

Benefits Explained

1. **Scheme Type** – This is the pension scheme that you are currently contributing to which determines your Normal Pension Age (NPA);
 - a) 80th scheme (NPA 60); b) 60th scheme (NPA 65);
 - c) Career Average Scheme (CARE) (NPA is equal to your state pension age or 65 whichever is higher).*

*Career Average benefits are calculated by using an accrual rate of 1/57th applied to your pensionable earnings in the financial year (1 April to 31 March). At the end of each financial year the accrued earned pension is then revalued. The pension accrued in the following financial year is then added to this and at the end of that year the total amount is then revalued. This process is repeated in each subsequent financial year thereafter.

If you are unsure how you are affected by transitional arrangements please refer to Fact Sheet One at the link below:

<https://www.education-ni.gov.uk/sites/default/files/publications/de/Factsheet>

2. **Start Date of Reckonable Service** – This is the date of where you began to accrue reckonable service. **Please note:** Your start date of reckonable service may refer to the start date of your service period bracket rather than your actual membership start date. Service brackets are categorised as 01/10/1956-31/03/1972, 01/04/1972-31/03/1980, 01/04/1980-31/03/1986 and 01/04/1986-31/03/1987. If your membership began within one of these periods, the start date of the applicable bracket will be given as your start date of reckonable service
3. **Pensionable Salary** – This is the rate of full-time equivalent pensionable salary as at 31 December 2017
4. **Salary and Period used in the calculation of your 80th/60th pension benefits** – This is both the salary rate on which your retirement benefits have been calculated and the period used to calculate the salary that provides you with the highest level of pension benefits. The scheme regulations define a number of methods that can be used to determine your average salary and these are fully detailed on the Department's Website www.education-ni.gov.uk. **Please note: To calculate your pension benefits DE has used the best 1095 consecutive days (3 years) in your last 10 years of pensionable service, after each salary has been re-valued in line with the relevant inflation index. Revaluation of salary takes effect from the date each salary changes.**

*CARE benefits are based on pensionable earnings in each financial year, or part thereof, rather than a final Average Salary.

5. **Reckonable Service** – Reckonable Service is any service which counts towards your 80th and 60th pension. This includes your periods of employment for which you have paid pension contributions to the Northern Ireland Teachers' Pension Scheme (NITPS). If you have any periods worked in a temporary, part-time or pro-rata pensionable capacity, only the pensionable credit for those days worked will count towards your pension benefit. Additional periods you may have purchased separately and any credits for benefits transferred in from other pension schemes will also count towards your 80th and 60th pension.

It is vitally important to check that your service details are correct as any errors may be time-consuming to rectify at a later date, resulting in delays or incorrect pension benefits. **If there are any errors please contact the relevant employer and ask them to notify us of the correction.**

Please Note: Reckonable Service is not used in the calculation of Career Average (CARE) pension and has therefore been excluded in the CARE element of your ABS.

6. **Gross Annual Pension** – This is your gross annual entitlement that will be paid by the NITPS.
7. **Automatic Tax Free Lump Sum** – Only applicable to members of the 80th scheme, however, all members have the option to commute some of their annual pension into a one off tax free lump sum. The statement illustrates the maximum amount of optional lump sum that you can currently receive and also the reduction to your gross annual pension should you wish to commute.
8. **Optional Lump Sum - Maximum Lump Sum (including Pensions Increase)** If you were a member of the scheme on or after 1st April 2007 you can convert, 'commute' part of your pension to receive a lump sum up to 25% of fund value. The above figure provides the additional lump sum you would receive if you were to commute the maximum 25%.
9. **Reduced Gross Annual pension (including Pensions Increase)** this is your new gross pension if you were to take the option of the maximum commutation.
10. **In Service Death Grant** – The NITPS provides for different levels of death grant to be paid, depending on the type of scheme you are currently contributing to. If you are contributing to the 80th or 60th scheme the lump sum is three times the average salary. If you are contributing to the CARE scheme the lump sum is three times the full-time equivalent pensionable salary.
11. **Life Time Allowance (LTA)** – Life Time Allowance is a limit on the total value of pension benefits that you can build up, without facing a tax charge on the value of the benefits. The percentage shown represents the value of your NITPS benefits against the LTA. Further details on the LTA can be accessed at: <https://www.gov.uk/government/publications/reduction-of-pensions-lifetime-allowance/reduction-of-pensions-lifetime-allowance>

State Pension

This information can be accessed at <https://www.gov.uk/browse/working/state-pension>

Dealing with queries from scheme members

Any queries should be sent in writing to Teachers' Pensions Team, Waterside House, 75 Duke Street, Gbomascale, Londonderry, BT47 6FP or by email to nitpsabsqueries@education-ni.gov.uk Please include your Teachers Reference Number. You can also find further information by accessing the Department of Education website at www.education-ni.gov.uk