

CARE 80th - Key Features

Career Average Revalued Earnings (CARE) 80th Benefit Structure

What is CARE 80ths?

CARE 80ths is a defined benefit structure in SHPS. It provides benefits related to your earnings in each year of your membership, of this structure, of the Scheme. The examples below show benefits built up in the CARE 80ths benefit structure. Each year's pension is increased in-line with the rise in the Retail Prices Index (RPI) up to a maximum of 5% in any one year.

Table A - Example Data

Assumed Earnings	Pension (1/80th of Earnings)		Assumed RPI Inflation
Year 1	£20,000	£250.00	n/a
Year 2	£21,800	£272.50	1.5%
Year 3	£23,500	£293.75	2.2%
Year 4	£25,000	£312.50	2.4%
Year 5	£26,400	£330.00	1.9%

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	£250.00	× 1.015	× 1.022	× 1.024	× 1.019	= £270.60
Year 2		£272.50	× 1.022	× 1.024	× 1.019	= £290.60
Year 3			£293.75	× 1.024	× 1.019	= £306.52
Year 4				£312.50	× 1.019	= £318.44
Year 5					£330.00	= £330.00
Total pension at the end of Year 5						= £1,516.16

CARE structures in SHPS provide a similar range of benefits as the Final Salary structures. 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.
- 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.