

CARE 120th - Key Features

Career Average Revalued Earnings (CARE) 120th Benefit Option

What is CARE 120ths?

CARE 120ths is a defined benefit option in the SFHA 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. Unlike the other benefit options, this option is not contracted-out of the State Second Pension. While you are a member of this option you will continue to build up rights to the State Second Pension, payable from State Pension Age.

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	× 1.047	× 1.029	× 1.041	× 1.015	= £189.73
Year 2		£181.67	× 1.029	× 1.041	× 1.015	= £197.52
Year 3			£195.83	× 1.041	× 1.015	= £206.92
Year 4				£208.33	× 1.015	= £211.46
Year 5					£220.00	= £220.00
Total pension at the end of Year 5						= £1,025.63

CARE options in the Scheme provide a similar range of benefits as the Final Salary options. 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.
- Normal Retirement Age of 65, with early retirement available from age 55.
- Enhanced terms if you have to retire due to ill-health.
- You have tax relief on your pension contributions.