

UNDERSTANDING THE NHS PENSION SCHEME

WESLEYAN
we are all about you

WELCOME



Wesleyan is a financial services mutual that provides specialist advice and solutions to specific professional groups in the medical, legal and education sectors.

Founded in Birmingham in 1841, we have a long history and a strong heritage founded on caring for our communities.

We are committed to securing the financial futures of our customers – so they can focus on the vital work they do for society.

We cherish our mutual status and our integral values are rooted in everything we do, meaning we put our members and customers first. With no shareholders, we work to benefit those who invest in our business and is why 'We Are All About You'.



WE COVER A LIFETIME OF FINANCIAL NEEDS

HAVE YOU BEEN AFFECTED BY THE APRIL 2015 PENSION CHANGES?



2015 SCHEME – WHO'S AFFECTED?

1

Those aged within **10 years of retirement**



2

Those aged **between 10 - 14 years** until retirement



Taper Relief

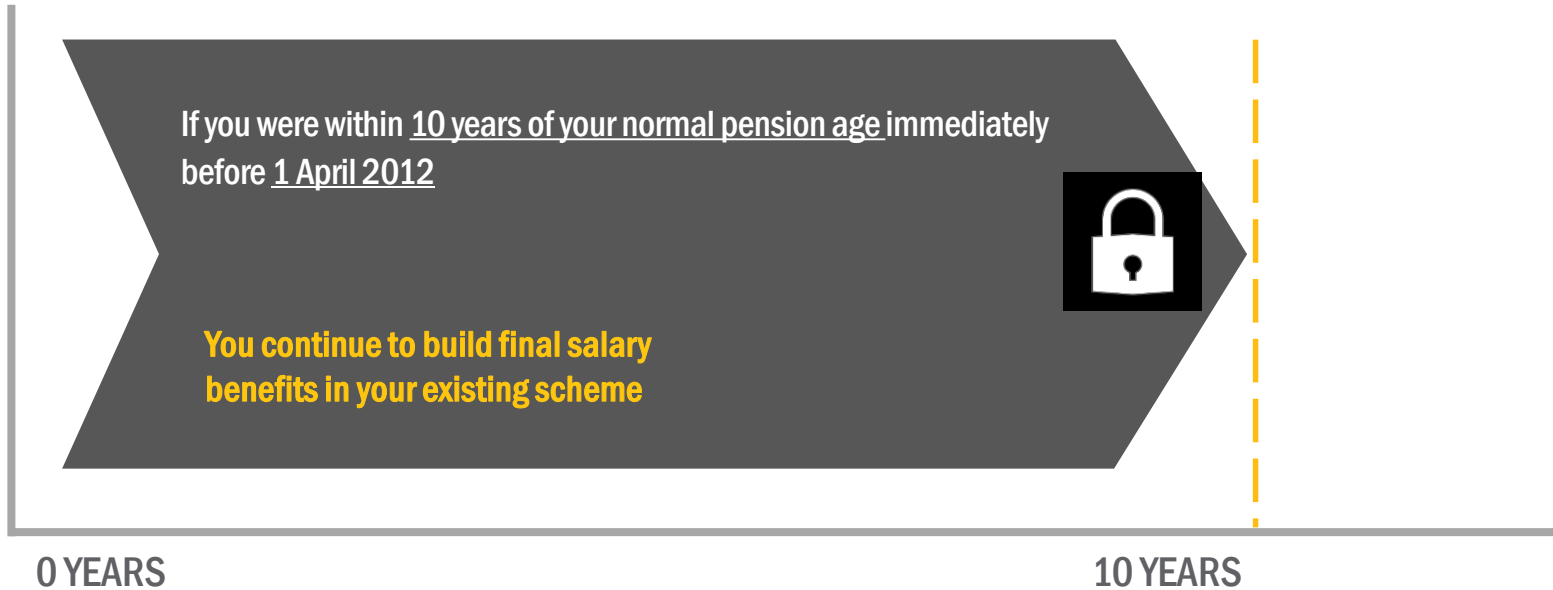
3

Those with **more than 14 years** until retirement



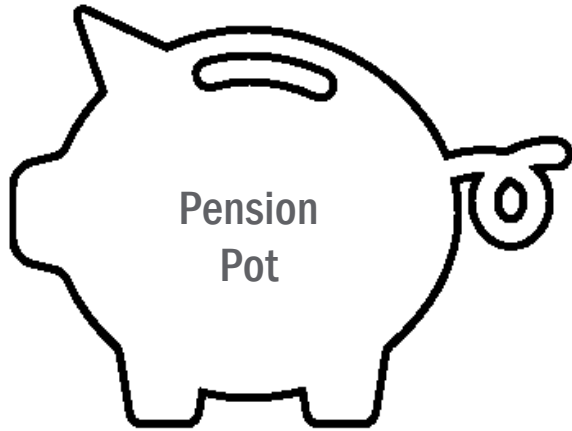
STATE RETIREMENT AGE (SUBJECT TO CHANGE)

Age	Men	Women
Aged 60 or over	Age 65	Ages 63 or 64
Aged between 54 and 60	Age 66	Age 66
Aged between 51 and 53	Age 66 or 67	Age 66 or 67
Aged between 46 and 50	Age 67	Age 67
Aged between 36 and 46	Age 67 or 68	Age 67 or 68
Aged between 23 and 35	Age 68 or 69	Age 68 or 69
Aged 23 or under	Age 69, 70 or older	Age 69, 70 or older



YEARS TO NORMAL PENSION AGE ON 1 APRIL 2012

2015 NHS PENSION SCHEME IS A CARE SCHEME



Each year you build up a set percentage of that year's earnings in your pension pot

+ Indexation percentage

Final Salary Scheme		Career Average Arrangement		
1995 Section	1 April 2008	2008 Section	1 April 2015	2015 Scheme
1/80 th x final salary for each full year of service, plus a tax free lump sum of 3 x pension		1/60 th x reckonable pay for each full year of service. No automatic lump sum		1/54 th x Career Average Revalued Earnings (CARE) for each full year of service, revalued by CPI + 1.5% p/a. No automatic lump sum
Normal Pension Age = 60		Normal Pension Age = 65		Normal Pension Age = State Pension Age or 65 if higher

Career Average Arrangement

1995 Section	1 April 2008	2008 Section	1 April 2015	2015 Scheme
Pension of 1.4% of total up-rated pensionable earnings throughout career, plus a tax free lump sum of 3x pension		Pension of 1.87% of total up-rated pensionable earnings over career. No automatic lump sum		1/54 th x Career Average Revalued Earnings (CARE) for each full year of service, revalued by CPI + 1.5% p/a. No automatic lump sum
Normal Pension Age = 60	Normal Pension Age = 65	Normal Pension Age = State Pension Age or 65 if higher		

IN THE 1995 AND 2008 SECTIONS OF THE SCHEME:

1

Additional Pension (AP)

2

Additional Voluntary (AVCs)

IN THE 2015 SECTIONS OF THE SCHEME:

1

Additional Pension (AP)

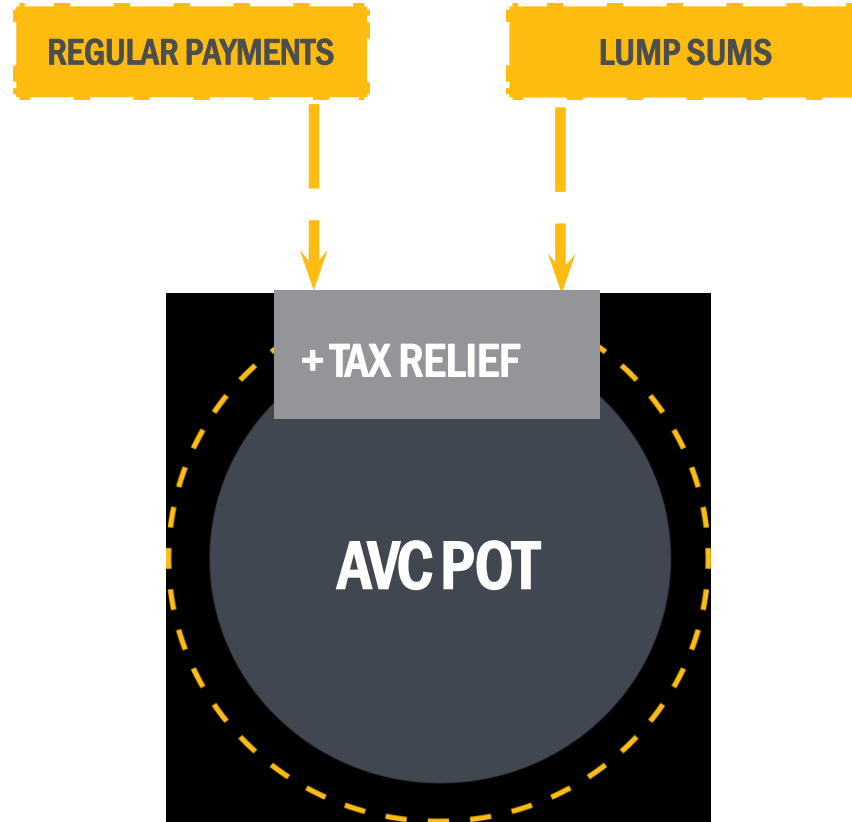
2

Additional Voluntary (AVCs)

3

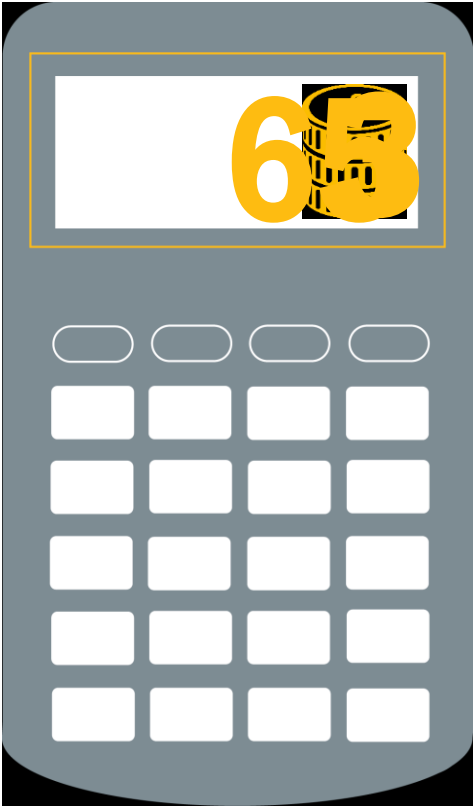
Early Retirement Reduction Buy Out

**PURCHASE ADDITIONAL PENSION
UP TO £6,500 IN MULTIPLES OF
£250**

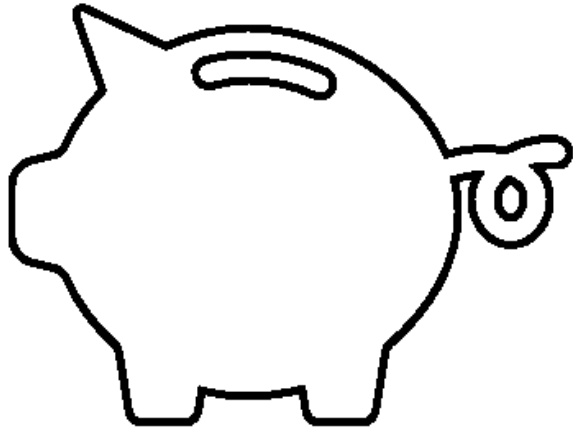




Buyout contributions do not apply
if you are aged 65 or over at the time of
reduction







As of 6 April 2016 the Annual Allowance was reduced by £1 for each £2 of adjusted income over £150,000

Benefits up to £1,055,000 may be taken from April 2016 without incurring extra tax charges

Pension savings up to £40,000 in the 2019/20 tax year without incurring a tax charge

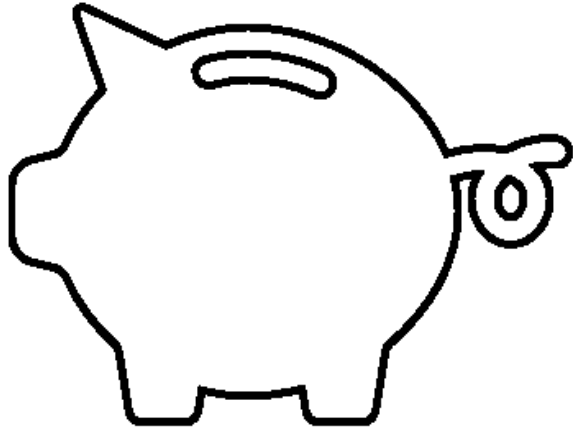
3 YEARS

Carry forward



NHS Pensions have extended the availability of voluntary 'Scheme Pays' to remove the £2,000 threshold for the minimum annual allowance charge and extend availability to:

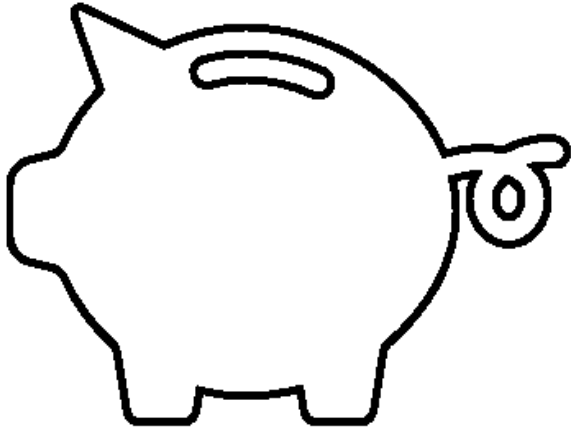
- ▶ Members for whom the total pension input in both the 1995/2008 and / or 2015 schemes is more than the standard, tapered or alternative annual allowance.



**Threshold Income of £110,000 or more =
tested against TAA**

Adjusted Income of £150,000 or more = taper
applied at £1 reduction for every £2 of income
above £150,000

**Adjusted Income of £210,000 or more =
£10,000 AA (minimum AA)**



This increased to £1,055,000 in the
2019/20 tax year

- ▶ Put a plan in action now for your retirement
- ▶ Understand the impact of the changes on your pension
- ▶ Consider ways to boost your pension
- ▶ Review your existing savings and investments
- ▶ Consider your options for early or phased retirement
- ▶ Check that the NHS Death in Service and family benefits provide for your needs
- ▶ It's important to review your arrangements regularly



STEP 1

Make an appointment with a Wesleyan Financial Services Consultant



STEP 2

Discuss your unique retirement needs and receive specialist financial advice



STEP 3

Let us help you make the most of your pension benefits

Q&A

THANK YOU

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