

Impact of Changes

Improvements

Majority of existing benefits will remain unaffected and a number of improvements will be made:

- **Membership Limits** – Overall limit of 45 years service regardless of when retire.
- **Earnings Limit** – Cap removed for post 1st June 1989 members
- **Lump Sum** – Opportunity to increase above 3 x Pension amount
- **Survivor Benefits** – Payable to all qualifying partners, not just spouse & civil partners

Potentially Less Attractive Changes

There are however a couple of areas that are potentially less attractive:

- **Contributions** – Majority of GPs will have increased contributions of at least 6.5% up to 8.5% depending on NHS income.
- **Added Years** – Our analysis shows that current scheme likely to be more competitive than new scheme introduced if costed in same way as Teachers Pension Scheme.
- **Dynamisation** – Will be fixed at RPI plus 1.5%.

Some Action Points

- If want to boost existing retirement provision and eligible consider applying to buy **Added Years** before **31st March 2008**.
- Our research suggests that although Added Years less flexible than new scheme, they are probably more competitive.
- If planning to retire soon, consider whether it may be more advantageous to wait for existing scheme to be revised on **1st April 2008** eg. if have qualifying partner, it would then be possible to make a nomination to ensure they will receive survivor benefits
- Consider whether it is best to remain in Revised Scheme or to join the New Scheme (if planning to retire at age 65 or later may be better to convert membership to new scheme).
- Option to convert existing membership to new scheme due to run from **1st July 2009 to 30th June 2010**.
- Use the changes as catalyst to review current retirement provision to ensure on target to achieve goals