



# Teacher's Pension NI

Understanding your pension

# Before we get started...

Please help us by:

- Turning off your camera and putting yourself on mute.
- If you have any questions during the presentation, please pop them in the Q&A function – please note your name will show in the Q&A function and do not share any personal data.
- A PDF copy of the slides will be sent after the presentation for you to read.
- The meeting will be recorded for training and monitoring purposes only and by attending you are giving your consent for this.

***Please note that the information we are sharing is correct at the time of the presentation. Please always check details with your pension scheme administrators.***

**[MoneyHelper Privacy Notice](#)**

# Who are MoneyHelper and what can we do?

MoneyHelper is here to help you cut through the jargon and complexity of financial and pension matters. We are here to put you in control, with free, impartial help that's quick to find, easy to use and backed by the government.

MoneyHelper is helping people:

- To clear their debts, reduce spending and make the most of their income.
- To support loved ones, plan ahead for major purchases and find out about entitlements.
- To build up savings and pensions and know their options.

We offer free and impartial information and guidance to help you make the most of your money and pensions. Our service is designed to support you in making your own informed decisions based on your circumstances.

We don't give legal or regulated financial advice or recommend specific financial products because we aren't regulated or authorised by the Financial Conduct Authority to do so. This means we can't tell you what the best option is for you, or what to do with your money or pension.

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

# What we'll focus on today

- How much money will you need?
- Budgeting
- State Pension
- Why are private pensions a good way to save?
- What type of pensions are there?
- The Teacher's pension arrangements
- McCloud
- Calculating Final Salary and CARE pensions
- What happens to your pension when you die?
- How to increase your pension benefits
- Phased retirement
- Tracing old pensions
- Pension scams and how to spot them
- What can you do now and how to contact us



# How much money will you need?

MoneyHelper Pensions  
Helpline 0800 011 3797

The answer to this question differs for everyone and will depend on your circumstances.

Research originally published in 2018 (and based on prices updated in June 2025) sets out three suggested levels of expenditure per annum in retirement after tax:

	Single person	Couple
Minimum – covers basic needs, maybe some left over for ‘fun’	£13,400	£21,600
	£15,800 (London)	£24,800 (London)
Moderate – allows for financial security and flexibility	£31,700	£43,900
	£33,000 (London)	£45,500 (London)
Comfortable – more financial freedom and luxuries	£43,900	£60,600
	£45,700 (London)	£62,700 (London)

Read more here: [retirementlivingstandards.org.uk/](https://retirementlivingstandards.org.uk/)

\*Please note that the above figures don't include rent, mortgage or social care costs.

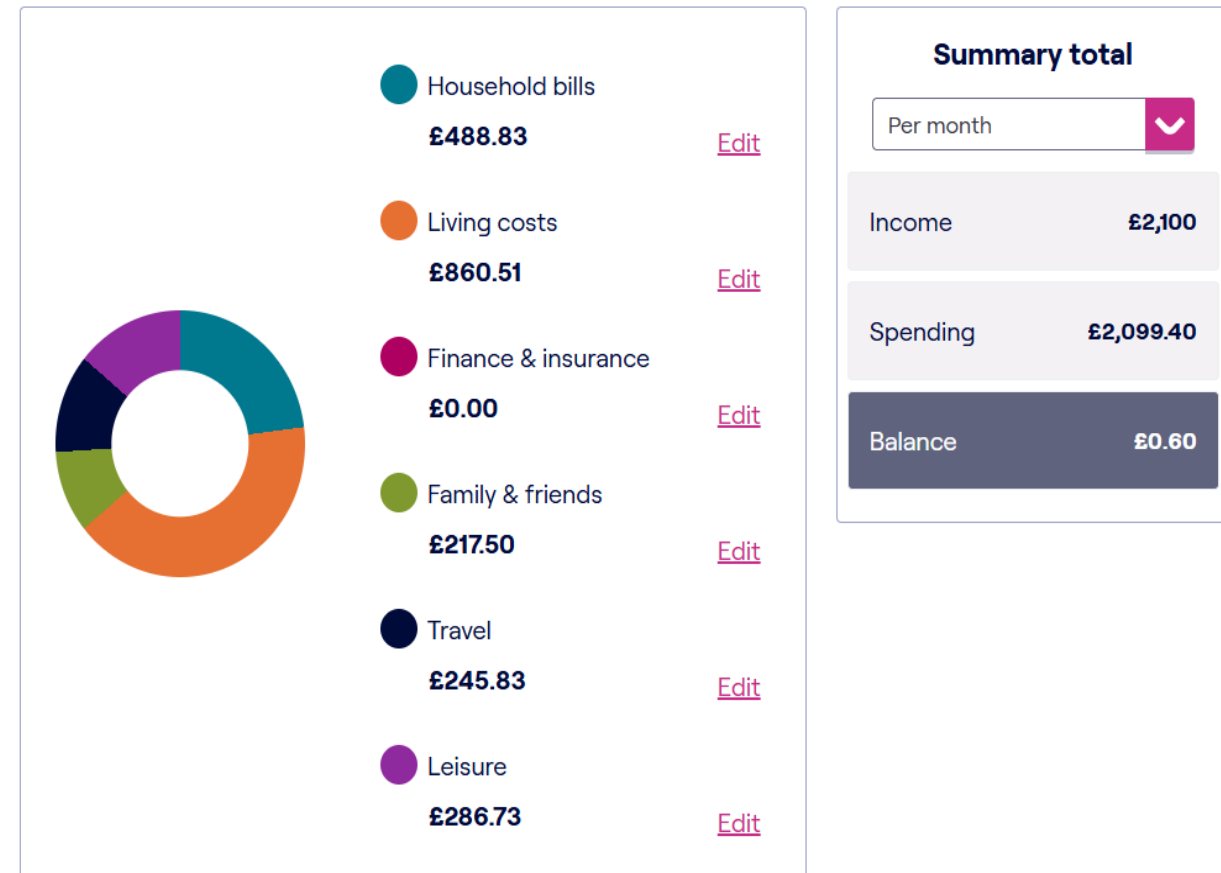
See what you're on track to get from just your pensions using our budget worksheet and calculator:

[moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/check-the-progress-of-your-pension-and-retirement-savings](https://moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/check-the-progress-of-your-pension-and-retirement-savings)

# MoneyHelper Budget Planner - <https://www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner>

- Our free online budget tool helps you keep track of your budget and finances
- The budget planner works by adding up all your income and outgoings and then shows you what's left over. It breaks down where you are spending your money, giving you an idea where you might be able to make savings and save costs.
- The tool will also provide tips on building up an emergency fund, saving money on household bills and how to make the most of your savings

## Breakdown of your spending



# MoneyHelper Pension Calculator - <https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator>

How much do you need in retirement and how much are you going to have? Those are the questions our pension calculator will help you answer.

In just a couple of minutes, you'll get:

- A forecast of the likely pension income you'll get when you retire.
- Your forecast will include income from defined benefit and defined contribution pensions, and your State Pension.
- A target retirement income to aim for, taking into account your salary.

And when you get your results, you can alter your retirement age to see how that affects your income. You can also see how increased contributions or taking a smaller tax-free lump sum affect your yearly pension.

We'll also give you some next steps to take if your pension incomes might be less than what you'd want.

# State Pension

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- Paid in addition to any other pension
- The full new State Pension from 6 April 2025 is **£230.25 a week** (£11,973 per year)
- You'll need at least 35 qualifying years of National Insurance contributions to receive the full new State Pension
- You can find out your own State Pension age here: [gov.uk/state-pension-age](https://www.gov.uk/state-pension-age)  
For example, someone currently in their thirties can't claim their State Pension until age 68
- You can request a State Pension forecast online to see your current position: [gov.uk/check-state-pension](https://www.gov.uk/check-state-pension)  
(a Government Gateway or GOV.UK Verify account is required)
- If there are any gaps in your National Insurance record in the last six tax years, you may be able to pay voluntary National Insurance contributions to top up your State Pension  
Visit [gov.uk/voluntary-national-insurance-contributions](https://www.gov.uk/voluntary-national-insurance-contributions) for more information or call the Future Pension Centre on 0800 731 0175.

# Private pensions – how can they help you in retirement.

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Will the State Pension alone (currently £11,973 a year) be enough?

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Can normally be accessed much earlier than State Pension.

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Tax relief on money you pay into a pension - some of the money that would've gone to the government as tax goes into your pension instead.

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If paying into a workplace/employer pension – the employer will usually pay in as well.

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Can usually take up to 25% of the pension benefits as a tax-free lump sum.

# Types of pension

## Defined Benefit (DB) e.g. Teacher's Pension

- Guaranteed income for life
- Regular pension income usually with the option of a tax-free lump sum and a reduced income
- Early retirement with reduced pension
- More on defined benefit.

## Defined Contribution (DC) – most other private pensions

- Pot of money that is invested
- 25% of the pension pot can normally be paid as a tax-free lump sum
- Flexible options for drawing money out
- More on defined contribution.

# TPS Pension Arrangements

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## NPA 60 Scheme – before 31<sup>st</sup> March 2007

- Retirement age of 60, reduced pension can be taken from age 55\*
- Final salary scheme with 1/80<sup>th</sup> accrual rate and automatic tax-free lump sum in addition

## NPA 65 Scheme – between 1<sup>st</sup> April 2007 and 31<sup>st</sup> March 2015

- Retirement age of 65, reduced pension can be taken from age 55\*
- Final salary scheme with 1/60<sup>th</sup> accrual rate, can exchange some pension for a tax-free lump sum

## CARE Scheme – after 31<sup>st</sup> March 2015

- Retirement age is linked to your own State Pension age; reduced pension can be taken from age 55\*
- Career average (CARE) scheme with 1/57<sup>th</sup> accrual rate, can exchange some pension for a tax-free lump sum

## Many people will have benefits in two or more of these sections

*\*The UK Government is introducing changes to the normal minimum pension age (NMPA). These changes apply to all pension schemes including NI Teachers' Pension Scheme. On 6 April 2028, the NMPA will increase from 55 to 57. New entrants to the NI Teachers' Pension Scheme on or after 4 November 2021 can take their pension benefits from 57. A member would retain a NMPA of 55 if they had service in the NI Teachers' Pension Scheme before the UK Government announcement regarding NMPA changes on 4 November 2021. Further information for NITPS members, when it becomes available, will be published on the Department of Education website'.*

[Overview of the NI Teachers Pension Scheme](#)

# 2015 public service pension reforms ("McCloud")

## Why were changes needed?

- Members moved schemes in 2015; some older members stayed in legacy schemes.
- McCloud court ruling found this discriminatory based on age.

## What's happening now?

- From 1 April 2022 everyone builds pension in the CARE scheme.
- At retirement, eligible members choose how 2015–2022 benefits are calculated.
- Remedy Period: 1 April 2015 – 31 March 2022.

## What to expect next:

- Department of Education NI are issuing Remediable Service Statements (RSS).
- Teachers Pay & Pensions Team to commence implementing returned Immediate Choice option forms from May 2026
- Further guidance available can be found at the following link:

[McCloud Remedy](#)

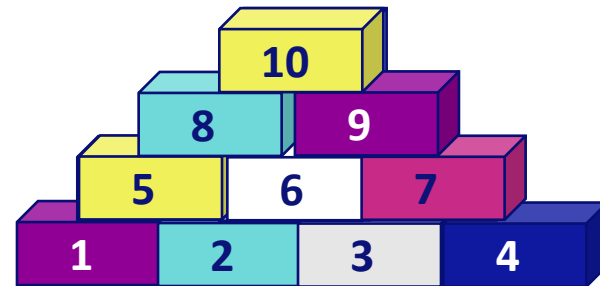
# Calculation Methods

	Calculation Method	Example Calculation	Tax Free Lump Sum
<p>Final Salary</p> <p>Example uses the NRA60 scheme</p>	<p>(Final Pensionable earnings/accrual rate) x Years &amp; Days of Service</p>	<p>FPE = £30,000 with 25 years service. Accrual rate = 1/80<sup>th</sup></p> <p><math>(30,000/80) \times 25 = £9,375</math></p>	<p>3 x annual pension*</p> <p>3 x £9,375 = £28,125</p>
<p>Career Average Revalued Earnings (CARE)</p>	<p>Pensionable pay x accrual rate. Each year is then revalued annually with inflation</p>	<p>Year 1 earnings = £30,000 / 57 = £526.32 Revalued (e.g. 4.1%) = £547.90 Year 2 earnings = £31,000 / 57 = £543.86 Total for 2 years = £1,091.76 (£547+£543)</p>	<p>Give up some of your annual pension for up to 25% lump sum.</p>

\* Please note with the NRA 65 scheme you have to give up some of your pension to get a lump sum.

# Building 2015 pension

A good way of understanding a Career Average scheme is to see it as building blocks of pension with each year your block increasing due to hopefully your salary increasing and with the revaluation of previous years salary.



There is a NHS some Teachers Pension NI calculators which can be accessed at:- [Pension Calculators](#)

- Some people build up higher pensions in the 2015 CARE scheme than they would under the final salary schemes.
- Can give up some pension for a tax-free cash lump sum (for every £1 of pension given up, you will get £12 of lump sum).

# CARE scheme - what is paid when you die?

## If you die whilst still in active service:

May have a one-off lump sum dependant on scheme rules

### Plus:

Family pension may be payable to spouse, civil partner, cohabiting partner, children where eligible\*

Any lump sum due will be paid to your spouse, registered civil partner or qualifying nominated partner. **If these are not applicable to you, you should nominate someone else to receive the benefit.**

\*Children, if they're under 23 and in education, or if they're incapacitated and are financially dependent on you.

Make sure your Expression of Wish form is up to date. The Expression of Wish form can be obtained [here](#).

For more information about death benefits see [here](#)



# How to increase pension benefits.

MoneyHelper Pensions  
Helpline 0800 011 3797

## Buy additional pension

- Used to purchase extra pension for when you retire
- Paid through salary monthly or as a lump sum
- Buy additional pension in multiples of £250 up to a maximum of £8,600 per year

## Faster Accrual (2015 scheme only)

- Faster accrual gives you the opportunity to pay higher contributions to increase your pension for a particular scheme year
- There are three rates you can choose to pay instead of the standard contribution rate of 1/57th of your pensionable earnings. The rates are 1/45th, 1/50th or 1/55th.

## Money purchase additional voluntary contributions (AVCs)

- A pot of money that is invested
- Can pay in lump sums or make regular contributions
- Managed by an external provider - Prudential.
- AVCs do not increase the benefits you receive from NITPS. They are a separate arrangement'

## Actuarial Buy Out (2015 scheme only)

- Pay extra contributions to buy out the reduction that would otherwise apply if you claim your benefits up to three years before your normal pension age (but not earlier than age 65).

For a factsheet on increasing your benefits please see this [factsheet](#)

For other information about increasing your pension benefits please see this link: [additional pension](#)

# Phased Retirement

- Have to be aged between 55 and 75.
- Enable you to continue working whilst moving to part time or relinquishing some of your responsibilities.
- Maximum you can withdraw is up to 75% of benefits.
- Remaining benefits will continue to grow.
- Need employer's consent.
- Reduction in salary needs to be at least 20% and maintained for at least 12 months.
- Can take either Final Salary or CARE benefits and can choose what % applies to which scheme.
- If taking benefits early, please note that they will be reduced.
- For more information about Phased Retirement, please click [here](#).

# Tracing old pensions

- Pensions Dashboard – listing all scheme benefits for an individual to help keep track of your pensions.
- **You don't have to click on any adverts for tracing help or pay anyone to trace your pensions.**
- Currently no central database but you can find contact details for old pensions via the Pension Tracing Service: [gov.uk/find-pension-contact-details](https://www.gov.uk/find-pension-contact-details)
- Can transfer/combine most old pensions. **May be able to transfer an old pension into the Teachers Pension NI scheme within 12 months of becoming a member of the scheme.**
- It's only from 2012 onwards that employers were included in automatic enrolment, this was phased in, and all employers had to offer a pension scheme by Feb 2018 – before this there may have not been a scheme

More information from MoneyHelper about tracing your pensions and pension transfers:

[Tracing and Finding Lost Pensions](#)

[Transferring Pensions](#)

# Pension scams and how to spot them

- Contacted out of the blue
- Cold calling is Illegal with Pensions (report to Information Commissioner's Office)
- Applying pressure to make quick decision
- Guaranteeing high investment returns
- Access pensions before 55
- Offer of one-off investments , time-limited offers, upfront cash incentives, free pensions reviews, legal loopholes or government initiatives

Financial Conduct Authority - Scam Smart

How to spot and avoid pension scams



# How can you help yourself plan for the future?

- Make sure you regularly check your pension statements for all the pensions you have paid into
- Are you maximising the use of your employer's pension to build up contributions – remember if you pay in both the employer and Government pays too!
- **Check your State Pension Forecast – have you built up a full State Pension Entitlement.**
- Use the tools on our website to help you plan what your retirement will look like.
- Make sure you know where all your pensions are – if not use the Pension Tracing Service to find them.
- Ensure all pension providers know who your beneficiaries are.





# How can we help you?

## Pensions

General Helpline open Mon – Fri 9-5pm any types of pensions – 0800 011 3797, or Webchat

Pension Wise appointment – over 50 with a DC (investment based) pension  
0800 138 3944 or Pension Wise

Divorce Appointment - Pensions and Divorce Appointment

## Money Guidance

Money Guidance -Phone: 0800 138 7777  
Webchat: [moneyhelper.org.uk/moneychat](https://moneyhelper.org.uk/moneychat)

The above number covers topics such as:

- |                      |                       |
|----------------------|-----------------------|
| Benefits             | Investments           |
| Bereavement          | All insurances        |
| Bills                | Debt/money management |
| Budgeting            | Loans                 |
| Buying a car         | Renting               |
| Car insurance        | Plus others           |
| Credit cards/ratings |                       |
| Employment           |                       |
| Family care          |                       |



# Thank you

[moneyhelper.org.uk](http://moneyhelper.org.uk)

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