

Final Salary 60th - Key Features

Final Salary 60th Benefit Option

What is Final Salary 60ths?

Final Salary 60ths is a defined benefit option in the SFHA Pension Scheme (the Scheme). At retirement you will receive a pension of 1/60th of your final pensionable earnings for each year you were a member of this benefit option in the Scheme.

The examples below show how the benefits are calculated in the Final Salary 60ths benefit option:

Example A

- Pensionable service in the Final Salary 60ths benefit option 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: **$1/60\text{th} \times 10.5 \text{ years} \times £25,400 = £4,445 \text{ pension a year}$** .

Example B

- Pensionable service in the Final Salary 60ths benefit option 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: **$1/60\text{th} \times 14.75 \text{ years} \times £32,120 = £7,896.16 \text{ pension a year}$** .

All of the defined benefit options in the Scheme provide a range of additional benefits. These include:

- Life cover: For active members, death-in-service lump sum of 3 x salary.
- 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 the SFHA Pension Scheme, and join a different benefit option in the Scheme, your final pensionable earnings might be calculated at the date you leave the Final Salary 60ths benefit option of the Scheme. You would be told if this applied to you.