

## UNIVERSITY OF NOTTINGHAM

### Contributory Pension and Assurance Scheme (CPAS)

#### EARLY RETIREMENT

All active members of the Scheme have a Normal Retirement Age of 65. The earliest age at which a CPAS member may be paid is age 55.

Pensions are reduced on early retirement because:

- Payment is being made earlier so the Scheme has less time to invest for growth.
- More instalments of pension are likely to be paid to a member retiring earlier.

Therefore, if a member elects to retire early, the pension is not only paid sooner but also for a longer period. The rate of pension is reduced by an early retirement factor to produce the lower early retirement pension.

All active members of the Scheme have a Normal Retirement Age of 65 and until September 2006, members had the right to retire from the Scheme without reduction provided they were over the age 60. However, with effect from September 2006, a sliding scale of early retirement factors was introduced:

- For pension benefits earned after September 2006, the minimum age for an unreduced pension was increased in stages between September 2009 and September 2013, from age 60 to age 65,
- Pension benefits earned before September 2006 continue to be payable at age 60 or above without reduction.

As a result of the terms described above, the Scheme operates a number of different early retirement factor tables which apply to pension benefits. Separate tables apply to pensions and cash sums and the tables apply equally to both males and females.

#### Consent

Consent of the University and the Trustees is required if you wish to draw your pension early after age 55.

#### Ill Health

Special conditions apply to retirement on ill-health grounds and you should contact the University's pension office or Xafinity for details.

## **Ill-health retirement**

At present, a member who is accepted by the Trustees as meeting the required criteria will receive a pension and cash sum based on:

- Benefits accrued to the date of retirement, without any reduction for early payment

PLUS

- Credit for half of the 'lost years' between retirement and age 65.

## **Members with Deferred Benefits in the Scheme**

Different factors apply to who have deferred benefits in the Scheme.

## **Early Retirement Quotations**

Remember that you can run your own early retirement illustrations on-line through the website for the University of Nottingham Contributory Pension and Assurance Scheme. For reference the link is here:

<https://www.nottinghamcpas.co.uk>

## **Early Retirement Process Flowchart**

Attached to this factsheet is a flowchart describing the early retirement process for active members.

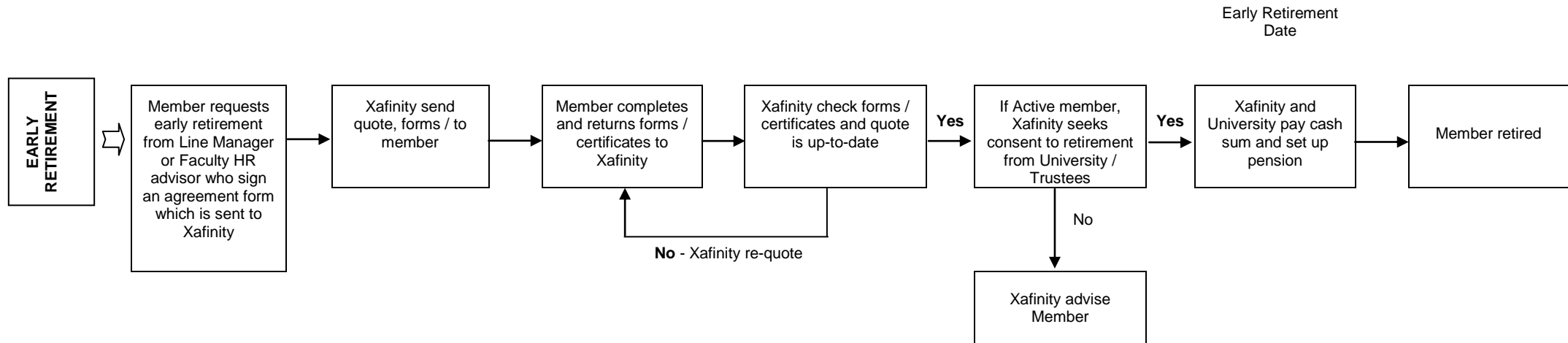
**On behalf of the Trustees**

**April 2014**

# FACTSHEET 8

## UNIVERSITY OF NOTTINGHAM CONTRIBUTORY PENSION AND ASSURANCE SCHEME EARLY RETIREMENT PROCESS FOR ACTIVE MEMBERS

**Note**  
 The process relating to an application for an incapacity pension is different to that described below



### Please note the following:

1. Employees may require a confidential early retirement quotation at any time, but a final quote can only be actioned through an authorised agreement form.
2. Members should be aware that a quote for early retirement will produce a retirement pension that may be actuarially reduced to account for the period taken early before Normal Retirement Age.
3. This process chart is intended only to provide an overview of the process and should members require any further detail they should consult the Scheme Guide or contact the Faculty HR Advisor / University CPAS advisor for further details.
4. Members who hold dual posts should note that retirement from the Scheme constitutes retirement from both posts.
5. Members may obtain an illustration through the web-based on-line facility (although this will differ slightly from the final quote).