

# Teachers' Pension Calculator

## Frequently Asked Questions

### Introduction

This calculator will provide you with an illustration of your Teachers' Scheme benefits at a future retirement date. It is for illustrative purposes only and is not a guarantee of future benefits. It is not intended to provide you with financial advice. If you require financial advice, you should contact an independent financial adviser.

### What does the Calculator Provide?

The calculator offers an illustration of benefits that may become payable at a retirement date selected by you, presented in today's money terms. It shows benefits payable for each scheme you have been a member of and also includes an estimate of the maximum lump sum that could be payable.

The calculator also provides a printable copy of the results produced.

### Using the Calculator

The calculator requires you to enter some details, and notes are provided alongside the input fields to help you enter the right information. The guidance notes should also be read alongside the results produced. The results reflect the information you input, which includes pensionable salary, reckonable service (part time and/or full time) and selected retirement date. You may also need to know how much service you were credited with if you transferred another pension into the Teachers' Scheme. If you are unsure of this information, you could check your recent Annual Benefit Statement or contact the SPPA.

### What assumptions does the Calculator make?

The calculator assumes you remain in active service and on your current part time or full time hours up to your selected retirement date. The calculator notes provide more information on the assumptions used, which include long term inflation at 2% CPI, and salary growth at three different rates. Short-term salary growth (to 2020) is set at 1% per annum.

### Which circumstances aren't addressed?

It has not been possible to include every scenario in this initial version, however the calculator does provide results applicable in most cases. Any change to your future hours (full time/part time or pay), will affect the results, and any other provision such as winding down, added years, AVCs or additional pension are not included. Any elections under the 2015 scheme to pay extra contributions for faster accrual or to buy out the standard reduction on early retirement are not included. In addition, your benefits may be subject to tax charges, such as scheme debits for annual allowance or lifetime allowance or deductions through pension sharing orders.

It is not currently possible to input two separate concurrent employments.

The calculator does not produce an illustration for retirement on the grounds of ill-health.

## How are Benefits calculated?

### **Scottish Teachers' Superannuation Scheme NPA 60**

NPA 60 uses both service and final salary in the calculation of your pension benefits. On retirement members become entitled to an annual pension and an automatic tax-free lump sum. The calculations used are shown below:

Reckonable Service x Pensionable Salary x 1/80 = Annual pension

Reckonable Service x Pensionable Salary x 3/80 = Lump Sum

The Salary used on retirement is the better of your last 365 days' pensionable salary or the average of the best three consecutive years earnings in the last 10, index linked to the date of retirement. The calculation used is shown below:

### **NPA 65 Introduced**

NPA 65 also uses both service and salary in the calculation of your pension benefits. The pay used is the better of your last 365 days' pensionable salary or the average of the best three consecutive years earnings in the last 10. The calculation used is shown below:

Reckonable Service x Pensionable Salary x 1/60 = Annual pension

You also have the option to convert part of your pension to give you a tax-free lump sum.

### **Scottish Teacher's Pension Scheme 2015**

Your 2015 pension will be calculated using Career Average Re-valued Earnings (CARE). 1/57th of your pensionable earnings for every year will be re-valued in line with the Consumer Price Index (CPI) + 1.6%.

You also have the option to convert part of your 2015 scheme pension to give you a tax-free lump sum.

## Normal Pension Age

The normal pension age for protected members of the STSS scheme is 60 or 65. This usually depends on when you joined the scheme – if you joined before 1/4/2007, your NPA will be 60.

The normal pension age for members of the 2015 CARE scheme is your State Pension age.

If benefits are claimed before normal pension age, they will be actuarially reduced to reflect the fact that they are being put into payment early.

## Questions?

If you have any questions about the information contained in this factsheet, please contact the SPPA by:

### **Post:**

7 Tweedside Park,  
Tweedbank,  
Galashiels  
TD1 3TE.

**Email:** [SPPAcontactus@gov.scot](mailto:SPPAcontactus@gov.scot)

**Telephone:** 01896 893000

