



Understanding the changes to the Teachers' Pension Scheme

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Introduction

Welcome to our factsheet which provides an overview of the changes introduced to the Teachers' Pension Scheme in April 2015. For more information on the changes why not check our factsheet '[Understanding which member type you are](#)'?

Protected member

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 five years.

Tapered member

If you were an active member immediately before 1 April 2012 and were more than ten years, but less than 13.5 years away from your NPA on that date, you'll be a tapered member. You'll remain in the Final Salary arrangement 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.

Transition member

If you were more than 13.5 years away from your NPA on 1 April 2012 you've entered the Career Average arrangement on 1 April 2015 as a transition member.

New teacher

If you joined the Scheme on or after 1 April 2015 you automatically entered the Career Average arrangements.

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.

Deferred and retired members

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

How are the benefits different?

Career Average

From 1 April 2015 or from your transition date if you're a tapered member, under Career Average, you'll accumulate a pension based on 1/57th of your earnings for each year you work, 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.

Example

Claire's earnings for 1 April 2015 to 31 March 2016 are £30,000. She will earn a pension for that year of: $£30,000 \times 1/57\text{th} = £526.32$

Final Salary

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

Is there any change to when I can retire?

Your NPA for your Career Average benefits is either your state pension age or age 65, whichever is the later date. You'll 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 arrangement will remain age 60 or 65, dependent on when you joined the Scheme.

What happens to my benefits in the Final Salary arrangement when I retire?

Any benefits you have built up in Final Salary will be protected.

What happens to my benefits if I have service in both the Final Salary and Career Average arrangements?

Members with service in both Career Average and Final Salary will receive a pension with:

- Benefits you've built up in Final Salary, plus
- Benefits you've built up in Career Average

If you're 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 five 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.

However, if you've a break in pensionable service of more than five years then the salary link is broken and we'll use the salaries at the time of the break to calculate your Final Salary benefits.

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