



Approaching Retirement

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Agenda

- Benefits
- Practicalities
- Security



Defined benefit scheme

- Final Salary Scheme: benefits based upon salary when you retire (or leave) and your length of service
- Pensionable Salary
- Pensionable Service

Pensionable Salary

- Basic Pay (no overtime or bonuses)
- Higher of:
 - Best year in three years
 - Average of best three years in thirteen years
- Usually the salary you pay contributions on over the last year of service



Pensionable Service

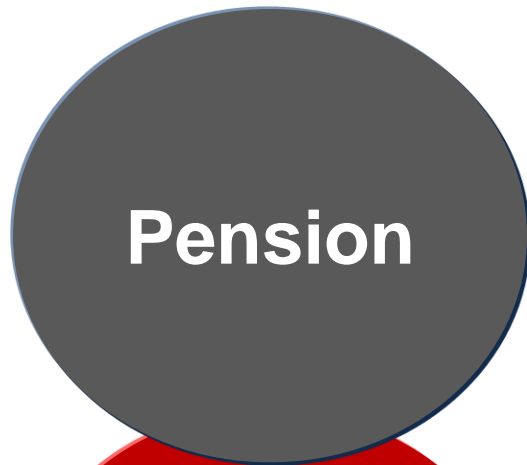
- Uses Years and days
- Includes:
 - SAUL service
 - Transfer in service
 - Pre-SAUL service
 - AVC credits – pay up to 10% of salary, lump sum or monthly (to age 60 or 65)

Part-time employment

- Salary and Service are converted to the **full-time equivalent**
- Pensionable Salary figure increased and Pensionable Service decreased



Pension Calculation



Pensionable
Salary

x

Pensionable
Service

80



3 x Annual Pension



Early Retirement

- Normal Pension Age is 65
- Age 60 to 65 – no reduction
- Age 50 (or 55) to 60 – reduced by 3% for each year before age 60
- AVCs - reduced by 4% for each year and if the contract ends early

Commutation Options

- Increasing the lump sum and reducing the pension
- Pension only (including option to increase spouse's pension)
- “Trivial” pensions



Family Protection

- 2/3rds pension for spouse, or civil partner or adult dependant
- 5 year guarantee
- Allowance for eligible children
- Dependent adult pension

Practicalities

- Check your benefit statement
- Request a quotation
- State Pension forecast
- The retirement form:
 - Verifying your date of birth
 - Choosing an option
 - Personal Details
 - The Lifetime Allowance

Paying benefits

- Lump sum issued on retirement date
- Pension to your account on 24th of each month
- Pension taxed as income
- Re-employment at a SAUL employer: pension may be reduced or stopped

Pension increases

- Pensions increased each April
- In line with the Consumer Price Index (CPI)
- Pension over the Guaranteed Minimum Pension



SAUL's funding position

The Actuarial Valuation

- Assets and liabilities
- Assumptions

Funding level

- £1,391 million (31 March 2010)
- 90% (technical provisions)
- 74% (secondary funding objective)



Security and the future

- Pension Increases: RPI to CPI
- Addressing the shortfall:
 - Recovery Plan & Negotiating Committee
- Pension Protection Fund (PPF)
- Ongoing Scheme, multi-employer, long-term investments

More information

- Benefit Statement
- Your benefits guide
- Your Pensions Officer
- The SAUL website:

www.saul.org.uk



Questions

