

Cambridge University Assistants' Contributory Pension Scheme (CUACPS)

Career Revalued Benefits (CRB) Section

Factsheet 10 – Leaving Service Benefits

You may leave the Scheme before retirement for several reasons. For example, you may leave employment with the University (or any other Participating Employer) or you may decide to opt out of CUACPS membership.

This factsheet sets out what happens to your benefits when you stop contributing to CUACPS. It also provides details of the different options that may be available to you.

If you wish to opt out of the Scheme whilst remaining in employment you must give the CU Pension Trustee Limited (CUPTL) at least one month's written notice of your intentions.

OPTIONS ON LEAVING

If you stop paying into CUACPS and leave the Scheme you have a number of options available with respect to the benefits you have built up.

- You may become a deferred member;
- You may transfer your benefits to another approved pension arrangement;

Unless you take action to transfer your benefits you will become a deferred member and your benefits will remain in CUACPS and will come into payment when you reach Normal Pension Age.

DEFERRED BENEFITS

If you leave the Scheme with more than two years' service you will become entitled to deferred benefits on the date you leave. Your deferred benefits will be calculated as follows:

If you joined CUACPS before 1 December 2009, your deferred benefits at the date you leave CPS are calculated as follows:

1. A pension of $1/60^{\text{th}}$ of your final pensionable salary at your date of leaving for each completed year* of pensionable service in the Scheme up to 31 December 2012.

Plus

2. A block of pension equal to $1/95^{\text{th}}$ of your revalued annual earnings for each completed year* of pensionable service from 1 January 2013 to 31 December 2017.

Plus

3. A block of pension equal to $1/100^{\text{th}}$ of your revalued annual earnings for each completed year* of pensionable service from 1 January 2018 onwards.

Plus

4. A tax-free cash lump sum equal to three times the pension earned after 31 December 2012.

If you joined CUACPS on or after 1 December 2009, your deferred benefits at the date you leave CUACPS are calculated as follows:

1. A pension of $1/80^{\text{th}}$ of your final pensionable salary at your date of leaving for each completed year* of pensionable service in the Scheme up to 31 December 2012.

Plus

2. A block of pension equal to $1/95^{\text{th}}$ of your revalued annual earnings for each completed year* of pensionable service from 1 January 2013 to 31 December 2017.

Plus

3. A block of pension equal to $1/100^{\text{th}}$ of your revalued annual earnings for each completed year* of pensionable service from 1 January 2018 onwards.

Plus

4. A tax-free cash lump sum of three times your total pension.

** part years of service based on completed days will also count towards your deferred pension.*

What happens to your deferred benefits after you leave the Scheme?

Your deferred benefits will be revalued between your date of leaving and your Normal Pension Age to protect them against the effects of inflation.

For benefits earned before 1 January 2013

Your pension and any lump sum in respect of service before 1 January 2013 will be revalued each calendar year in line with the annual increase in the Retail Prices Index (RPI), subject to a maximum annual increase of 12%.

If the annual RPI increase is greater than 12% in any given year the University and CUPTL may agree to provide a higher increase. However, increases above 12% are not guaranteed.

For benefits earned from 1 January 2013

Your pension and lump sum benefits will be revalued on 1 August each year in line with the annual increase in the RPI, subject to a maximum annual increase of 5%.

If the annual RPI increase is greater than 5% in any given year the University may agree to provide a higher increase. However, increases above 5% are not guaranteed.

Additional Voluntary Contributions (AVCs)

If you have paid added years AVCs, then your final salary benefits will be increased to reflect the period over which you paid AVCs. Please note that added years AVC contracts are based on payment of AVCs up to age 65. If AVCs are stopped before age 65 then the number of added years granted may be reduced to reflect the shorter period over which they were actually paid.

Your added years AVC benefits will revalue in the same way as benefits earned before 1 January 2013.

If you have a cash AVC arrangement then your cash fund will remain invested and continue to earn interest until you retire or transfer your benefits.

TRANSFER OUT

At any time between leaving CUACPS and starting to receive your CUACPS pension you can ask to transfer your benefits to another approved pension arrangement if you wish.

If you request a transfer you will be provided with details of your deferred benefits and a transfer value quotation, which represents the expected cost within CUACPS of providing your benefits.

If you decide to transfer your benefits you will give up all of the guarantees provided under CUACPS. As such, you may be required to take independent financial advice before making a decision.

It may be possible to transfer to an approved pension scheme outside of the UK.

More information on transferring your benefits is available in [Factsheet 12 – Transfers](#).

WHAT HAPPENS IF I DIE AFTER LEAVING SERVICE?

If you die before retirement whilst you are a deferred member a pension is payable to your spouse or civil partner. A lump sum may also be payable and if so is paid at the discretion of the CUPTL.

Lump sum

The lump sum criteria are dependent on when you joined CUACPS.

If you joined CUACPS before 1 December 2009, your lump sum consists of:

1. All of your member contributions paid into the Scheme along with a sum equal to the member contributions you would have paid had you not participated in the Salary Sacrifice Arrangement. Interest will be added but any contributions which may have been refunded will be excluded.

Plus

2. Any added years Additional Voluntary Contributions (AVCs) you paid into the Scheme with interest.

Plus

3. If you have paid cash AVCs, the value of your cash AVC fund.

If you joined CUACPS on or after 1 December 2009, a lump sum is only applicable if you paid Additional Voluntary Contributions (AVCs) and consists of:

1. Any added years AVCs you paid into the Scheme with interest.

Plus

2. If you have paid cash AVCs, the value of your cash AVC fund.

A pension for your spouse or civil partner

If you die after leaving the Scheme and before your Normal Pension Age, your spouse or civil partner will be paid a pension for life. The pension will be based on your deferred pension including revaluation to the date of your death and will be calculated as follows.

If you joined CUACPS before December 2009

Your spouse's death in deferment pension is calculated as follows:

1. For service before 1 January 2013 and any additional service granted in respect of added years AVCs you have paid, your spouse's pension will be two-thirds of your deferred pension including revaluation to the date of your death.

Plus

2. For any service on or after 1 January 2013 your spouse's pension will be three-quarters of your deferred pension including revaluation to the date of your death.

If you joined CUACPS on or after 1 December 2009

Your spouse's pension will be equal to one-half of your deferred pension including any pension in respect of added years AVCs and including revaluation to the date of your death.

Child's Allowance

If you leave any children then a child's allowance may be payable to them. This is equal to one-quarter of the spouse's pension and is payable to each eligible child provided that the total pension paid to your spouse and children is not greater than your total deferred pension at the date of your death.

If your children are either under age 18 or in full time education, they will qualify for the child allowance. However the allowance will stop at age 23.

IMPORTANT NOTE

This factsheet provides a summary of the benefits available on leaving service. However, your legal rights are governed by the Trust Deed and Rules of CUACPS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet. A copy of the rules can be found using the following link:

<http://www.pensions.admin.cam.ac.uk/cps>

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