

Final Salary 70th - Key Features

Final Salary 70th Benefit Structure

What is Final Salary 70ths?

Final Salary 70ths is a defined benefit structure in SHPS. At retirement you will receive a pension of 1/70th of your final pensionable earnings for each year you were a member of this benefit structure of SHPS.

The examples below show how the benefits are calculated in the Final Salary 70ths benefit structure.

Example A

- Pensionable service in the Final Salary 70ths benefit structure of the Scheme: **10 years and 6 months.**
- Final pensionable earnings (your average earnings in the three years leading up to your retirement date, increased by inflation in the year ending six months before your retirement date): **£25,400.**
- Pension calculation: **$1/70\text{th} \times 10.5 \text{ years} \times £25,400 = £3,810 \text{ pension a year.}$**

Example B

- Pensionable service in the Final Salary 70ths benefit structure of the Scheme: **14 years and 9 months.**
- Final pensionable earnings (your average earnings in the three years leading up to your retirement date, increased by inflation in the year ending six months before your retirement date): **£32,120.**
- Pension calculation: **$1/70\text{th} \times 14.75 \text{ years} \times £32,120 = £6,768.14 \text{ pension a year.}$**

All of the defined benefit structures in SHPS provide a range of additional benefits. These include:

- Life cover, for death-in-service lump sum of 3 x salary (for 'active' members).
- Survivors' pensions following your death.
- The option to exchange some pension for a cash sum at retirement.
- Enhanced terms if you have to retire due to ill-health.
- You have tax relief on your pension contributions.
- You pay lower National Insurance contributions.

If you move to a new employer who also participates in SHPS, and join a different benefit structure in the Scheme, your final pensionable earnings might be calculated at the date you leave the Final Salary 70ths benefit structure of the Scheme. You would be told if this applied to you.