

UNIVERSITY AND COLLEGE UNION (“UCU”)

Teachers’ Pension Scheme – illustration of benefits and contributions under pension scheme reform 3 February 2012

INTRODUCTION

UCU have commissioned Rob Hammond of First Actuarial LLP to illustrate the potential benefits members of the Teachers’ Pension Scheme (TPS) can expect to build up from 1 April 2015 following implementation of the Government’s proposed pension scheme reform, and to demonstrate the effect of the increase in member contributions on take-home pay for the tax year 2012-2013.

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SECTION 1 – SUMMARY OF THE GOVERNMENT’S OFFERS

Over the course of 2011, the Government made a number of offers for proposed changes to the TPS for implementation from 1 April 2015.

Following negotiations with UCU and other trade union organisations and the national strike on 30 November 2011, these offers were gradually improved, and on 20 December 2011 the Chief Secretary to the Treasury, Danny Alexander, reported to the House of Commons that Final Heads of Agreement had been established in relation to the reform of the Teachers’ Pension Scheme (England & Wales).

This paper compares 3 offers from Government leading up to the Final Heads of Agreement for the TPS. These are briefly described below:

Offer 1 – In his Final Report published in March 2011, Lord Hutton recommended that public service pension built up over a full career should deliver income at retirement in line with the Replacement Rates set out by the Turner Commission in 2004. We believe that Turner Replacement Rates would be met by a Career Average Revalued Earnings (CARE) scheme with an accrual rate of 1/80ths or less.

Offer 2 – Initial negotiations with UCU and other trade union organisations prior to November 2011, resulted in the Government offering a CARE scheme with revaluation for active members linked to earnings and with an improved accrual rate of 1/65ths.

Offer 3 – Following the national strike on 30 November 2011 and further negotiations with UCU and other trade union organisations, the Final Heads of Agreement for the TPS was agreed in December 2011, which amongst other things improved the accrual rate further to 1/57ths.

A summary of the main features of these 3 offers is provided in the table below:

Offers	Date	Accrual rate	Revaluation for active members	Early Retirement Factors
Offer 1	March 2011	1/80ths	Earnings	Cost neutral factors
Offer 2	Pre November 2011	1/65ths	Earnings	Cost neutral factors
Offer 3	December 2011	1/57ths	CPI plus 1.6%	3% pa simple for a maximum of 3 years (between age 65 and State Pension Age)

Each of the above offers is a Career Average Revalued Earning (CARE) scheme commencing on 1 April 2015.

Under Offer 3, members' benefits are protected if, as at 1 April 2012, the member is aged within ten years of the NPA in their current Scheme (that is age 60 for pre 2007 Scheme members and age 65 for post 2007 members). Tapered protection also applies if, as at 1 April 2012, a member is aged between 10 years and 13.5 years of the NPA in their current Scheme.

FULL PROTECTION AND TRANSITIONAL PROTECTION

Under the final Heads of Agreement ("HoA"), there are two levels of protection set out for existing scheme members.

(i) Full Protection

All members of the Pre 2007 Scheme (NPA 60) who are aged 50 and over on 1 April 2012, and all members of the Post 2007 Scheme (NPA 65) who are aged 55 and over on 1 April 2012, will see no change in when they can retire nor the benefits they can build up under their existing scheme.

(ii) Transitional Protection

Members who are within 13.5 years of their current NPA at 1 April 2012 will have limited transitional protection. This applies to members of the Pre 2007 Scheme (NPA 60) aged between 46.5 and 50, and members of the Post 2007 Scheme (NPA 65) aged between 51.5 and 55, on 1 April 2012.

Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

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The number of years at 1 April 2012 to the member's current NPA will determine the length of the protected period. At the end of the protected period, the member is transferred into the new CARE scheme. The table below sets out the tapering arrangements under Transitional Protection.

Years to current NPA less 10 years	Date of switch to new CARE Scheme
3.5 and over	1 April 2015
3	1 April 2016
2.5	1 April 2017
2	1 April 2018
1.5	1 April 2019
1	1 April 2020
0.5	1 April 2021
0	Fully Protected

For example, if a member of the Pre 2007 Scheme (NPA 60) is aged 50 or above as at 1 April 2012 then they are fully protected. If instead the member is age 47 as at 1 April 2012 (i.e. 13 years from their current NPA) then they will receive their current scheme benefits for service up to 1 April 2016 at which point they will start to accrue benefits in the new CARE scheme. They will be aged 51 at this point.

If a member of the Post 2007 Scheme (NPA 65) is aged 55 or over as at 1 April 2012 then they would be fully protected. If instead they were aged 54.5 as at 1 April 2012 (i.e. 10.5 years from their current NPA) then they will receive their current scheme benefits for service up to 1 April 2021 at which point they will start to accrue benefits in the new CARE scheme. They will be aged 63.5 at this date.

Members who are eligible for Full Protection or Transitional Protection are still required to pay contributions at the new rates set out in the Final HoA from 1 April 2012.

Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

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SECTION 2 – MEMBER CONTRIBUTIONS

INCREASE TO MEMBER CONTRIBUTIONS

In July 2011, the Government opened a consultation to consider the increases to member contribution for 2012-13. The consultation closed in October 2011 and the Government published its response on 16 December 2011.

The table below shows the contribution rates to be implemented from 1 April 2012 for the TPS. The details of the contribution structure post 2012 will be subject to discussion with unions.

Full Time Equivalent pensionable pay	Contribution rate (before tax relief)	
	Current	Confirmed
	2011/12	2012/13
Up to £14,999	6.4% pa	6.4%
£15,000 - £25,999	6.4% pa	7.0%
£26,000 - £31,999	6.4% pa	7.3%
£32,000 - £39,999	6.4% pa	7.6%
£40,000- £74,999	6.4% pa	8.0%
£75,000 – £111,999	6.4% pa	8.4%
£112,000 and above	6.4% pa	8.8%

The Final Heads of Agreement agreed in December 2011, sets out Government’s intentions for average member contributions in the TPS to be 9.6% from April 2015. Currently, all members of the TPS pay 6.4%, so this will be equivalent to an average increase of 3.2%.

Examples of how this will effect members take-home pay for the tax year 2012-13 is shown in the tables below.

EXAMPLES – IMPACT ON TAKE-HOME PAY FOR THE TAX YEAR 2012-13

The tables below show how the increases will affect members of the TPS following the introduction of the contribution increases for 2012-13. The reduction in take-home pay (after tax) is based on 2011/12 income tax rates and allowances and a personal allowance of £7,475.

Full-time member

Actual Pay	Full Time Equivalent Pensionable Pay	Current contribution rate (2011-12)	Current contribution paid (pa)	Confirmed contribution rate (2012-13)	Confirmed contribution payable (pa)	Increase in contributions paid (pa)	Increase in contribution rate (net of tax relief)	Reduction in take home pay net of tax relief (pa)	Reduction in take home pay net of tax relief (per month)
£10,000	£10,000	6.40%	£640	6.40%	£640	£0	0.00%	£0	£0
£20,000	£20,000	6.40%	£1,280	7.00%	£1,400	£120	0.48%	£96	£8
£30,000	£30,000	6.40%	£1,920	7.30%	£2,190	£270	0.72%	£216	£18
£35,000	£35,000	6.40%	£2,240	7.60%	£2,660	£420	0.96%	£336	£28
£50,000	£50,000	6.40%	£3,200	8.00%	£4,000	£800	0.96%	£480	£40
£100,000	£100,000	6.40%	£6,400	8.40%	£8,400	£2,000	1.20%	£1,200	£100
£130,000	£130,000	6.40%	£8,320	8.80%	£11,440	£3,120	1.44%	£1,872	£156

Part-time member (working 50% of full-time hours)

Actual Pay	Full Time Equivalent Pensionable Pay	Current contribution rate (2011-12)	Current contribution paid (pa)	Confirmed contribution rate (2012-13)	Confirmed contribution payable (pa)	Increase in contributions paid (pa)	Increase in contribution rate (net of tax relief)	Reduction in take home pay net of tax relief (pa)	Reduction in take home pay net of tax relief (per month)
£5,000	£10,000	6.40%	£320	6.40%	£320	£0	0.00%	£0	£0
£10,000	£20,000	6.40%	£640	7.00%	£700	£60	0.48%	£48	£4
£15,000	£30,000	6.40%	£960	7.30%	£1,095	£135	0.72%	£108	£9
£17,500	£35,000	6.40%	£1,120	7.60%	£1,330	£210	0.96%	£168	£14
£25,000	£50,000	6.40%	£1,600	8.00%	£2,000	£400	1.28%	£320	£27
£50,000	£100,000	6.40%	£3,200	8.40%	£4,200	£1,000	1.20%	£600	£50
£65,000	£130,000	6.40%	£4,160	8.80%	£5,720	£1,560	1.44%	£936	£78

SECTION 3 – COMPARISON OF THE 3 OFFERS ON THE IMPACT ON BENEFITS – EXAMPLES

POTENTIAL IMPACT ON MEMBERS' BENEFITS

In this Section we compare the benefits that members of the TPS can expect to build up from 1 April 2015 following implementation of the Government's proposed pension scheme reform under the 3 offers.

Notes to the Examples

- For each Example, we show in *table format* the benefits the member has built up BEFORE 1 April 2015 and the benefits the member can expect to build up AFTER 1 April 2015, resulting in the Total Benefits the member can expect to build up at various retirement ages.
- We also show in *table format* the age at which the member would have to retire in each of the 3 offers in order to achieve the same pension they would have received at the Normal Pension Age (NPA) of their current scheme.
- We then show in *graphical format* the Total Pension the member can expect to receive at retirement at various retirement ages under the 3 offers. The black dotted line shows the pension at the Normal Pension Age in their current scheme so that where this line crosses the lines for the 3 offers, you can read down to the age at which they would have to retire to achieve the same pension from these schemes.
- The Pre 2007 Teachers' Pensions Scheme provides a pension at retirement and a lump sum of 3 times pension in addition. The Post 2007 Teachers' Pension Scheme and the proposed new scheme from 1 April 2015 provide a pension at retirement and the member can commute (or give up) some of their pension for cash.
- In order to compare like-for-like when looking at members who are currently in the Pre 2007 Scheme, we have shown the pension that would build up under the 3 offers after commuting sufficient pension for cash so that the lump sums equal the lump sum that would be built up in the Pre 2007 Scheme. A commutation factor of 12 to 1 has been used in all cases, that is, for every £1 of pension given up the member receives £12 of cash at retirement as a lump sum.
- The pension amounts are shown "in today's prices". The assumptions adopted for the pension illustrations are shown in Appendix B.

Examples

- The following examples are considered which are based on “typical” career profiles for Further Education (FE) staff and Higher Education (HE) staff.
- The salary progression under these “typical” career profiles is shown in Appendix A.

Example	Career profile	Age when joined the TPS	Service (years) built up BEFORE 1 April 2015	NPA	SPA	Pension at NPA in current Scheme*	Pension at NPA under Final HoA Offer	Final HoA as % of current entitlement (at current NPA)	Age to achieve same pension under Final HoA Offer as pension at NPA in current Scheme
1	FE (1), New Joiner	28	0 years	65	68	£27,278	£22,582	83%	68
2	FE (1), Mid-Career	28	20 years	60	66	£14,772	£13,503	91%	61 and 8 months
3	HE (1), New Joiner	30	0 years	65	68	£25,139	£21,460	85%	67 and 6 months
4	HE (1), Mid-Career	30	15 years	60	67	£13,988	£12,102	87%	62 and 3 months
5	HE (2), New Joiner	30	0 years	65	68	£31,818	£25,756	81%	68 and 6 months
6	HE (2), Mid-Career	30	15 years	60	67	£17,704	£15,317	87%	62 and 3 months
7	HE (3), New Joiner	30	0 years	65	68	£37,971	£28,692	76%	beyond age 70
8	HE (3), Mid-Career	30	15 years	60	67	£21,128	£18,091	86%	62 and 5 months
9	FE (2), New-Joiner, 5-year Career Break	28	0 years	65	68	£23,592	£20,037	85%	67 and 5 months
10	FE (3), New Joiner, Part-timer	28	0 years	65	68	£13,639	£11,510	84%	67 and 9 months
11	FE (3), Mid-Career, Part-timer	28	20 years	60	66	£7,386	£6,752	91%	61 and 8 months
12	HE (2), Mid-Career, Transitional Protection	25	25 years	60	66	£19,923	£18,798	94%	61 and 3 months

* Current Scheme assumed to be Post 2007 Scheme for New Joiners and Pre 2007 Scheme for members with service BEFORE 1 April 2015

Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

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EXAMPLE 1 – FE(1), NEW JOINER

Full-time qualified lecturer working in Further Education, starts career at age 28 on point 23 and reaches point 37, staying there until retirement.

The member joins the TPS aged 28 on 1 April 2015 and has no past service in either the Pre 2007 or Post 2007 schemes. For comparison, we have shown the benefits the member could have built up in the Post 2007 Scheme from 1 April 2015 (which has a NPA of 65).

Retirement Age	Benefits built up after 1 April 2015					Total Benefits (Pension and lump sum)					
	Lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
60	n/a	£17,658	£10,956	£13,484	£14,746	n/a	£17,658	£10,956	£13,484	£14,746	84%
61	n/a	£19,264	£11,956	£14,715	£16,061	n/a	£19,264	£11,956	£14,715	£16,061	83%
62	n/a	£21,022	£13,023	£16,028	£17,498	n/a	£21,022	£13,023	£16,028	£17,498	83%
63	n/a	£22,941	£14,197	£17,473	£19,062	n/a	£22,941	£14,197	£17,473	£19,062	83%
64	n/a	£25,033	£15,466	£19,035	£20,762	n/a	£25,033	£15,466	£19,035	£20,762	83%
NPA = 65	n/a	£27,278	£16,855	£20,744	£22,582	n/a	£27,278	£16,855	£20,744	£22,582	83%
66	n/a	£29,290	£18,371	£22,610	£24,084	n/a	£29,290	£18,371	£22,610	£24,084	82%
67	n/a	£31,413	£20,022	£24,642	£25,640	n/a	£31,413	£20,022	£24,642	£25,640	82%
SPA = 68	n/a	£33,648	£21,793	£26,822	£27,252	n/a	£33,648	£21,793	£26,822	£27,252	81%

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at previous NPA (Age 65)	£27,278	£27,278	£27,278	£27,278
Lump sum at previous NPA (Age 65)	n/a	n/a	n/a	n/a
Retirement age	65	Beyond age 70	68 and 6 months	68

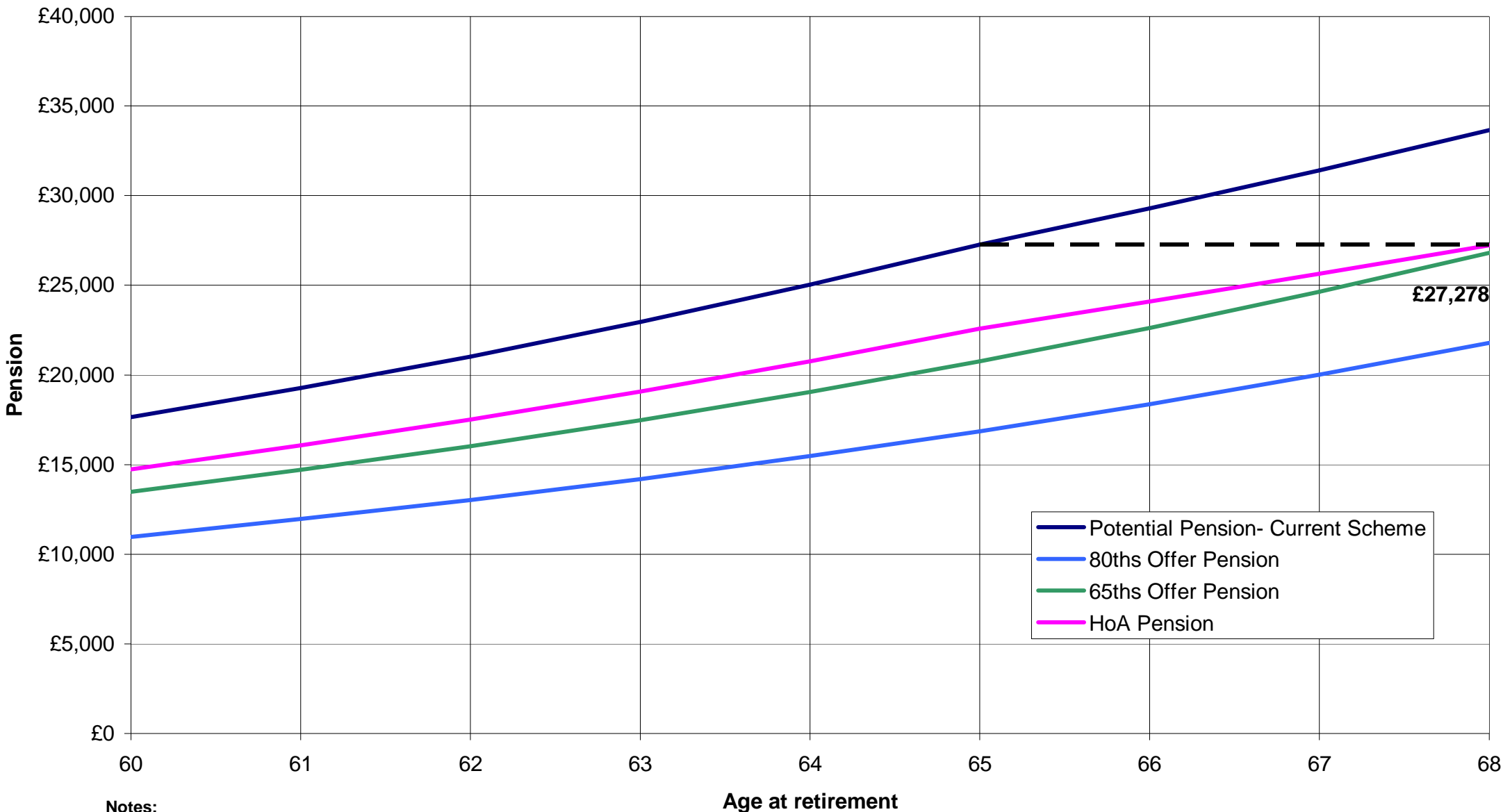
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 1: Member who joins the TPS aged 28 at 1 April 2015, with no past service. The member joins the CARE scheme on salary point 23 and reaches point 37 and remains there till retirement



Notes:

HoA = Final Heads of Agreement

Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 2 – FE(1) MID-CAREER (20 YEARS PAST SERVICE IN PRE 2007 SCHEME)

Full-time qualified lecturer working in Further Education, starts career at age 28 on point 23 and reaches point 37, staying there until retirement.

The member joins the TPS aged 28 on 1 April 1995. The member has 20 years past service in the Pre 2007 Scheme accrued by 1 April 2015. For comparison, we have shown the benefits the member could build up in the Pre 2007 Scheme from 1 April 2015 (which has a NPA of 60).

Retirement Age	Benefits built up before 1 April 2015 benefits		Benefits built up after 1 April 2015 benefits					Total Benefits (Pension and lump sum*)					
	Lump sum under current Scheme	Pension under current Scheme	Lump sum*	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum*	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
NPA = 60	£27,697	£9,232	£16,618	£5,539	£2,709	£3,653	£4,271	£44,316	£14,772	£11,941	£12,886	£13,503	91%
61	£27,898	£9,299	£18,134	£6,045	£3,179	£4,262	£4,950	£46,032	£15,344	£12,479	£13,561	£14,250	93%
62	£28,100	£9,367	£19,670	£6,557	£3,705	£4,938	£5,708	£47,770	£15,923	£13,071	£14,304	£15,075	95%
63	£28,304	£9,435	£21,228	£7,076	£4,295	£5,695	£6,551	£49,532	£16,511	£13,730	£15,129	£15,986	97%
64	£28,509	£9,503	£22,807	£7,602	£4,957	£6,539	£7,485	£51,316	£17,105	£14,460	£16,042	£16,988	99%
65	£28,715	£9,572	£24,408	£8,136	£5,695	£7,479	£8,507	£53,124	£17,708	£15,267	£17,051	£18,079	102%
SPA = 66	£28,924	£9,641	£26,031	£8,677	£6,508	£8,510	£9,385	£54,955	£18,318	£16,149	£18,151	£19,026	104%

* For comparison purposes, the lump sum has been set equal for all benefit structures, so that pension amounts can be compared fairly.

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at current NPA (Age 60)	£14,772	£14,772	£14,772	£14,772
Lump sum at current NPA (Age 60)	£44,316	£44,316	£44,316	£44,316
Retirement age	60	64 and 5 months	62 and 7 months	61 and 8 months

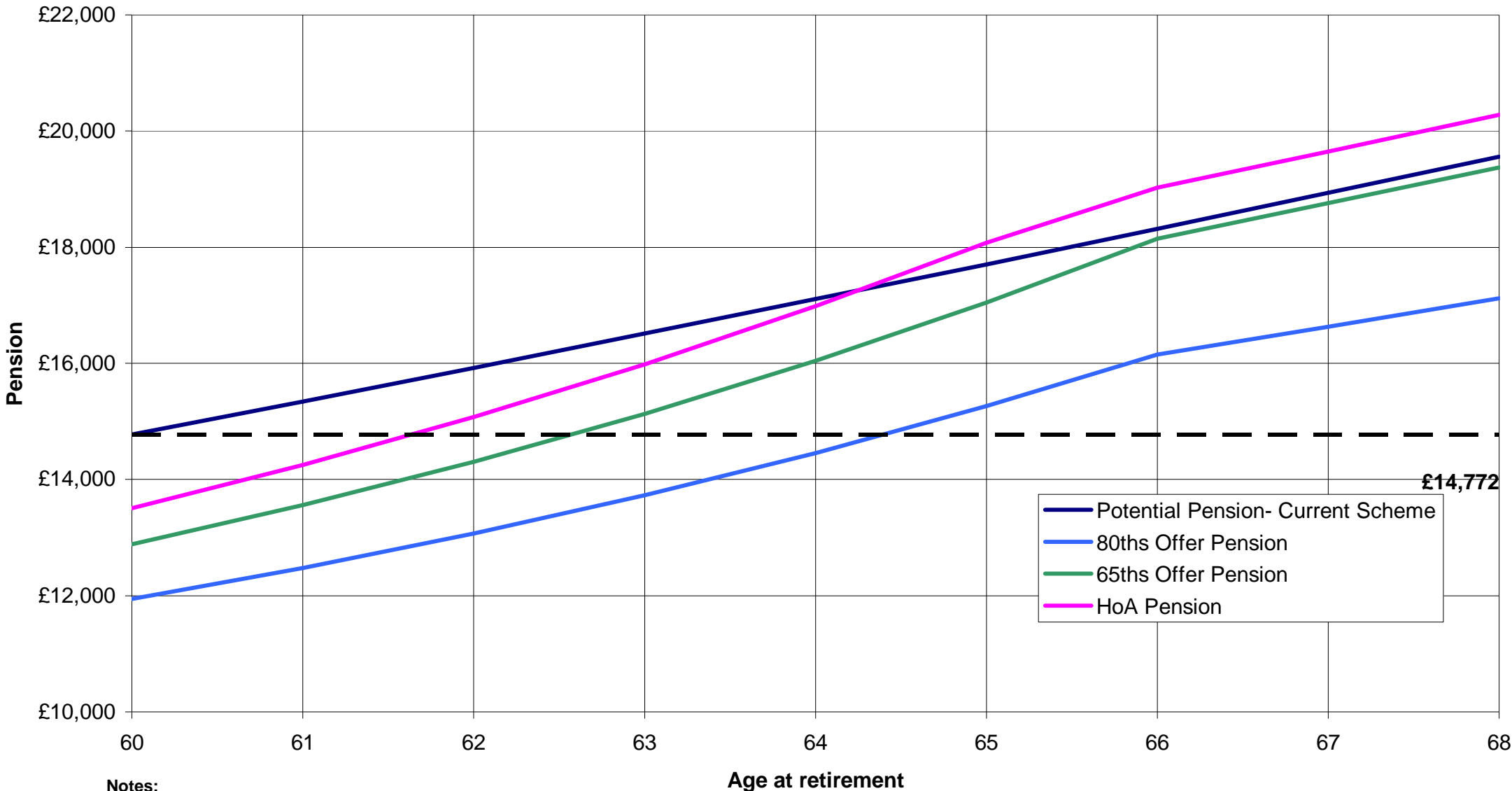
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 2: Member who joins the TPS aged 28 at 1 April 1995, with 20 years past service in the Pre 2007 TPS by 1 April 2015. The member joins the CARE scheme on salary point 37 and remains there till retirement



Notes:

HoA = Final Heads of Agreement

Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 3 – HE (1), NEW JOINER

Full-time qualified lecturer working in Higher Education, starts career at age 30 on point 30 and reaches point 35, staying there until retirement.

The member joins the TPS aged 30 on 1 April 2015 and has no past service in either the Pre 2007 or Post 2007 schemes. For comparison, we have shown the benefits the member could have built up in the Post 2007 Scheme from 1 April 2015 (which has a NPA of 65).

Retirement Age	Benefits built up after 1 April 2015					Total Benefits (Pension and lump sum)					
	Lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
60	n/a	£16,128	£10,329	£12,713	£13,949	n/a	£16,128	£10,329	£12,713	£13,949	86%
61	n/a	£17,630	£11,284	£13,888	£15,209	n/a	£17,630	£11,284	£13,888	£15,209	86%
62	n/a	£19,276	£12,303	£15,142	£16,585	n/a	£19,276	£12,303	£15,142	£16,585	86%
63	n/a	£21,073	£13,425	£16,523	£18,085	n/a	£21,073	£13,425	£16,523	£18,085	86%
64	n/a	£23,033	£14,638	£18,016	£19,715	n/a	£23,033	£14,638	£18,016	£19,715	86%
NPA = 65	n/a	£25,139	£15,965	£19,649	£21,460	n/a	£25,139	£15,965	£19,649	£21,460	85%
66	n/a	£27,033	£17,415	£21,433	£22,905	n/a	£27,033	£17,415	£21,433	£22,905	85%
67	n/a	£29,028	£18,993	£23,377	£24,403	n/a	£29,028	£18,993	£23,377	£24,403	84%
SPA = 68	n/a	£31,129	£20,689	£25,463	£25,955	n/a	£31,129	£20,689	£25,463	£25,955	83%

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at previous NPA (Age 65)	£25,139	£25,139	£25,139	£25,139
Lump sum at previous NPA (Age 65)	n/a	n/a	n/a	n/a
Retirement age	65	Beyond age 70	67 and 10 months	67 and 6 months

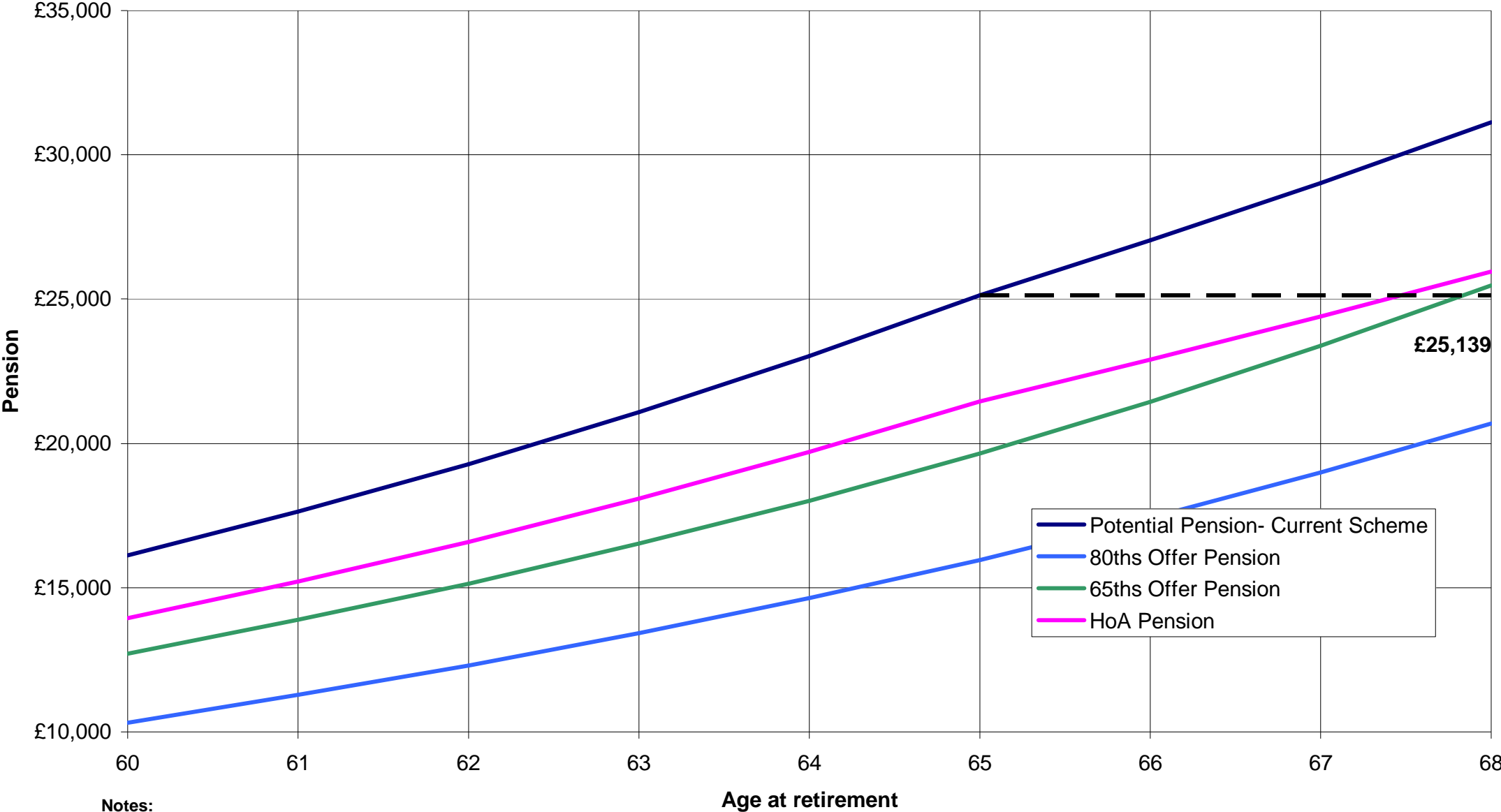
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 3: Member who joins the TPS aged 30 at 1 April 2015, with no past service. The member joins the CARE scheme on salary point 30 and reaches point 35 and remains there until retirement.



Notes:
 HoA = Final Heads of Agreement
 Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 4 – HE (1), MID-CAREER (15 YEARS PAST SERVICE IN PRE 2007 SCHEME)

Full-time qualified lecturer working in Higher Education, starts career at age 30 on point 30 and reaches point 35, staying there until retirement.

The member joins the TPS aged 30 on 1 April 2000. The member has 15 years past service in the Pre 2007 Scheme accrued by 1 April 2015. For comparison, we have shown the benefits the member could build up in the Pre 2007 Scheme from 1 April 2015 (which has a NPA of 60).

Retirement Age	Benefits built up before 1 April 2015 benefits		Benefits built up after 1 April 2015 benefits					Total Benefits (Pension and lump sum*)					
	Lump sum under current Scheme	Pension under current Scheme	Lump sum*	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum*	Pension under current Pre 2007 Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
NPA = 60	£20,982	£6,994	£20,982	£6,994	£3,182	£4,320	£5,108	£41,964	£13,988	£10,176	£11,314	£12,102	87%
61	£21,134	£7,045	£22,543	£7,514	£3,674	£4,956	£5,834	£43,677	£14,559	£10,719	£12,001	£12,879	88%
62	£21,287	£7,096	£24,125	£8,042	£4,230	£5,670	£6,642	£45,413	£15,138	£11,326	£12,766	£13,738	91%
63	£21,441	£7,147	£25,730	£8,577	£4,846	£6,459	£7,539	£47,171	£15,724	£11,993	£13,606	£14,686	93%
64	£21,597	£7,199	£27,356	£9,119	£5,535	£7,338	£8,530	£48,953	£16,318	£12,734	£14,537	£15,729	96%
65	£21,753	£7,251	£29,004	£9,668	£6,304	£8,316	£9,610	£50,758	£16,919	£13,555	£15,567	£16,861	100%
66	£21,911	£7,304	£30,675	£10,225	£7,158	£9,399	£10,530	£52,586	£17,529	£14,461	£16,703	£17,833	102%
SPA = 67	£22,070	£7,357	£32,369	£10,790	£8,092	£10,582	£11,495	£54,438	£18,146	£15,449	£17,939	£18,851	104%

* For comparison purposes, the lump sum has been set equal for all benefit structures, so that pension amounts can be compared fairly.

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at current NPA (Age 60)	£13,988	£13,988	£13,988	£13,988
Lump sum at current NPA (Age 60)	£41,964	£41,964	£41,964	£41,964
Retirement age	60	65 and 6 months	63 and 5 months	62 and 3 months

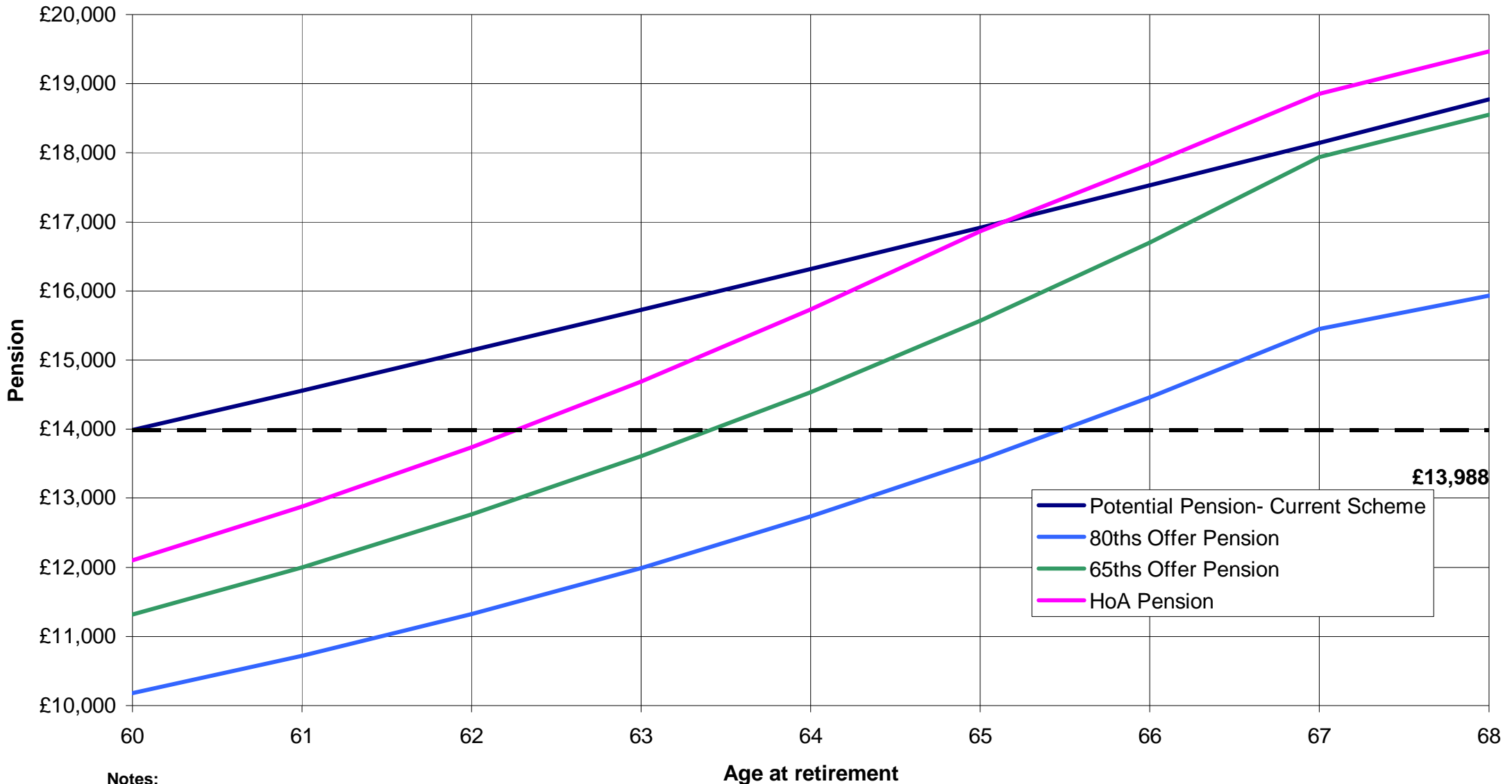
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SPA = State Pension Age

HoA = Final Heads of Agreement

Example 4: Member who joins the TPS aged 30 at 1 April 2000, with 15 years past service in the Pre 2007 TPS by 1 April 2015. The member joins the CARE scheme on salary point 35 and remains there until retirement.



Notes:

HoA = Final Heads of Agreement

Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 5 – HE (2), NEW JOINER

Full-time qualified lecturer working in Higher Education, starts career at age 30 on point 30 and reaches point 43, staying there until retirement.

The member joins the TPS aged 30 on 1 April 2015 and has no past service in either the Pre 2007 or Post 2007 schemes. For comparison, we have shown the benefits the member could have built up in the Post 2007 Scheme from 1 April 2015 (which has a NPA of 65).

Retirement Age	Benefits built up after 1 April 2015					Total Benefits (Pension and lump sum)					
	Lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
60	n/a	£20,413	£12,217	£15,036	£16,570	n/a	£20,413	£12,217	£15,036	£16,570	81%
61	n/a	£22,315	£13,376	£16,463	£18,109	n/a	£22,315	£13,376	£16,463	£18,109	81%
62	n/a	£24,397	£14,616	£17,989	£19,791	n/a	£24,397	£14,616	£17,989	£19,791	81%
63	n/a	£26,672	£15,981	£19,669	£21,624	n/a	£26,672	£15,981	£19,669	£21,624	81%
64	n/a	£29,153	£17,457	£21,486	£23,618	n/a	£29,153	£17,457	£21,486	£23,618	81%
NPA = 65	n/a	£31,818	£19,074	£23,476	£25,756	n/a	£31,818	£19,074	£23,476	£25,756	81%
66	n/a	£34,215	£20,841	£25,650	£27,537	n/a	£34,215	£20,841	£25,650	£27,537	80%
67	n/a	£36,741	£22,766	£28,020	£29,385	n/a	£36,741	£22,766	£28,020	£29,385	80%
SPA = 68	n/a	£39,399	£24,835	£30,566	£31,301	n/a	£39,399	£24,835	£30,566	£31,301	79%

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at previous NPA (Age 65)	£31,818	£31,818	£31,818	£31,818
Lump sum at previous NPA (Age 65)	n/a	n/a	n/a	n/a
Retirement age	65	Beyond age 70	69 and 2 months	68 and 6 months

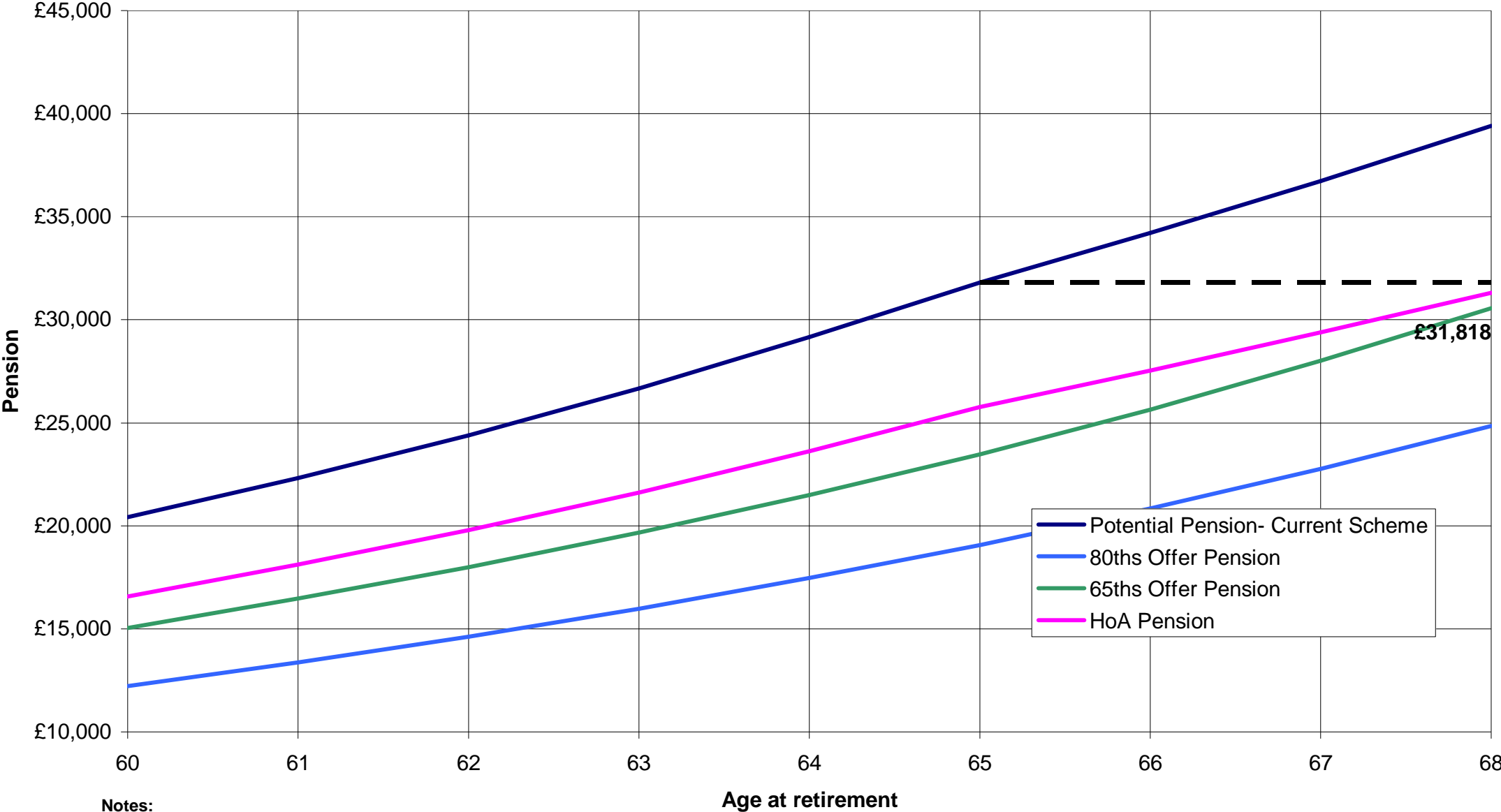
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 5: Member who joins the TPS aged 30 at 1 April 2015, with no past service. The member joins the CARE scheme on salary point 30 and reaches point 43 and remains there until retirement.



Notes:
 HoA = Final Heads of Agreement
 Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 6 – HE (2), MID-CAREER (15 YEARS PAST SERVICE IN PRE 2007 SCHEME)

Full-time qualified lecturer working in Higher Education, starts career at age 30 on point 30 and reaches point 43, staying there until retirement.

The member joins the TPS aged 30 on 1 April 2000. The member has 15 years past service in the Pre 2007 Scheme accrued by 1 April 2015. For comparison, we have shown the benefits the member could build up in the Pre 2007 Scheme from 1 April 2015 (which has a NPA of 60).

Retirement Age	Benefits built up before 1 April 2015 benefits		Benefits built up after 1 April 2015 benefits					Total Benefits (Pension and lump sum*)					
	Lump sum under current Scheme	Pension under current Scheme	Lump sum*	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum*	Pension under current Pre 2007 Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
NPA = 60	£26,556	£8,852	£26,556	£8,852	£4,028	£5,468	£6,465	£53,113	£17,704	£12,880	£14,320	£15,317	87%
61	£26,749	£8,916	£28,532	£9,511	£4,651	£6,273	£7,384	£55,281	£18,427	£13,567	£15,189	£16,300	88%
62	£26,943	£8,981	£30,535	£10,178	£5,354	£7,177	£8,407	£57,478	£19,159	£14,335	£16,157	£17,388	91%
63	£27,138	£9,046	£32,566	£10,855	£6,133	£8,175	£9,542	£59,704	£19,901	£15,179	£17,221	£18,588	93%
64	£27,335	£9,112	£34,624	£11,541	£7,006	£9,288	£10,796	£61,958	£20,653	£16,117	£18,400	£19,908	96%
65	£27,533	£9,178	£36,710	£12,237	£7,978	£10,525	£12,163	£64,243	£21,414	£17,156	£19,703	£21,341	100%
66	£27,732	£9,244	£38,825	£12,942	£9,059	£11,896	£13,327	£66,557	£22,186	£18,303	£21,140	£22,571	102%
SPA = 67	£27,933	£9,311	£40,969	£13,656	£10,242	£13,394	£14,548	£68,902	£22,967	£19,553	£22,705	£23,859	104%

* For comparison purposes, the lump sum has been set equal for all benefit structures, so that pension amounts can be compared fairly.

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at current NPA (Age 60)	£17,704	£17,704	£17,704	£17,704
Lump sum at current NPA (Age 60)	£53,113	£53,113	£53,113	£53,113
Retirement age	60	65 and 6 months	63 and 5 months	62 and 3 months

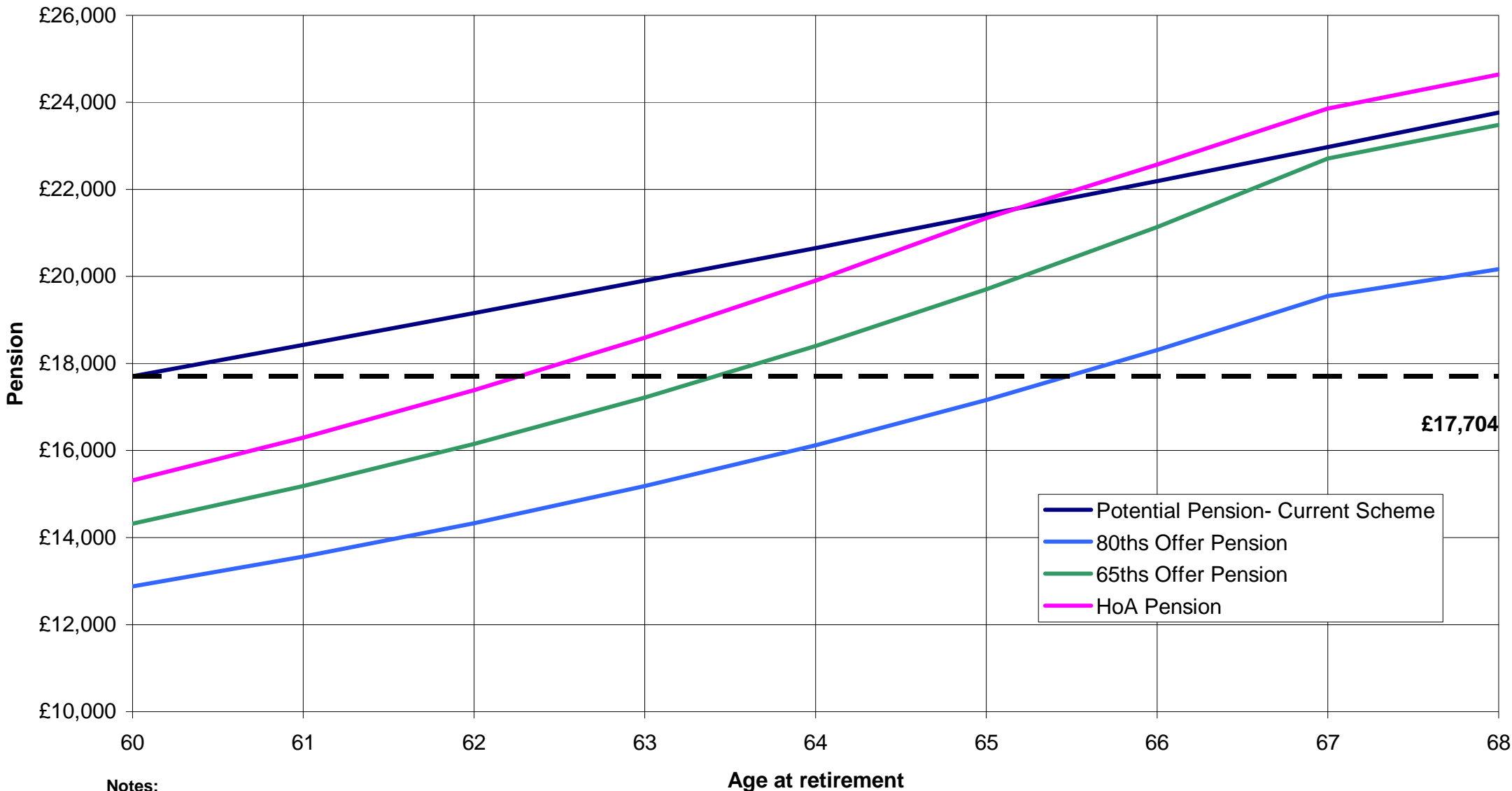
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 6: Member who joins the TPS aged 30 at 1 April 2000, with 15 years past service in the Pre 2007 TPS by 1 April 2015. The member joins the CARE scheme on salary point 43 and remains there until retirement.



Notes:

HoA = Final Heads of Agreement

Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 7 – HE (3), NEW JOINER

Full-time qualified lecturer working in Higher Education, starts career at age 30 on point 30 and reaches point 49, staying there until retirement.

The member joins the TPS aged 30 on 1 April 2015 and has no past service in either the Pre 2007 or Post 2007 schemes. For comparison, we have shown the benefits the member could have built up in the Post 2007 Scheme from 1 April 2015 (which has a NPA of 65).

Retirement Age	Benefits built up after 1 April 2015					Total Benefits (Pension and lump sum)					
	Lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
60	£0	£24,361	£13,363	£16,447	£18,195	n/a	£24,361	£13,363	£16,447	£18,195	75%
61	£0	£26,629	£14,678	£18,065	£19,951	n/a	£26,629	£14,678	£18,065	£19,951	75%
62	£0	£29,114	£16,086	£19,798	£21,871	n/a	£29,114	£16,086	£19,798	£21,871	75%
63	£0	£31,830	£17,636	£21,706	£23,965	n/a	£31,830	£17,636	£21,706	£23,965	75%
64	£0	£34,790	£19,315	£23,772	£26,245	n/a	£34,790	£19,315	£23,772	£26,245	75%
NPA = 65	£0	£37,971	£21,155	£26,036	£28,692	n/a	£37,971	£21,155	£26,036	£28,692	76%
66	£0	£40,830	£23,166	£28,512	£30,748	n/a	£40,830	£23,166	£28,512	£30,748	75%
67	£0	£43,845	£25,360	£31,212	£32,884	n/a	£43,845	£25,360	£31,212	£32,884	75%
68	£0	£47,017	£27,719	£34,116	£35,101	n/a	£47,017	£27,719	£34,116	£35,101	75%

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at previous NPA (Age 65)	£37,971	£37,971	£37,971	£37,971
Lump sum at previous NPA (Age 65)	n/a	n/a	n/a	n/a
Retirement age	65	beyond age 70	beyond age 70	beyond age 70

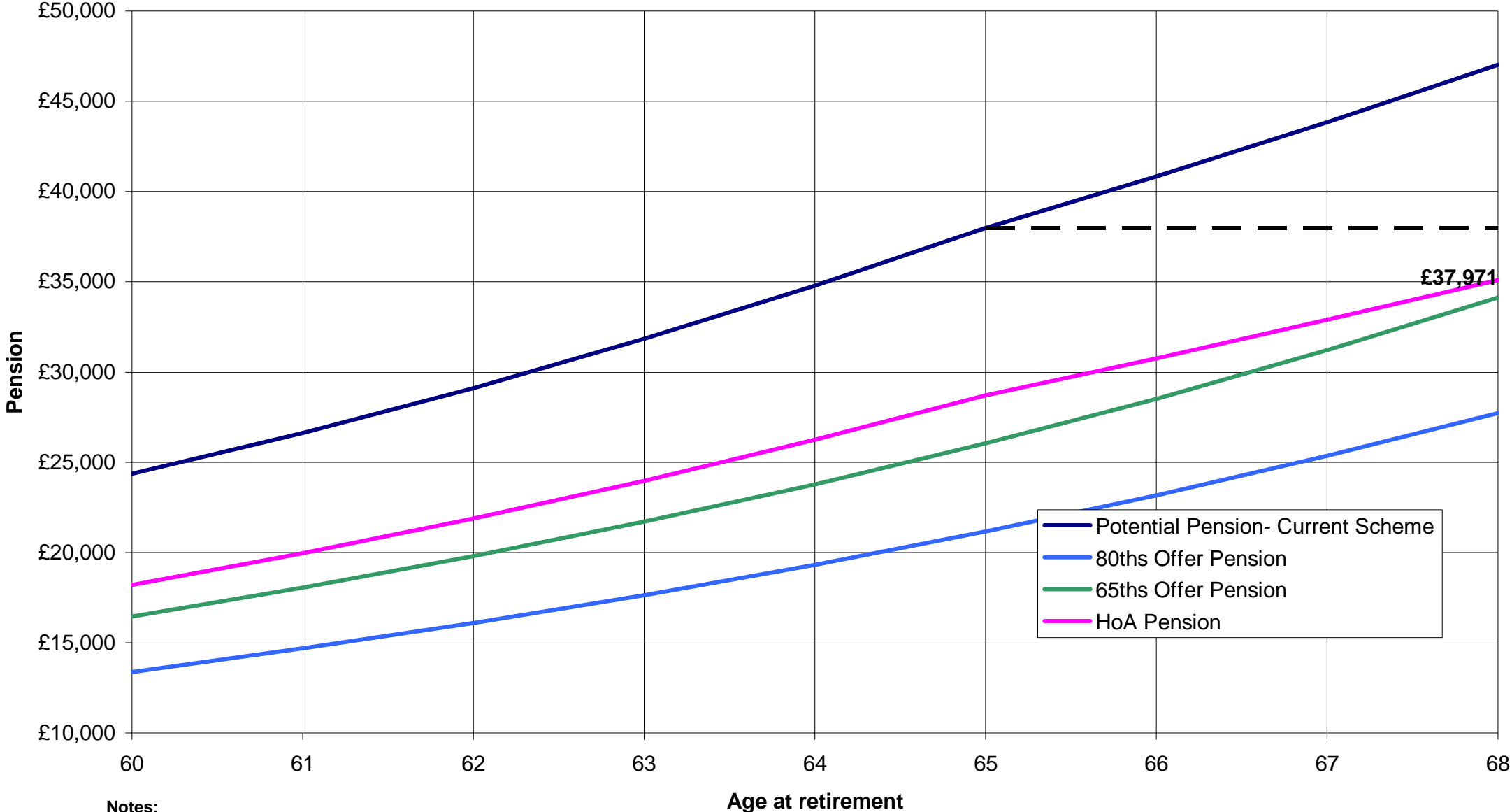
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 7: Member who joins the TPS aged 30 at 1 April 2015, with no past service. The member joins the CARE scheme on salary point 30 and reaches point 49 and remains there until retirement.



Notes:
 HoA = Final Heads of Agreement
 Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 8 – HE (3), MID-CAREER (15 YEARS PAST SERVICE IN PRE 2007 SCHEME)

Full-time qualified lecturer working in Higher Education, starts career at age 30 on point 30 and reaches point 49, staying there until retirement.

The member joins the TPS aged 30 on 1 April 2000. The member has 15 years past service in the Pre 2007 Scheme accrued by 1 April 2015. For comparison, we have shown the benefits the member could build up in the Pre 2007 Scheme from 1 April 2015 (which has a NPA of 60).

Retirement Age	Benefits built up before 1 April 2015 benefits		Benefits built up after 1 April 2015 benefits					Total Benefits (Pension and lump sum*)					
	Lump sum under current Scheme	Pension under current Scheme	Lump sum*	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum*	Pension under current Pre 2007 Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
NPA = 60	£31,691	£10,564	£31,691	£10,564	£4,666	£6,353	£7,527	£63,383	£21,128	£15,230	£16,917	£18,091	86%
61	£31,921	£10,640	£34,049	£11,350	£5,402	£7,304	£8,615	£65,970	£21,990	£16,043	£17,944	£19,255	88%
62	£32,152	£10,717	£36,439	£12,146	£6,233	£8,372	£9,825	£68,592	£22,864	£16,950	£19,089	£20,543	90%
63	£32,385	£10,795	£38,862	£12,954	£7,154	£9,552	£11,168	£71,248	£23,749	£17,949	£20,347	£21,963	92%
64	£32,620	£10,873	£41,319	£13,773	£8,185	£10,868	£12,653	£73,939	£24,646	£19,058	£21,742	£23,526	95%
65	£32,856	£10,952	£43,809	£14,603	£9,335	£12,332	£14,272	£76,665	£25,555	£20,287	£23,284	£25,225	99%
66	£33,095	£11,032	£46,332	£15,444	£10,614	£13,954	£15,653	£79,427	£26,476	£21,645	£24,986	£26,685	101%
SPA = 67	£33,334	£11,111	£48,890	£16,297	£12,014	£15,726	£17,103	£82,225	£27,408	£23,125	£26,838	£28,214	103%

* For comparison purposes, the lump sum has been set equal for all benefit structures, so that pension amounts can be compared fairly.

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at current NPA (Age 60)	£21,128	£21,128	£21,128	£21,128
Lump sum at current NPA (Age 60)	£63,383	£63,383	£63,383	£63,383
Retirement age	60	65 and 7 months	63 and 7 months	62 and 5 months

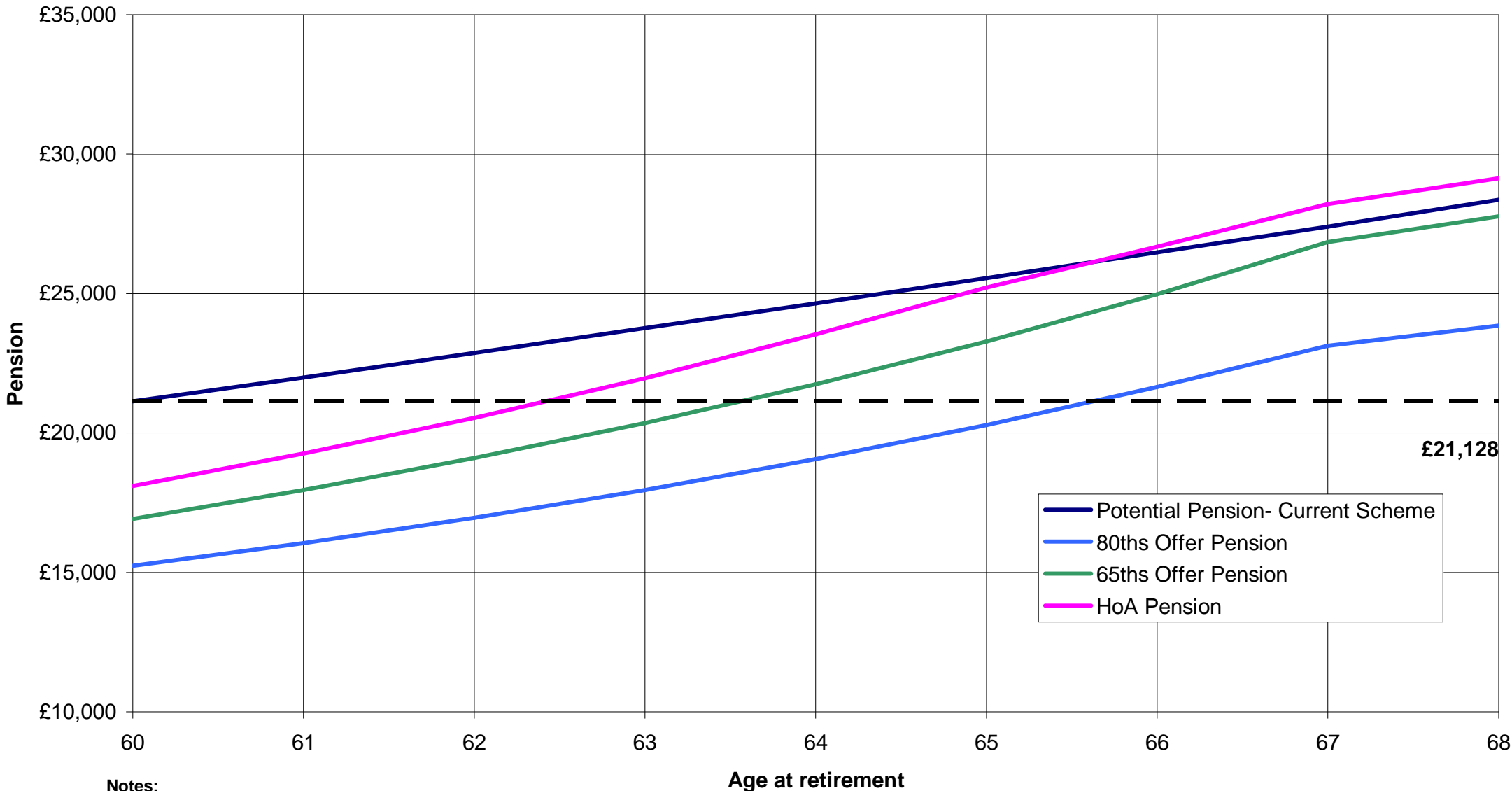
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 8: Member who joins the TPS aged 30 at 1 April 2000, with 15 years past service in the Pre 2007 TPS by 1 April 2015. The member joins the CARE scheme on salary point 45 and reaches point 49 and remains there until retirement.



Notes:

HoA = Final Heads of Agreement

Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 9 – FE (2), NEW JOINER WITH 5-YEAR CAREER BREAK

Full-time qualified lecturer working in Further Education, starts career at age 28 on point 23 and reaches point 37. At age 35 the member takes a five-year career break. At age 40 the member rejoins the Scheme on point 37 and stays there until retirement.

The member joins the TPS aged 28 on 1 April 2015 and has no past service in either the Pre 2007 or Post 2007 schemes. For comparison, we have shown the benefits the member could have built up in the Post 2007 Scheme from 1 April 2015 (which has a NPA of 65).

Retirement Age	Benefits built up after 1 April 2015					Total Benefits (Pension and lump sum)					
	Lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
60	n/a	£14,899	£9,437	£11,615	£12,780	n/a	£14,899	£9,437	£11,615	£12,780	86%
61	n/a	£16,345	£10,351	£12,739	£13,995	n/a	£16,345	£10,351	£12,739	£13,995	86%
62	n/a	£17,930	£11,328	£13,943	£15,323	n/a	£17,930	£11,328	£13,943	£15,323	85%
63	n/a	£19,664	£12,405	£15,267	£16,771	n/a	£19,664	£12,405	£15,267	£16,771	85%
64	n/a	£21,556	£13,570	£16,701	£18,346	n/a	£21,556	£13,570	£16,701	£18,346	85%
NPA = 65	n/a	£23,592	£14,847	£18,273	£20,037	n/a	£23,592	£14,847	£18,273	£20,037	85%
66	n/a	£25,432	£16,242	£19,990	£21,452	n/a	£25,432	£16,242	£19,990	£21,452	84%
67	n/a	£27,370	£17,763	£21,862	£22,922	n/a	£27,370	£17,763	£21,862	£22,922	84%
SPA = 68	n/a	£29,407	£19,398	£23,875	£24,447	n/a	£29,407	£19,398	£23,875	£24,447	83%

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at previous NPA (Age 65)	£23,592	£23,592	£23,592	£23,592
Lump sum at previous NPA (Age 65)	n/a	n/a	n/a	n/a
Retirement age	65	beyond age 70	67 and 10 months	67 and 5 months

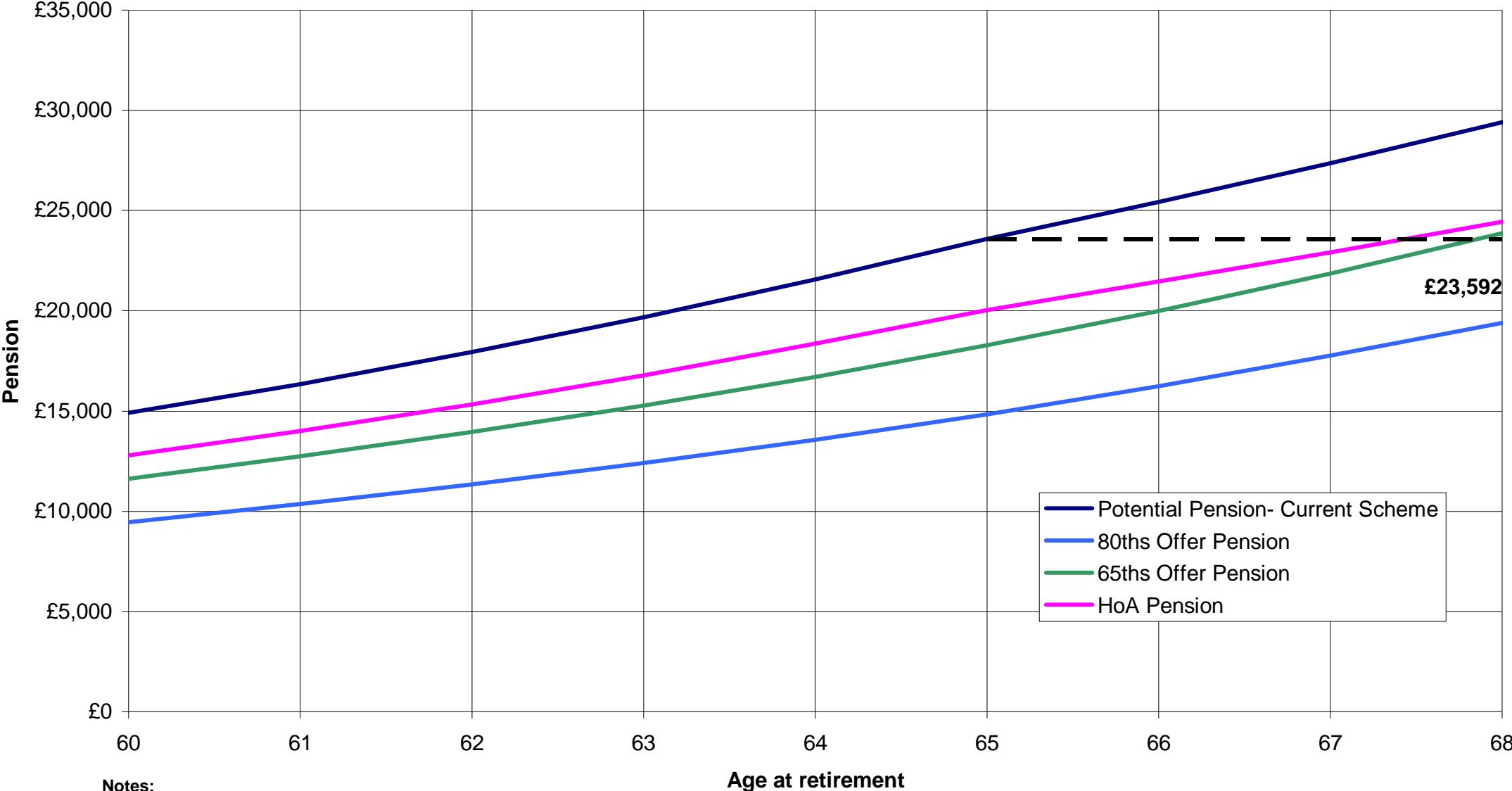
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 9: Member who joins the TPS aged 28 at 1 April 2015, with no past service. The member joins the CARE scheme on salary point 28 and reaches point 37 and remains there until retirement. Member takes a 5 year career break from age 35.



£23,592

Notes:

HoA = Final Heads of Agreement
 Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 10 – FE (3), NEW JOINER PART-TIMER

Full-time qualified lecturer working in Further Education, starts career at age 28 on point 23 and reaches point 37, staying there until retirement. The member works for 50% of the normal full-time hours throughout her time in the Scheme.

The member joins the TPS aged 28 on 1 April 2015 and has no past service in either the Pre 2007 or Post 2007 schemes. For comparison, we have shown the benefits the member could have built up in the Post 2007 Scheme from 1 April 2015 (which has a NPA of 65).

Retirement Age	Benefits built up after 1 April 2015					Total Benefits (Pension and lump sum)					
	Lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
60	n/a	£8,829	£5,614	£6,910	£7,542	n/a	£8,829	£5,614	£6,910	£7,542	85%
61	n/a	£9,632	£6,122	£7,535	£8,208	n/a	£9,632	£6,122	£7,535	£8,208	85%
62	n/a	£10,511	£6,664	£8,202	£8,936	n/a	£10,511	£6,664	£8,202	£8,936	85%
63	n/a	£11,471	£7,260	£8,935	£9,728	n/a	£11,471	£7,260	£8,935	£9,728	85%
64	n/a	£12,516	£7,903	£9,727	£10,588	n/a	£12,516	£7,903	£9,727	£10,588	85%
NPA = 65	n/a	£13,639	£8,608	£10,594	£11,510	n/a	£13,639	£8,608	£10,594	£11,510	84%
66	n/a	£14,645	£9,377	£11,541	£12,268	n/a	£14,645	£9,377	£11,541	£12,268	84%
67	n/a	£15,706	£10,214	£12,571	£13,054	n/a	£15,706	£10,214	£12,571	£13,054	83%
SPA = 68	n/a	£16,824	£11,112	£13,676	£13,867	n/a	£16,824	£11,112	£13,676	£13,867	82%

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at previous NPA (Age 65)	£13,639	£13,639	£13,639	£13,639
Lump sum at previous NPA (Age 65)	n/a	n/a	n/a	n/a
Retirement age	65	Beyond age 70	68	67 years 9 months

Notes:

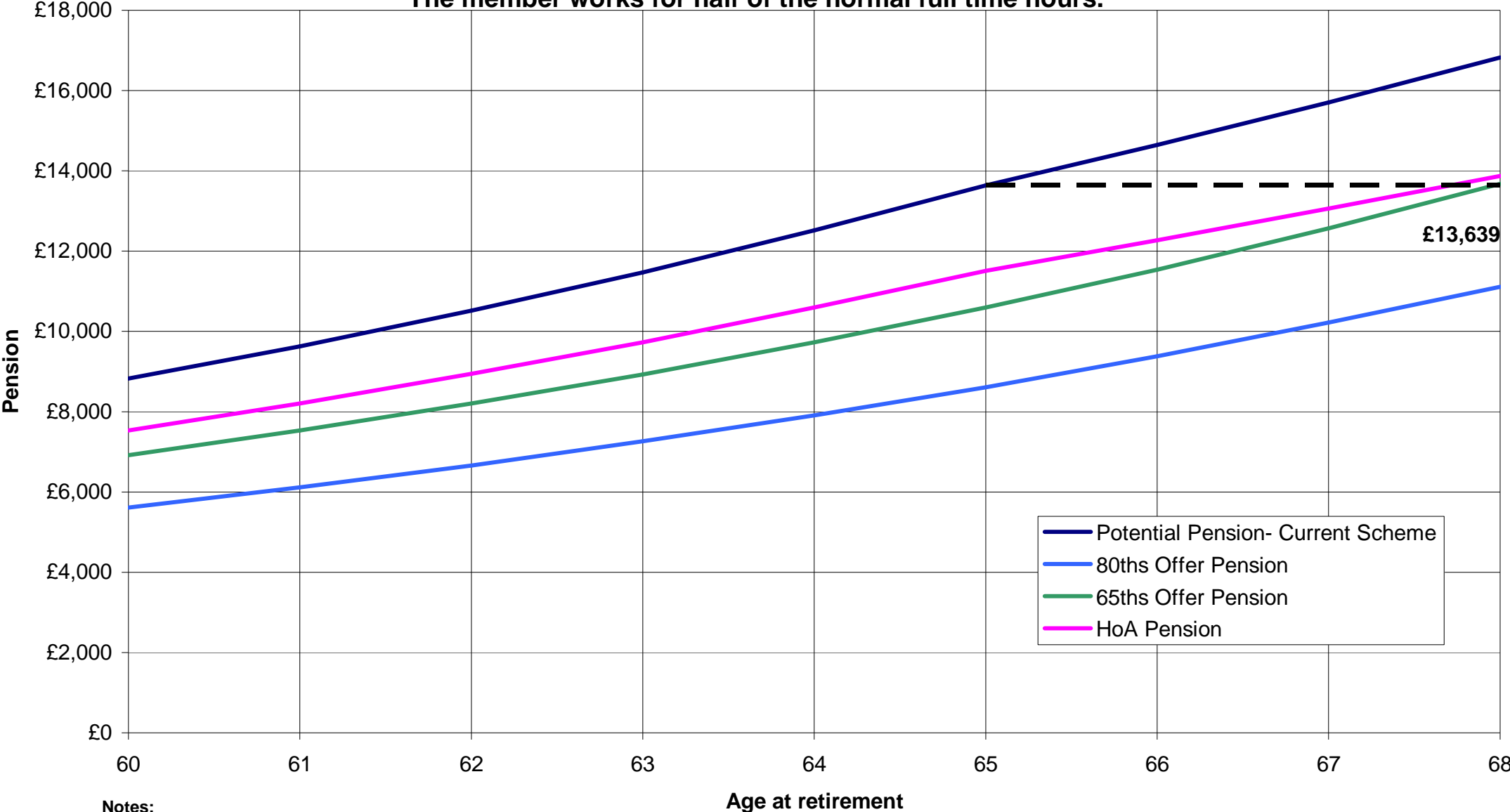
NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 10: Member who joins the TPS aged 28 at 1 April 2015, with no past service. The member joins the CARE scheme on salary point 28 and reaches point 37 and remains there until retirement.

The member works for half of the normal full time hours.



£13,639

Notes:
 HoA = Final Heads of Agreement
 Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 11 – FE (3), MID-CAREER (20 YEARS PAST SERVICE), PART-TIMER IN PRE 2007 SCHEME

Full-time qualified lecturer working in Further Education, starts career at age 28 on point 23 and reaches point 37, staying there until retirement. The member works part-time, working for 50% of normal full-time hours.

The member joins the TPS aged 48 on 1 April 2015 and has 20 years past service in the Pre 2007 Scheme accrued. For comparison, we have shown the benefits the member could build up in the Pre 2007 Scheme from 1 April 2015 (which has a NPA of 60).

Retirement Age	Benefits built up before 1 April 2015 benefits		Benefits built up after 1 April 2015 benefits					Total Benefits (Pension and lump sum*)					
	Lump sum under current Scheme	Pension under current Scheme	Lump sum*	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum*	Pension under current Pre 2007 Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
NPA = 60	£13,849	£4,616	£8,309	£2,770	£1,354	£1,827	£2,135	£22,158	£7,386	£5,971	£6,443	£6,752	91%
61	£13,949	£4,650	£9,067	£3,022	£1,590	£2,131	£2,475	£23,016	£7,672	£6,239	£6,781	£7,125	93%
62	£14,050	£4,683	£9,835	£3,278	£1,852	£2,469	£2,854	£23,885	£7,962	£6,536	£7,152	£7,537	95%
63	£14,152	£4,717	£10,614	£3,538	£2,148	£2,847	£3,275	£24,766	£8,255	£6,865	£7,565	£7,993	97%
64	£14,254	£4,751	£11,404	£3,801	£2,478	£3,270	£3,743	£25,658	£8,553	£7,230	£8,021	£8,494	99%
65	£14,358	£4,786	£12,204	£4,068	£2,848	£3,739	£4,253	£26,562	£8,854	£7,634	£8,525	£9,039	102%
SPA = 66	£14,462	£4,821	£13,016	£4,339	£3,254	£4,255	£4,692	£27,477	£9,159	£8,074	£9,076	£9,513	104%

* For comparison purposes, the lump sum has been set equal for all benefit structures, so that pension amounts can be compared fairly.

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at current NPA (Age 60)	£7,386	£7,386	£7,386	£7,386
Lump sum at current NPA (Age 60)	£22,158	£22,158	£22,158	£22,158
Retirement age	60	64 and 5 months	62 and 7 months	61 and 8 months

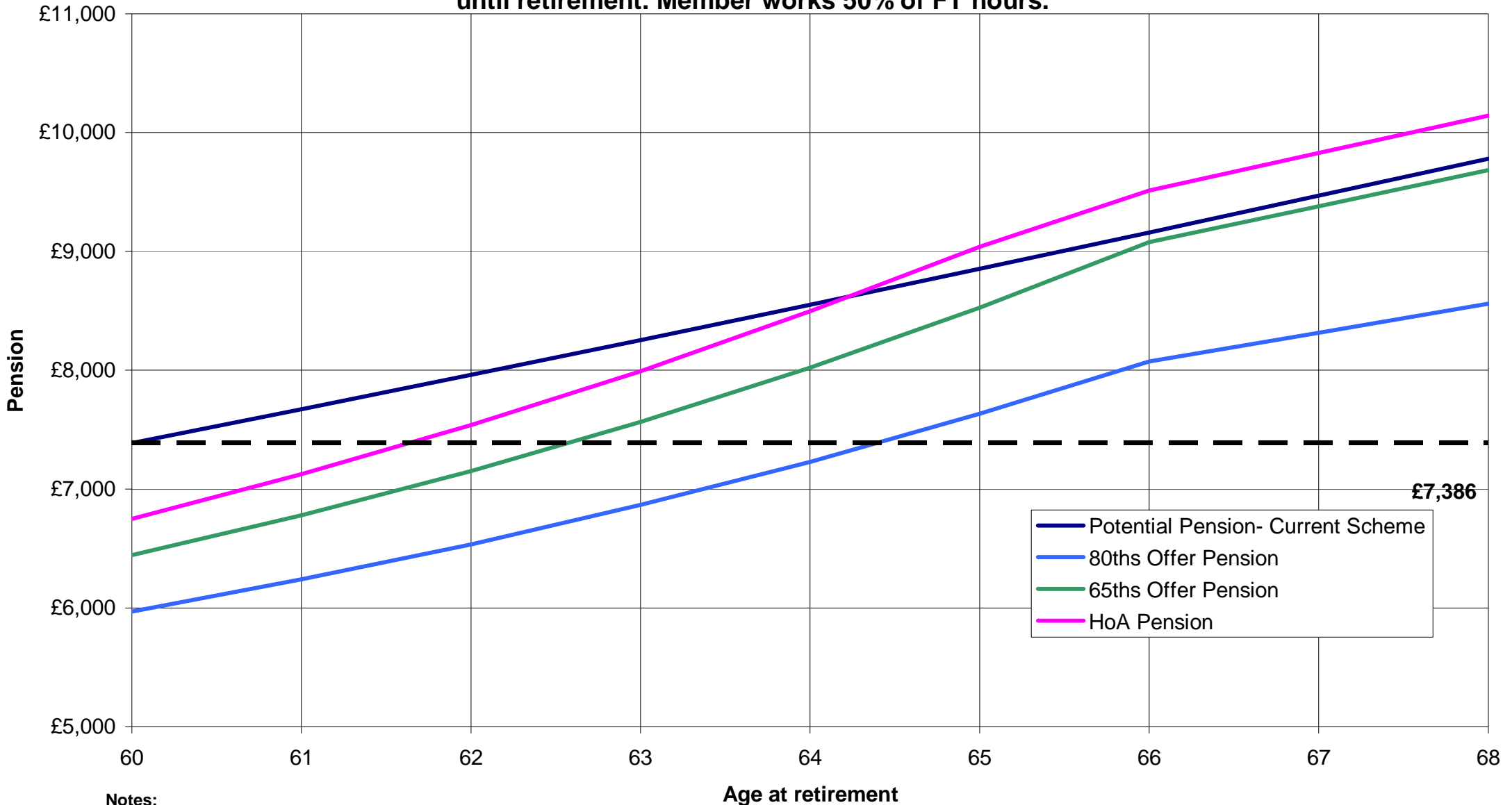
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 11: Member who joins the TPS aged 28 at 1 April 1995, with 20 years past service in the Pre 2007 TPS by 1 April 2015. The member joins the CARE scheme on salary point 37 and remains there until retirement. Member works 50% of FT hours.



Notes:

HoA = Final Heads of Agreement

Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

EXAMPLE 12 – HE (2), TRANSITIONAL PROTECTION (PRE 2007 SCHEME)

Full-time qualified lecturer working in Higher Education, starts career at age 25 on point 25 and reaches point 43, staying there until retirement. At 1 April 2012, the member is aged 47 exactly. As there are 13 years to the member's NPA of 60 in the Pre 2007 Scheme, the member will receive Transitional Protection and switch to the new CARE Scheme on 1 April 2016.

Retirement Age	Benefits built up before 1 April 2016 benefits		Benefits built up after 1 April 2016 benefits					Total Benefits (Pension and lump sum*)					
	Lump sum under current Scheme	Pension under current Scheme	Lump sum	Pension under current Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Total lump sum	Pension under current Pre 2007 Scheme	Pension under 80ths Offer	Pension under 65ths Offer	Pension under Final HoA Offer	Final HoA as % of current entitlement
55	£34,003	£11,334	£5,231	£1,744	£849	£1,146	£1,380	£39,234	£13,078	£12,184	£12,480	£12,714	97%
56	£35,802	£11,934	£6,885	£2,295	£1,121	£1,512	£1,813	£42,687	£14,229	£13,055	£13,446	£13,747	97%
57	£37,756	£12,585	£8,713	£2,904	£1,420	£1,915	£2,284	£46,469	£15,490	£14,005	£14,500	£14,870	96%
58	£39,868	£13,289	£10,734	£3,578	£1,745	£2,354	£2,805	£50,601	£16,867	£15,034	£15,643	£16,094	95%
59	£42,096	£14,032	£12,953	£4,318	£2,108	£2,843	£3,371	£55,049	£18,350	£16,140	£16,875	£17,403	95%
NPA = 60	£44,399	£14,800	£15,369	£5,123	£2,505	£3,379	£3,998	£59,768	£19,923	£17,305	£18,178	£18,798	94%
61	£44,721	£14,907	£17,200	£5,733	£3,016	£4,043	£4,753	£61,921	£20,640	£17,923	£18,949	£19,660	95%
62	£45,045	£15,015	£19,057	£6,352	£3,589	£4,784	£5,597	£64,102	£21,367	£18,604	£19,799	£20,612	96%
63	£45,371	£15,124	£20,941	£6,980	£4,237	£5,617	£6,539	£66,312	£22,104	£19,361	£20,741	£21,662	98%
64	£45,700	£15,233	£22,850	£7,617	£4,966	£6,552	£7,587	£68,550	£22,850	£20,199	£21,785	£22,820	100%
65	£46,031	£15,344	£24,786	£8,262	£5,783	£7,595	£8,738	£70,817	£23,606	£21,127	£22,938	£24,081	102%
SPA = 66	£46,365	£15,455	£26,749	£8,916	£6,687	£8,745	£9,753	£73,114	£24,371	£22,142	£24,200	£25,208	103%

The table below shows the age at which the member would have to retire in order to achieve the same pension they would have received at the NPA in their current Scheme:

	Current Scheme	Under 80ths Offer	Under 65ths Offer	Under Final HoA Offer
Pension at current NPA (Age 60)	£19,923	£19,923	£19,923	£19,923
Lump sum at current NPA (Age 60)	£59,768	£59,768	£59,768	£59,768
Retirement age	60	63 years 8 months	62 years 2 months	61 years 3 months

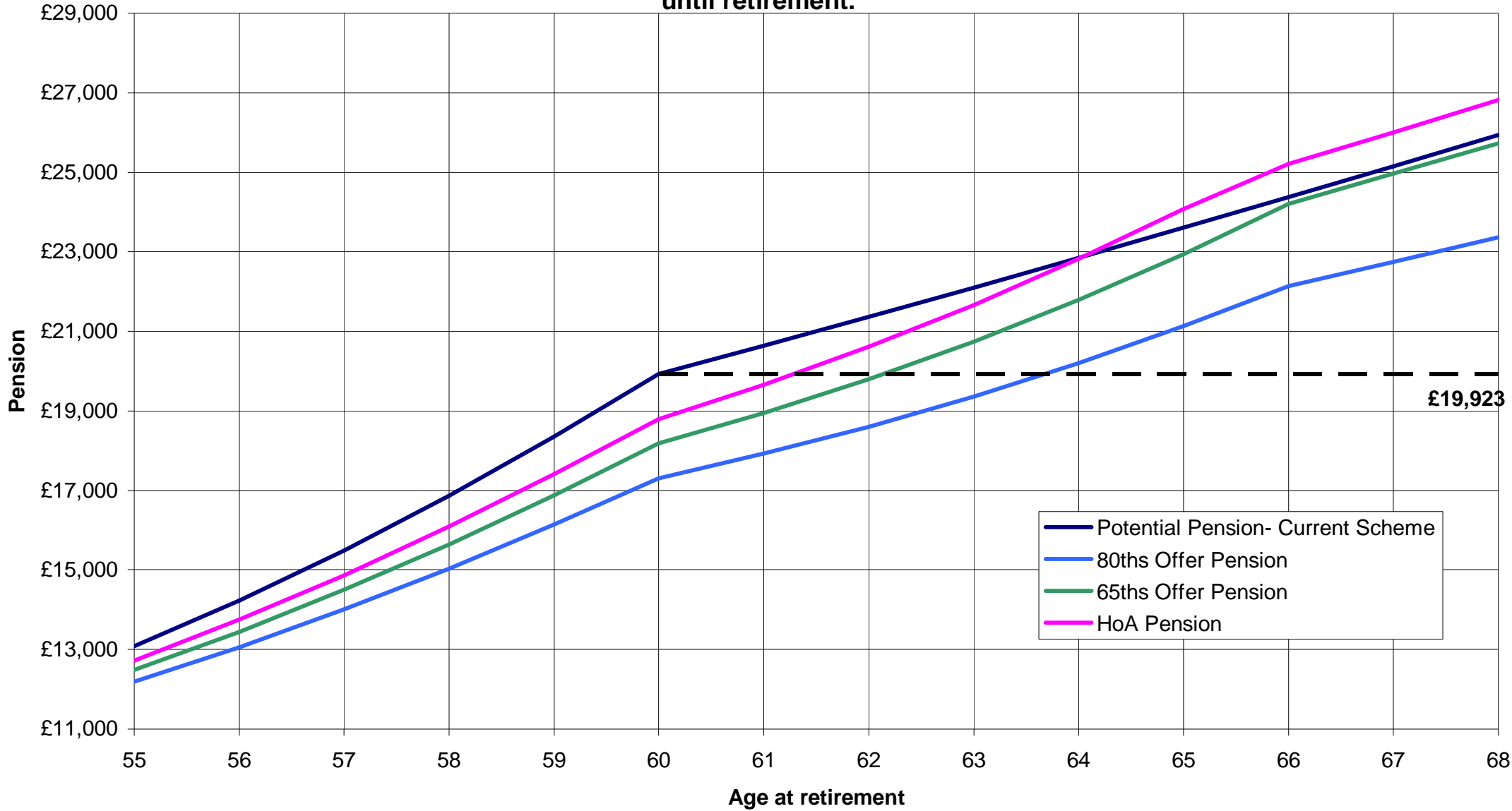
Notes:

NPA = Normal Pension Age in Current Scheme

SPA = State Pension Age

HoA = Final Heads of Agreement

Example 12: Member who joins the TPS aged 25 at 1 April 1990, with 26 years past service in the Pre 2007 TPS by 1 April 2016. The member joins the CARE scheme on salary point 43 and remains there until retirement.



Notes:

HoA = Final Heads of Agreement

Black dotted line shows pension at Normal Pension Age (NPA) in Current Scheme.

APPENDIX A – CAREER PROFILES

AGE	FE (1)	FE (2) 5-year career break	FE (3) 50% part- timer	HE (1)	HE (2)	HE (3)	AGE	FE (1)	FE (2) 5-year career break	FE (3) 50% part- timer	HE (1)	HE (2)	HE (3)
28	£23,382	£23,382	11,691	-	-	-	51	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
29	£24,786	£24,786	12,393	-	-	-	52	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
30	£26,292	£26,292	13,131	£30,122	£30,122	£30,122	53	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
31	£27,891	£27,891	13,946	£31,020	£31,020	£31,020	54	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
32	£29,580	£29,580	14,790	£31,948	£31,948	£31,948	55	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
33	£31,377	£31,377	15,689	£32,901	£32,901	£32,901	56	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
34	£33,282	£33,282	16,641	£33,884	£33,884	£33,884	57	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
35	£35,304		17,652	£34,895	£34,895	£34,895	58	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
36	£35,304		17,652	£34,895	£35,938	£35,938	59	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
37	£35,304		17,652	£34,895	£37,012	£37,012	60	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
38	£35,304		17,652	£34,895	£38,140	£38,140	61	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
39	£35,304		17,652	£34,895	£39,257	£39,257	62	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
40	£35,304	£35,304	17,652	£34,895	£40,430	£40,430	63	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
41	£35,304	£35,304	17,652	£34,895	£41,639	£41,639	64	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
42	£35,304	£35,304	17,652	£34,895	£42,883	£42,883	65	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
43	£35,304	£35,304	17,652	£34,895	£44,166	£44,166	66	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
44	£35,304	£35,304	17,652	£34,895	£44,166	£45,486	67	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
45	£35,304	£35,304	17,652	£34,895	£44,166	£46,846	68	£35,304	£35,304	17,652	£34,895	£44,166	£52,706
46	£35,304	£35,304	17,652	£34,895	£44,166	£48,246							
47	£35,304	£35,304	17,652	£34,895	£44,166	£49,689							
48	£35,304	£35,304	17,652	£34,895	£44,166	£51,175							
49	£35,304	£35,304	17,652	£34,895	£44,166	£52,706							
50	£35,304	£35,304	17,652	£34,895	£44,166	£52,706							

APPENDIX B – ASSUMPTIONS

	Assumption
Retail Prices Index (RPI)	3.5% pa
Consumer Prices Index (CPI)*	2% pa *
Earnings Inflation*	CPI plus 2.25%, i.e. 4.25% pa *
Pay Point Inflation	In line with Earnings, i.e. 4.25% pa
CARE revaluation for actives (Offer 1 and Offer 2)	In line with Earnings, i.e. 4.25% pa
CARE revaluation for actives (Final Heads of Agreement)	CPI plus 1.6%, i.e. 3.6% pa
Commutation Factor (Post 2007 Scheme and new schemes)	12 to 1 at all ages
Early Retirement Factors (ERFs) (Offer 1 and Offer 2)	In line with Post 2007 Scheme ERFs but with reference to the number of years early before State Pension Age rather than Age 65
Early Retirement Factors (ERFs) (Heads of Agreement)	3% pa simple for a maximum of 3 years between age 65 and State Pension Age Below age 65, in line with Post 2007 Scheme ERFs

* These assumptions are in line with those recommended by the Government Actuary's Department (GAD) for use in scheme-specific negotiations on pension scheme design. Source: "Cost ceilings for scheme level discussions: Advice on data, methodology and assumptions", GAD, 7 October 2011