Retirement lump sum

April 2023



Introduction

This factsheet will help you make your choice about the lump sum you want to receive and to complete your retirement application form.

Do I automatically receive a lump sum?

You'll receive an automatic lump sum if you were a member of the Scheme before 1 January 2007 and have not:

- Transferred out of that service.
- Taken a repayment of contributions for that service.
- Already taken those benefits.

What is the value of an automatic lump sum?

If you were a member of the Teachers' Pension Scheme before 1 January 2007 you'll automatically receive a lump sum of three times your pension.

I'm not entitled to an automatic lump sum can I still receive a lump sum?

If you have service on or after 1 January 2007 in either the final salary or career average schemes you can choose to convert part of your pension to create a lump sum. You'll need to give up £1 of annual pension for every £12 of lump sum that you want to receive. The maximum amount of lump sum you can achieve is calculated using the formula:

$$\frac{\text{Annual pension} \times 30}{7}$$

If you don't want to take the maximum amount but would like to have a lump sum, you can use the lump sum calculator on our website.

I'll receive an automatic lump sum, is it possible to increase that amount?

If you qualify for an automatic lump sum and were in pensionable service on or after 1 January 2007, you can choose to convert part of your pension to lump sum subject to a maximum amount. The maximum additional lump sum you can convert is calculated using the formula:

$$\frac{\text{Annual pension} \times 33}{14}$$

If you don't want to take the maximum additional amount but still want to increase your lump sum, you can calculate how much this would reduce your pension by using the lump sum calculator on our website.

Are my benefits permanently reduced?

Any choice you make about a lump sum is irrevocable and your pension will be permanently reduced. Any family benefits that are paid in the future will not be reduced.

My employers are granting me Premature Retirement can I convert the element that they are paying?

If you're retiring on premature grounds you can only convert the pension due from the Scheme. The element paid by your employer can't be converted to a lump sum.

Where there is any difference between the legislation governing the Teachers' Pension Scheme and the information in this factsheet, the legislation will apply.