NHS Business Services Authority

NHS Pensions - Age retirement - Officer

1995 Section

Benefits at retirement

You will receive a pension and a retirement lump sum based on the best of your last three years' pensionable pay.

Your pension is 1/80th of the best of the last three year's pensionable pay for each year of pensionable membership in the Scheme. Part years will also count towards your pension.

Your pension is calculated as follows:
pensionable pay x pensionable membership x 1/80 = pension

Your retirement lump sum is normally three times the pension. It is calculated as follows:
pensionable pay x pensionable membership x 3/80 = retirement lump sum

Example 1

A midwife retires after 28 years and 173 days pensionable membership with the best of the last three year's pensionable pay of £25,650.

Her pension is
£25,650 x 28 years 173 days x 1/80 = £9,129.48 per year

Her retirement lump sum is approximately 3 x pension, or
£25,650 x 28 years 173 days x 3/80 = £27,388.44

2008 Section

Benefits at retirement

You will receive a pension based on your reckonable pay. Your Reckonable pay is the average of the best three consecutive years pensionable pay in the last ten.

Your pension is 1/60th of your reckonable pay for each year or part year of pensionable membership in the Scheme. You will have the choice of taking a retirement lump sum by reducing your annual pension.

Your pension is calculated as follows:
reckonable pay x pensionable membership x 1/60 = pension

Example 2

A midwife retires after 28 years and 173 days pensionable membership with a reckonable pay of £25,650.

Her pension is:
£25,650 x 28 years 173 days x 1/60 = £12,172.62 per year.

2015 Scheme

You will receive a pension based on the pension you have built up. The build up rate is 1/54th of your pensionable earnings each year. For example, if you earn £18,000 in a year you would earn a pension for that year of 1/54th of £18,000, which is £333 (rounded down for illustration purposes only). This is the pension you would build up for that year.

Your pension earned each year will be increased each year by a rate, known as 'revaluation', in the period before you retire or leave.

In this Scheme the revaluation rate is determined by Treasury Orders plus 1.5% each year.
Treasury Orders are the method by which the Treasury notifies the value of the change in prices or earnings to be applied as part of revaluation. The pension earned in a Scheme year (April to March) is revalued on 1 April of the following and each subsequent Scheme year until you retire or leave. For example, if the Treasury Order in a year was 2% then the pension would be revalued by 3.5% at the beginning of the following year.

More information about how your pension is calculated can be found in the appropriate Scheme guide available on our website.