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| --- | --- |
| «Title» «Initials» «Surname»  «Add1»  «Add2»  «Add3»  «Add4»  «Add5»  «Postcode»  <<LA/EstabNo>> | Our Reference  «TPAref»  «Daydate» |

Your pension is changing from <<EntryDate>>

You don’t need to do anything – the changes will occur automatically

Dear «Title» «Surname»

You’ve probably heard about some of the changes that are happening in relation to your pension scheme. Because we know how complicated pensions can be and to avoid any confusion and allay any fears, we wanted to write to you personally to highlight what these changes will mean to you and your pension. This letter will let you know when these changes will affect you, give you an idea of what the changes will mean for you, and let you know where you can find out more.

**When will this happen?** You’ll automatically become a member of the new career average arrangements as a transitional member from <<EntryDate>>.

**What exactly does this mean?** You will become a member of the new arrangement and you will remain entitled to the benefits you have already built up in the existing arrangement. When you transition into the career average arrangements you will still be entitled to have your benefits in the final salary arrangements calculated with reference to your final salary at retirement. You will retain this final salary link provided you do not have a subsequent break in service which exceeds 5 years. If you do have a break which exceeds 5 years your final salary benefits will be linked to your salary at the commencement of the break.

**What are the pension benefits in the new career average arrangement?** For every year you’re a member of the Scheme, you build up (or “accrue”) some pension. When you retire, you can draw this pension as a regular monthly income.

In the new arrangement, for each year you work, you build up 1/57th of your pensionable salary in that year. So if you earn £28,500pa you’ll build up a pension £500pa for that year. Your pensionable salary is made up of your regular salary plus any overtime that you receive.

In order to maintain its value, each year’s pension is revalued from when you earn it to when you retire.

**When can I retire?** The normal pension age in the new Scheme is linked to your State Pension Age (or 65, whichever is higher). The normal pension age is simply the age at which you can take your benefits without a reduction. You can still retire earlier than this – but your benefits would be reduced to reflect the fact that they’re paid for longer. You can also choose to retire after your normal pension age.

Your pension will be increased each year once you’re receiving it. Our dedicated website containing more information about the changes, including factsheets, can be found at: [www.teacherspensions.co.uk/change2015](http://www.teacherspensions.co.uk/change2015)

Yours sincerely

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Mark Richardson

Service Delivery Manager

Please note that, in order to improve our service to you, we’re moving towards electronic communication channels. As such, we’ll shortly stop sending information by post. If you haven’t already, you need to sign up to My Pension Online, our online PIN protected portal, please go to [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk) and select “member registration” . If you’d still like to receive paper communications please let us know.

**Frequently asked questions**

1. **How much will the new arrangement cost me?**  
   The contributions you make are still set based on your earnings, and are between 7.4% and 11.7%.
2. **Can I transfer my existing pension to the new arrangement?**  
   No. There’s no need. Your current entitlement doesn’t change.
3. **Can I pay more to get more pension?**  
   Yes. When you move into the new arrangement, you’ll be able to choose one of three “flexibilities”. These are known as “buyout”, “faster accrual” and “additional pension”. If you wanted to, you could also choose to make “Additional Voluntary Contributions (AVCs)” to Prudential.
4. **Do I have to do anything now?**  
   You don’t have to: the changes will happen automatically. However, if you’d like to take advantage of one of the new flexibilities, then there are time limits for you to do so.  
   “Buyout” is a one-off option. If you want to do this, then you must do so within 6 months of <<EntryDate>>.  
   “Faster accrual” is something you can choose to do each year. If you want to do this in your first tax year in the new arrangement, then you must do so within a month of <<EntryDate>>.  
   Additional Pension and Additional Voluntary Contributions (AVCs) can be chosen at any time.
5. **Do I have to join the new arrangement?**  
   You’re not eligible to continue to be a member of the existing arrangement, but if you don’t want to join the new arrangement, you don’t have to. Leaving the Scheme is a big decision, and if you’re considering it, we recommend you speak to an Independent Financial Advisor (IFA). If you do decide to leave the Scheme, then you need to tell your employer and complete an opt out form. Opt out forms are available via My Pension Online. You’d be able to rejoin in the future, and your employer can tell you how.
6. **I don’t think I should be in the new arrangement. What should I do?**  
   The rules around who moves to the new arrangement are complicated. We’ll only be able to put you in the correct arrangement if we have accurate information from your employers. You can check the data we hold for you by logging onto “My Pension Online” via our website: [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk) . It doesn’t take long to register if you haven’t already done so.
7. **Can I transfer other benefits to the Scheme?**

You may be able to transfer benefits in from other pension schemes.  For most members, there is a time limit of one year from when you joined the Scheme.  If you have previously taught in Scotland or Northern Ireland, then you may be eligible to transfer before 31 March 2017.