

Understanding which member type you are

April 2015



Introduction

The Teachers' Pension Scheme has introduced career average as well as final salary arrangements.

There are different types of members within the Teachers' Pension Scheme. Some members have remained in final salary arrangements only, some will have a pension in both final salary and career average and new members will move into the career average arrangement.

How will I know which member type I am?

As an active member of the Scheme you need to know which member type you are. Not all members have moved into the career average arrangement as transition members. Some members have remained in final salary as protected members, others have become tapered members who remain in final salary for a limited period and then transfer to career average on their 'transition' date (there is a table to help you understand this transition date).

If you were an active member immediately before 1 April 2012, it's important to understand how many years you were away from your NPA on that date. That'll help you to identify which member type you are. Our factsheet will help you understand whether you're now a protected, tapered or transition member and what that means to you.

We've created a series of case studies for each type of member and we would recommend you read the [case studies](#) first as we've referred to them in the factsheet.

Andy is a protected member

Do you, like Andy, have a normal pension age (NPA) of 60? Were you an active member of the Teachers' Pension Scheme immediately prior to 1 April 2012 and within 10 years of your NPA on that date? If the answer is yes to both these questions you, like Andy, you'll remain in the final salary arrangement until your retirement.

All of your benefits will be based on the current final salary arrangement. There'll be no changes to the benefits you and your family are currently entitled to receive.

You can still choose to increase your benefits by buying additional pension. You, like Andy, can still retire at your Normal Pension Age (NPA) of 60, you can also still decide to retire earlier too. If you decide to retire before your NPA, your benefits will be subject to an actuarial adjustment to take into account of them being paid early and for a longer period of time. Any dependents' benefits will be based on your benefits before the actuarial adjustment.

You can still consider taking phased retirements by taking up to two phased retirements before taking your final retirement.

Which arrangement are you in?

Darren like Andy was still within ten years of his NPA on 1 April 2012 but Darren's NPA was 65

Do you, like Darren, have a Normal Pension Age (NPA) of 65? Were you an active member of the Teachers' Pension Scheme immediately prior to 1 April 2012 and within ten years of your NPA on that date? If the answer is yes to both these questions you, like Darren, will also remain in final salary until your retirement.

All of your benefits will be based on the current final salary arrangements. There'll be no changes to the benefits you and your family are currently entitled to receive. You can still choose to increase your benefits by buying additional pension. You and Darren can still retire at your NPA of 65 or you can decide to retire earlier too. If you decide to retire before your NPA, your benefits will be subject to an actuarial adjustment to take into account of them being paid early and protected for a longer period of time. Any dependents' benefits will be based on your benefits before the actuarial member adjustment.

Like Andy you still have the option to take one or two phased retirements before deciding to finally retire from teaching.

Haroon the tapered member

Haroon was aged 52 years and 2 months on 1 April 2012. He has a Normal Pension Age (NPA) of 65 in final salary. As Haroon was more than 10 years but within 13.5 years of his NPA on the 1 April 2012, Haroon has tapered protection and will enter career average at a later date. He's a tapered period of protection and will enter the career average on his "transition date" which, in his case, will be on 1 August 2016.

He'll continue to build up final salary benefits until then and career average benefits after 1 August 2016. His NPA in career average will be 66 as that's the age he'll receive his state retirement pension (SPA). Your NPA in the career average arrangement is either your State Pension Age or age 65 whichever is the later date.

You can find out when you'll receive your state retirement pension by going to www.gov.uk/calculate-state-pension.

How it works for you

If you're a tapered member like Haroon and were more than 10 years but less than 13.5 years away from your NPA on 1 April 2012 you'll enter career average after 1 April 2015 on your "transition date". Click here to find out your transition date.

Tapered members like you and Haroon can still take your final salary benefits at age 65 (if you leave teaching as you'll have reached your final salary NPA). You could decide to take your career average benefits then too, but they'd be subject to one year of actuarial reduction. If you want to, you could choose to leave your career average benefits until you reach your new NPA and claim them then.

Provided you don't leave the Teachers' Pension Scheme for more than five years, you'll retain your tapered protection until your transition date and there'll be a link between the salaries you earn in career average and your final salary benefits.

After you join career average, you'll be able to access the new flexibilities.

Dianne is a transition member - are you?

Dianne entered teaching in September 1999. She was aged 36 on 1 April 2012. Dianne joined the career average arrangement on 1 April 2015 and will build up benefits in the career average arrangement. She'll have a Normal Pension Age of 67.

How it works for you

If you're like Dianne and were more than 13.5 years away from your normal pension age (NPA) on 1 April 2012, you'll also have joined the career average arrangement on 1 April 2015. You are a transitional member who'll have built up benefits in both final salary and career average arrangements when you retire.

Which arrangement are you in?

From 1 April 2015, you'll build up benefits in the career average arrangement. You'll retain your existing Normal Pension Age (NPA) for your final salary benefits but will have a new NPA in career average that will be either your State Pension Age (SPA) or age 65 whichever is the later date.

Find out when you'll receive your state retirement pension by going to www.gov.uk/calculate-state-pension.

Provided you don't leave the Scheme for more than five years, there'll be a link between the salaries you earn in career average and your final salary benefits. Transition members like you and Dianne can still take your final salary benefits at age 65 (if you leave teaching as you'll have reached your final salary NPA).

You could decide to take your career average benefits then too, but they would be subject to two years of actuarial reduction. You could choose to leave your career average benefits until you reach your new NPA and claim them then. Provided you don't leave the Teachers' Pension Scheme for more than five years, you will retain your tapered protection until your transition date and there'll be a link between the salaries you earn in the career average and your final salary benefits.

From 1 April 2015 you'll be able to access the new flexibilities

Are you entering teaching for the first time after 1 April 2015?

Katy begins teaching in September 2015 when she is aged 24. She joins the career average arrangement and builds up benefits. Her Normal Pension Age (NPA) is 68.

How it works for you

If you're entering teaching for the first time on or after 1 April 2015 then, like Katy, you'll join the career average arrangement and build up benefits. Your Normal Pension Age is either your State Pension Age (SPA) or 65 whichever is the later date. To find out your SPA go to www.gov.uk/calculate-state-pension.

In career average, you'll have immediate access to the flexibilities.