

NHS Choice Exercise

FACTSHEET

For members with added years and additional pension contracts

Introduction

This factsheet explains what will happen to your added years or additional pension contracts if you choose to transfer to the 2008 Section under the Choice Exercise.

What happens if I have an added years contract and transfer to the 2008 Section?

The 2008 Section does not provide the facility to purchase added years. If you choose to transfer to the 2008 Section any added years contract will stop and you will receive a membership credit up to the date your contract is terminated. This credit will be transferred to the 2008 Section. Your membership from 1 April 2008 will automatically show as 2008 Section membership.

What happens if I have an additional pension contract and transfer to the 2008 Section?

The facility to purchase additional pension is available in the 1995 Section and the 2008 Section. If you choose to transfer to the 2008 Section your additional pension will transfer at the date of your choice.

As the normal pension age in the 2008 Section is age 65, any additional pension being purchased to age 60 in the 1995 Section will automatically become additional pension payable at age 65 in the 2008 Section. Due to the lower cost of additional pension payable from age 65 the contributions paid up to the date of choice may be more than required. Also, ongoing contributions will be less than when the contract was first taken out.

Wherever possible the amount of additional pension being bought will remain the same i.e. £1,000 a year payable at age 60 in the 1995 Section will become £1,000 a year payable at age 65 in the 2008 Section.

For some purchases this may mean that too much has already been paid in the 2008 Section. Where this is the case, the additional pension being purchased will be increased until the overpaid contributions are exhausted.

If, before the overpaid contributions are exhausted, the maximum annual amount of additional pension is exceeded, the remaining contributions will be converted to a membership credit. It is important to note though that membership limits will continue to apply and any membership over the 45 years maximum at retirement will not count for the calculation of pension benefits.

