

Faster accrual

This factsheet provides you with information about the facility available in the Scottish Teachers' Pension Scheme (STPS), to elect to pay higher contributions to increase the growth of your pension. Please note that your normal pension age in the 2015 scheme is the same as your state pension age.

How do I qualify?

You must be in pensionable employment and under normal pension age (which will be the same as your state pension age).

Are there time limits for applying?

Applications must be made within one month of joining the 2015 scheme if the election is to take effect from your start date. Thereafter, applications must be made before the end of each year for the contract to begin the following 1 April. The election will run for **one scheme year only** from 1 April to 31 March.

How much will I pay?

Faster accrual contributions are based on your age on your last birthday at the start date of the election. You must pay the higher contributions for the one year period of the election unless the agreement is revoked. The standard accrual rate is 1/57th and there are three faster accrual options:

1. 1/45th
2. 1/50th
3. 1/55th

Example costs based on age on last birthday

1/45th	% extra contribution	1/50th	% extra contribution	1/55th	% extra contribution
Age 20	4.58%	Age 20	2.41%	Age 20	0.62%
Age 30	5.17%	Age 30	2.71%	Age 30	0.70%
Age 40	5.96%	Age 40	3.13%	Age 40	0.81%
Age 50	6.79%	Age 50	3.56%	Age 50	0.93%
Age 60	7.82%	Age 60	4.10%	Age 60	1.07%

If you have more than one employment, you can choose to pay the higher contributions on one or more of your employment contracts (the higher contributions do not have to be paid on all contracts). If you change employment during the year, **you must** provide your new employer with information about the higher contributions you are paying for the faster accrual contract for the contact to continue.

Important note: There is a maximum allowable limit for additional pension benefits. Where you have also applied to take out a contract to purchase Election to Buy Out the Standard Reduction and/or Additional Pension in the 2015 scheme, the value of

any Election to Buy Out the Standard Reduction/Additional Pension will be taken into account when calculating your faster accrual contract.

How will my pension be affected?

When you elect to pay faster accrual contributions, the pension you are building up for that year will be higher than the standard accrual rate.

The table below provides an example of how your pension will be affected.

*Teachers' Pension Scheme 2015 basic accrual 1/57th

Accrual rate	Pension for that year	Additional pension built up
1/57 th standard rate*	£526.31	0
1/55 th	£545.45	£19.14
1/50 th	£600.00	£73.69
1/45 th	£666.67	£140.36

The additional pension built up will be added to your pension pot and revalued each year in line with the consumer price index plus 1.6%, throughout your membership in the scheme.

How do I apply?

To apply, please download and complete the application form from our website: www.2015.sppa.gov.uk. We will advise your employer each time you amend the accrual rate.

Questions?

If you have any questions about the information contained in the factsheet, please contact SPPA at: 7 Tweedside Park, Tweedbank, Galashiels, TD1 3TE