

## Independent Schools' Pension Scheme

# CARE 120ths - Key Features

## Defined Benefit

### Career Average Revalued Earnings (CARE) 120ths Benefit Option

#### What is CARE 120ths?

CARE 120ths is a defined benefit (DB) option in the Independent Schools' Pension Scheme (the Scheme). It provides benefits related to your earnings in each year of your membership, of this option, in the Scheme. The examples below show benefits built up in the CARE 120ths benefit option. Each year's pension is increased in line with price inflation up to a maximum of 5% in any one year.

**Table A - Example Data**

Assumed Earnings	Pension (1/120th of Earnings)	Assumed Price Inflation	
Year 1	£20,000	£166.67	n/a
Year 2	£21,800	£181.67	4.7%
Year 3	£23,500	£195.83	2.9%
Year 4	£25,000	£208.33	4.1%
Year 5	£26,400	£220.00	1.5%

**Table B - Revalued Pension**

Pension	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total
Year 1	£166.67	x 1.047	x 1.029	x 1.041	x 1.015	= £189.73
Year 2		£181.67	x 1.029	x 1.041	x 1.015	= £197.52
Year 3			£195.83	x 1.041	x 1.015	= £206.92
Year 4				£208.33	x 1.015	= £211.46
Year 5					£220.00	= £220.00
<b>Total pension at the end of Year 5</b>						<b>= £1,025.63</b>

CARE benefit options in the Scheme provide a similar range of benefits as the final salary benefit options. These include:

- Life cover. For active members, a death-in-service lump sum of 3 x salary.
- Survivors' pension following your death.
- The option to exchange some pension for a cash sum at retirement.
- Normal Retirement Age of 65, with early retirement available from age 55.
- Enhanced terms if you have to retire due to ill-health.
- Tax relief on your pension contributions