

## The Teachers' Pension Scheme is changing from **1 April 2015**.

### An understanding of the changes

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**Welcome** to Factsheet 1 introducing the changes to the Teachers' Pension Scheme. Our series of factsheets will help you understand the changes to the scheme. They'll be supported by a series of case studies which will be referred to throughout the factsheets, focusing on the changes specific to each individual type of member.

## Who will join the career average arrangements?

### The Teachers' Pension Scheme arrangements will be both career average and final salary.

If you were an active member immediately before the **1 April 2012** and were within 10 years of your normal pension age (NPA) on that date, you're a **protected member**. You'll remain in final salary provided you don't have a continuous break in service of more than 5 years.

If you were an active member immediately before **1 April 2012** and were more than 10 years, but less than 13.5 years away from your NPA on that date, you'll be a **tapered member**. You'll remain in final salary until a later date and then move into career average on your "**transition date**". If you have a break of more than 5 years you'll move into career average when you return to service.

If you were more than 13.5 years away from your NPA on **1 April 2012** you will enter career average on **1 April 2015** as a **transition member**.

If you join the scheme on or after **1 April 2015** you'll automatically enter career average. If you were in another public service scheme prior to joining the Teachers' Pension Scheme you must let us know as you may have some protection we need to take account of.

If you're a **pensioner member** or are out of service you will only be affected if you return to pensionable service.



## Are the benefits any different from now?

From 1 April 2015, or your transition date under career average, for each year you work, you will accumulate a pension based on 1/57th of your earnings, including any overtime. Your total benefits will consist of the pension earned each year plus indexation, and you'll be able to see year on year what you've accumulated in your pension.

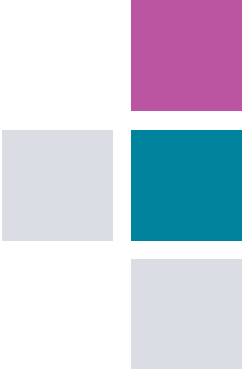
Final salary benefits are still based on service and an average salary that is determined when you retire.

### Career average example

Claire's earnings for 1 April 2015 to 31 March 2016 are £30,000. She will earn a pension for that year of:

$$\text{£30,000} \times \frac{1}{57\text{th}} = \text{£526.32}$$

## Is there any change to when I can retire?



Your normal pension age (NPA) in career average will be equal to your state pension age (SPA) or 65 where that is higher. You will still be able to retire before your NPA, but if you choose to do so your benefits will be reduced.

Your NPA in the final salary will remain age 60 or 65, dependent on when you joined the scheme.

## What happens to my benefits?

### What happens to my benefits in final salary when I retire?

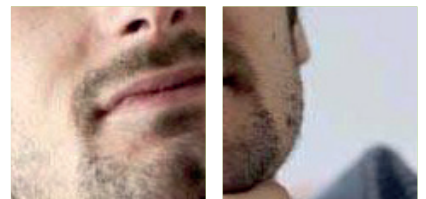
Any benefits you have built up in final salary will be protected.

### What happens to my benefits if I am in both final and career average?

Members with service in both career average and final salary will receive a pension with:-

- Benefits you have built up in final salary, plus
- Benefits you have built up in career average

If you are a transition member who has benefits in both final salary and career average (and don't have a continuous break in service of more than 5 years), your final salary benefits are protected and will remain in final salary. However when you retire, we will use the salaries you are earning in career average (excluding overtime) to calculate your final salary benefits (rather than the salary you were on when you left final salary). This means you will still benefit from any growth in your salary. This is called the final salary link.



## Benefits of your pension

Whilst there are changes to the Teachers' Pension Scheme, it's important to remember the excellent benefits you continue to receive:-

- Valuable life cover in the form of death in service benefits
- Optional lump sum
- Benefits for your dependants if you die
- Ill health retirement benefits
- A new range of flexibilities to buy extra pension.

For information and resources to help you understand the changes to the Teachers' Pension Scheme visit [www.teacherspensions.co.uk/change2015](http://www.teacherspensions.co.uk/change2015)