

# Increasing your pension benefits

April 2015



## How can I increase my pension benefits?

If you're in the final salary arrangement you can buy additional pension subject to a maximum of £6,300. If you're in career average you can also purchase faster accrual or buy out subject to an overall maximum of £6,500. If you have previous benefits in another scheme you may be able to transfer them into the Teachers' Pension Scheme and you can also contribute to the in-house Additional Voluntary Contribution (AVCs) scheme.

## Can anyone do this?

Yes, provided they're in pensionable teaching employment, although some flexibilities are restricted to members in the Career Average arrangement only.

## How do I buy additional pension?

Additional pension can be bought in multiples of £250 and up to a maximum £6,500. There's a couple of easy ways you can buy additional pension:

- Have deductions made from your salary
- Pay a one-off lump sum.

The maximum payment period is 20 years and must be completed before your Normal Pension Age, but be aware that payments will be reviewed after each Scheme valuation. That means contributions may increase or decrease depending upon the outcome of the valuation. If you're in Career Average your additional pension will increase at a lower rate than your standard benefits.

It's important that you check that the correct amount is being deducted.

## How do I buy faster accrual?

This option is only available to members in the career average arrangement. An election for faster accrual must be made before the year it takes effect, ideally no later than January and it only applies for one year. A new election needs to be made every scheme year and each election starts on 1 April and ends on the following 31 March.

If you joined career average on 1 April 2015, you need to take out an election within a month of joining the Scheme. If you're taking up a new post mid-year you can make an election to cover the remainder of that year, but you must make an election within one month of taking up your new post. If you change jobs then your faster accrual election is cancelled and you'd need to take out a new election within a month of joining your new employer.

There are three rates you can choose to pay instead of the standard contribution rate of  $1/57^{\text{th}}$  of your pensionable earnings. The rates are  $1/45^{\text{th}}$ ,  $1/50^{\text{th}}$  or  $1/55^{\text{th}}$  of your pensionable earnings.

It's important that you check that the correct amount is being deducted from you salary and if you identify a mistake you must contact your employer immediately.

### How do I purchase buyout?

This option is only available to members in the career average arrangement. If you opt for buy out the actuarial reduction that will apply if you decide to retire from teaching before reaching your Normal Pension Age is removed for each year that you purchase. You can 'buy out' the actuarial adjustment for up to three years, depending on the number of years between 65 and your Career Average normal retirement age.

You only have one opportunity to buy out the reduction and this must be done within six months of you first entering career average. Contributions towards the buyout option last throughout your career, unless you decide to revoke your election.

It's important that you check that the correct amount is being deducted from your salary and if you identify a mistake you must contact your employer immediately.

### I have benefits accrued in another scheme can I transfer these to the Teachers' Pension Scheme?

You must apply within 12 months of entering pensionable service. The credit you receive will depend upon a number of factors such as your age, salary and the value of the transfer offered.

### How do I take out an Additional Voluntary Contribution (AVC)?

The in-house provider is Prudential, but you can use other providers.

For more information about the Prudential contact:

Teachers' AVC Department  
Prudential  
Craig Forth  
Stirling  
FK9 4UE

Telephone: 0845 0700 007

Website: [www.pru.co.uk/teachersavczone](http://www.pru.co.uk/teachersavczone)