

CARE 70th - Key Features

Career Average Revalued Earnings (CARE) 70th Benefit Option

What is CARE 70ths?

CARE 70ths 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 70ths benefit option. Each year's pension is increased in line with price inflation up to a maximum of 5% in any one year.

Table A - Example Data

Assumed Earnings	Pension (1/70th of Earnings)		Assumed Price Inflation
Year 1	£20,000	£285.71	n/a
Year 2	£21,800	£311.43	4.7%
Year 3	£23,500	£335.71	2.9%
Year 4	£25,000	£357.14	4.1%
Year 5	£26,400	£377.14	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	£285.71	× 1.047	× 1.029	× 1.041	× 1.015	= £325.25
Year 2		£311.43	× 1.029	× 1.041	× 1.015	= £338.60
Year 3			£335.71	× 1.041	× 1.015	= £354.72
Year 4				£357.14	× 1.015	= £362.50
Year 5					£377.14	= £377.14
Total pension at the end of Year 5						= £1,758.21

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.
- You pay lower National Insurance Contributions.