

Hybrid Section

Factsheet 15—Leaving Service Benefits

You may leave before retirement for several reasons. For example, you may leave employment with the University (or any other Participating Employer) or you may decide to opt out of pension scheme membership.

This factsheet sets out what happens to your benefits when you stop contributing to the pension arrangement. It also provides details of the different options that may be available to you.

If you wish to opt out of the Scheme whilst remaining in employment you must give at least one month's written notice of your intentions.

OPTIONS ON LEAVING CUACPS

If you stop paying into CUACPS and leave the Scheme you have a number of options available with respect to the benefits you have built up.

- You may choose to become a deferred member;
- You may transfer your benefits to another approved pension arrangement;
- You may be able to receive a refund of your contributions.

If you have more than two years' service in the scheme unless you take action to transfer your benefits your benefits will remain in CPS and will come into payment when you reach Normal Pension Age.

If you have less than two years' Pensionable Service when you leave CUACPS the options available are a refund of contributions or to transfer your benefits out of CUACPS.

Each of the above options is described in more detail below.

DEFERRED BENEFITS

If you leave the Scheme you will become entitled to deferred benefits on the date you leave. Your deferred benefits will be calculated as follows:

1. A block of pension equal to 1/150th of your revalued annual earnings for each completed year* of pensionable service.

Plus

2. A tax-free cash lump sum of three times your total pension under (1) above.

** part years of service based on completed days will also count towards your deferred pension.*

What happens to your deferred benefits after you leave the Scheme?

Your Career Revalued Benefit (CRB) pension and lump sum from the CUACPS section will be revalued between your date of leaving and your Normal Pension Age to protect them against the effects of inflation.

Your CRB pension and lump sum benefits will be revalued on 1 August each year in line with the annual increase in the Consumer Price Index (CPI), subject to a maximum annual increase of 5%.

If the annual CPI increase is greater than 5% in any given year the University may agree to provide a higher increase. However, increases above 5% are not guaranteed.

Options on leaving CUADCPS

Your account with the CUADCPS will continue to be managed by SEI and remain invested. It will continue to earn investment returns until you retire or transfer your benefits. If you do not transfer your benefits then, at retirement, you can use your accumulated CUADCPS account to provide retirement benefits

Please note that your employer will not pay any further contributions into your account after you have left CPS.

TRANSFER OUT

At any time between leaving CUACPS and starting to receive your pension you can ask to transfer your benefits to another approved pension arrangement if you wish.

If you request a transfer you will be provided with details of your deferred benefits and a transfer

value quotation, which represents the expected cost within CUACPS of providing your benefits.

If you decide to transfer your benefits you will give up all of the guarantees provided under CUAPS. As such, you may wish to take independent financial advice before making a decision.

It may be possible to transfer to an approved pension scheme outside of the UK.

More information on transferring your benefits is available in [Factsheet 17 – Transfers](#).

REFUND OF CONTRIBUTIONS

If you have less than two years' service then it may be possible for you to receive a refund of your contributions to the CUACPS. However, if you have participated in the Salary Sacrifice arrangement you will not be entitled to a refund in respect of the period over which you participated.

To apply for a refund of contributions please contact the Pensions Section.

WHAT HAPPENS IF I DIE AFTER LEAVING SERVICE?

If you die before retirement whilst you are a deferred member a lump sum is payable to your estate along with a pension which is payable to your spouse or civil partner.

Lump sum

The lump sum payable will be equal to the value of your account in the CUADCPS.

A pension for your spouse or civil partner

If you die after leaving the Scheme and before your Normal Pension Age, your spouse or partner will be paid a pension for life. The pension will be based on your deferred CRB pension including revaluation to the date of your death and will be calculated as follows.

Your spouse's CRB pension will be equal to one-half of your deferred pension including revaluation to the date of your death.

There is no spouse's pension payable from your CUADCPS account. The accumulated value of your DC account is paid as a tax free lump sum as described above.

Child's Allowance

If you leave any children then a child allowance may be payable to them. This is equal to one-quarter of the spouse's CRB pension and is payable to each eligible child provided that the total pension paid to your spouse and children is not greater than your total deferred pension at the date of your death.

If your children are either under age 18 or in full time education, they will qualify for the child allowance. However the allowance will stop at age 23.

IMPORTANT NOTE

This factsheet provides a summary of the benefits available on leaving service. However, your legal rights are governed by the Trust Deed and Rules of CUACPS and CUADCPS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet. A copy of the CUACPS rules can be found using the following link:

<http://www.pensions.admin.cam.ac.uk/cps>

More details on Defined Contribution Scheme manager, SEI, can be found on www.seic.com or by contacting the SEI Master Trust administrator at seic@capita.co.uk.

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