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Buy Out



New starter

You have the option to Buy Out the actuarial reduction that'll be made to your benefits if you decide to retire before reaching your Normal Pension Age.

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.

If your new NPA is 66 you'll be able to Buy Out one year's actuarial adjustment, whereas if your new NPA is 67 you'll be able to Buy Out two years and if your NPA is 68 you'll be able to Buy Out three years actuarial adjustment.

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 Buy Out option last throughout your career, unless you decide to revoke your election.

This is a long term commitment and the rates you'll be required to pay will change throughout your career. Contributions are based on factors such as your age and the period you wish to Buy Out. It's important that you check that the correct amount is being deducted, if you identify a mistake you must contact your employer immediately. You'll need to be in pensionable service (actively paying into your teacher's pension) to make a Buy Out election. The Buy Out election will only stay in place while you're in pensionable service.

If you revoke the Buy Out election, you'll only receive the Buy Out adjustment in respect of those benefits earned while you were paying the additional contributions. If you take early retirement any benefits you've accrued after revoking the election will have the normal actuarial adjustments applied.

Find out more about Buy Out and see examples of how it works with our [factsheet \(PDF, 68 KB\)](#).

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