This includes any members of the L&G Defined Contribution scheme eligible for the LPFA.

## At a glance: a comparison of the LPFA (providing LGPS benefits) and USS

Area	 <b>London Pension Fund Authority (LPFA)</b> providing Local Government Pension Scheme (LGPS) benefits	 <b>Universities Superannuation Scheme (USS)</b>
<b>Type</b>	<b>Defined benefit, career average</b> Benefits calculated using a formula applied to each year's pensionable earnings	<b>Hybrid:</b>  <b>Defined benefit, career average for earnings up to the salary threshold (currently £74,208)</b> Benefits calculated using a formula applied to each year's pensionable earnings up to a maximum of the salary threshold  <b>PLUS</b>  <b>Defined contribution for earnings above the salary threshold (currently £74,208)</b> Contributions invested in individual pot; retirement benefit depends on what has been paid in and investment returns
<b>What it costs you (currently)</b>	Ranges from 5.5% to 12.5% depending on your annual salary	6.1% of your annual salary
<b>Normal Pension Age<sup>2</sup></b>	Equal to your own State Pension Age	Age 66
<b>How pension builds up</b>	You build up a block of pension each year of 1/49th of your pensionable earnings	<b>Defined benefit (Retirement Income Builder)</b> You build up a block of pension each year of 1/75th of your pensionable earnings up to a maximum of the salary threshold  <b>Defined contribution (Investment Builder)</b> If you earn above the salary threshold you will also build up defined contribution benefits. Your 6.1% contribution plus 13.9% from your employer (on earnings above the salary threshold) is paid into your defined contribution pot
<b>Tax-free cash</b>	You will have the option of <b>converting</b> some of your pension for a tax-free cash lump sum on retirement	You are entitled to a tax-free cash lump sum of three times your defined benefit pension <b>in addition</b> to your pension

<sup>2</sup> Normal Pension Age: the age at which a member is entitled to receive their full, unreduced defined benefit pension without early retirement reductions

## Some things to consider about your option to join USS

In the LPFA, the amount of benefit you build up is based entirely on how long you are in the LGPS and your salary each year, providing a guaranteed income plus the option to exchange some pension for a cash lump sum on retirement.

In USS, the amount of benefit you build up is based on how long you are in the scheme and your salary each year up to salary threshold (£74,208 in 2026/27) providing a guaranteed income plus a cash lump sum on retirement. Above the salary threshold, you build up a savings pot and the benefit from this pot will depend on how much is paid in and investment performance on the savings.

**You need to be sure that opting out of the LPFA is the right decision for you, taking all factors into consideration as this is an irreversible decision.**

For more detail on your option, please refer to the supporting documents and FAQs on the LASE pensions portal.