

Teachers' Pensions Cookie Preferences

We use cookies to give the best experience on our site. Some essential cookies are needed to make the site work and we'd also like to set some additional ones to understand how you use the site, when accessed directly or via a third-party site, to help us improve the usability and services available. You can control these by clicking 'Manage Cookies'. Information on the cookies we use can be found on our [privacy page](#).

[Manage Cookies](#)[Accept All Cookies](#)[For Members](#) [For Employers](#)[Member Registration](#) [Log in](#)**Teachers' Pensions** | **For Members**[Lifestyle](#) [Resources](#) [Videos](#) [FAQs](#) [Calculators](#) [Forms](#) [News](#)[New starter](#)[Working life](#)[Planning retirement](#)[Once retired](#)[Scheme changes](#)[My Account](#)[Types of retirement](#)[When can you retire?](#)[How to apply](#)[Calculating benefits](#)[Retirement Process](#)[Where can I get help?](#)

Calculating benefits



Career Average scheme

Your career average benefits are based on 1/57th of your pensionable earnings each year plus index linking. This amount is banked each year with your eventual pension made up of all the amounts that have been banked each year.

Final Salary scheme

If your Normal Pension Age is 60 your final salary benefits are:

- A pension calculated by multiplying your service by your average salary and then dividing by 80; and
- A lump sum equal to three times your pension.

If your Normal Pension Age is 65 your final salary benefits are:

- A pension calculated by multiplying your service by your average salary and then dividing by 60.
- If you have had a break in service, a hypothetical calculation will be carried out.

Hypothetical calculations were introduced to safeguard the position of members who after completing sufficient service to qualify for retirement benefits, had a break in service and then, at a later date undertook further pensionable employment.

Hypothetical calculations act as an 'underpin' for members who leave pensionable service, although the nature of the underpin will vary depending on the particular circumstances of the member.

Our [Hypothetical calculations factsheet \(PDF, 192 KB\)](#) offers additional information along with examples.

What is average salary?

The average salary is used to calculate your final salary benefits when you retire. It's calculated using the better of:

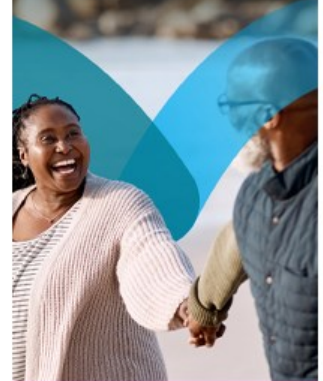
- The average of your best consecutive three years re-valued salaries in your last ten years of service or,
- Your last recorded 12 months of pensionable service before your retirement.

If you're in career average when you retire and have final salary benefits then the salaries you've earned in career average will be used. If you have had a break in service after 1 April 2015 of more than

Related Information

[How to apply](#)[Calculators](#)[Retirement Process](#)

Have you thought about
Phased Retirement?

[Find out more >](#)

five years then the salaries used will be those at the time of the break.

If you have no pensionable service on or after 1 January 2007, your average salary will be the best 365 days in the last 1,095 days before you left service.

Restricted Salary Provision - Final salary

If the pensionable salary in the final three years of pensionable employment was increased by more than a fixed amount or 10%, the increase in that salary or salaries will be restricted to the fixed amount or 10% whichever is the higher. This fixed amount is reviewed each year in line with factors provided by HM Treasury - see the updates page for details of the current fixed amount.

Where this restriction applies, any contributions not used in the calculation of the final average salary will be refunded if the service to which the salary relates is in the final salary scheme.

Where a member in the career average scheme has a Salary Link, meaning the salaries earned during service in the career average scheme are taken into account to determine the best final average salary, the restriction will apply when determining the best final average salary used to calculate benefits in the final salary scheme. The restriction does not apply in respect of the accrual of pension in the career average scheme. Consequently, there's no refund of contributions as the total pensionable earnings are applied in the accrual of benefits in the career average scheme.

Conversion of pension to lump sum

If you've final salary service that includes service before 1 January 2007 you'll receive an automatic lump sum when you take your final salary benefits. If you only have final salary service after that date, or have any career average service, you'll not receive an automatic lump sum when you take your benefits. However, you can choose to give up part of your pension to receive a lump sum. Your pension will be reduced for your lifetime and you must make your decision before completing your application form. For each £1 of pension that you give up you'll receive £12 of lump sum.

The maximum amount of lump sum that you can receive is 25% of the total value of your benefits. To help you decide how much pension you want to give up and the lump sum you'd like to receive, please use the calculator as once you complete your application form you cannot change the amount.

Last Updated: 31/08/2023 09:04

FAQ

More information about our calculators

> [Read our FAQs](#)

Factsheet

Things to consider before you retire.

> [Download PDF \(88 KB\)](#)

Calculators

Estimate your final pension.

> [Calculate](#)

Follow us on social media

Find us on social media to get the latest news and announcements from Teachers' Pensions



> [Like us on Facebook](#)



> [Join us on LinkedIn](#)



> [Follow us on X](#)



> [Subscribe to our YouTube channel](#)