

Cambridge University Assistants' Contributory Pension Scheme (CUACPS)

Career Revalued Benefits (CRB) Section

Factsheet 6 - Early Retirement

In CUACPS, the Normal Pension Age is 65 and does not increase in line with the State Pension Age. However, you may wish to take your benefits before age 65. This factsheet provides information on early retirement and how it affects your CUACPS benefits. Under the rules of the CUACPS you are required to take all of your benefits at the same time.

HOW EARLY CAN I RETIRE?

Your Normal Pension Age is 65 and your CUACPS benefits will be paid without any reduction if you retire at this age. You can retire early (i.e. before age 65) but CUACPS is designed to pay your pension benefits at 65 and it is important to note that if you do retire early your benefits will be lower as a result.

If you do wish to retire early, you may be able to take your benefits from age 55. However your benefits will be reduced to reflect the fact that they will be paid over a longer period. In addition, you may require the consent of the C U Pension Trustee (CUPTL) and your employer to retire early.

If you take your benefits early, the reduction applied depends on when you joined CUACPS as described below:

If you joined before 1 December 2009

Provided that the CUPTL and your employer give consent, you can retire and receive your pension benefits any time after you reach the age of 55.

However, you do not need the consent of the CUPTL or your employer if you wish to take your benefits at any time after you reach age 60.

If you joined on or after 1 December 2009

Provided that the CUPTL and your employer give consent, you can retire and receive your pension benefits any time after you reach the age of 55.

INCREASE TO THE MINIMUM PENSION AGE

The Finance Bill 2021-22 includes a proposal for the minimum pension age to be increased from 55 to 57 with effect from 6 April 2028. This has not yet passed into law but it seems likely that it will do so. This means that members born after 5 April 1973 will likely need to be at least 57 years old to claim an early retirement pension.

WHAT BENEFITS WILL I RECEIVE?

Depending on when you joined CUACPS and how early you retire some or all of your benefits may be reduced to reflect the fact that they will be paid over a longer period.

Early Retirement Factor (ERF)

The level of reduction applied to your benefits is based on an Early Retirement Factor (ERF) calculated by the CUACPS Scheme Actuary. The ERF is calculated so that the reduced early retirement benefits are equivalent in value to the benefits you would otherwise receive at your Normal Pension Age.

At present, a reduction of approximately 5% is applied for each year that your benefits are taken early. The ERFs are reviewed from time to time by the CUACPS Scheme Actuary so may change in the future.

If you joined CUACPS before 1 December 2009 you have the right to take all of your benefits from age 60 and your early retirement pension will be calculated as follows:

- 1. Benefits earned before 1 January 2013**
Any benefits you have built up which relate to service before 1 January 2013 will not be reduced if you retire on or after your 60th birthday.
- 2. Benefits earned on or after 1 January 2013**
Benefits which relate to service on or after 1 January 2013 will not be reduced if you retire on or after your 63rd birthday. If you retire before age 63, these benefits will be reduced by reference to age 63.
- 3. Added years AVCs**
If you have added years AVCs, then any benefits resulting from the additional service you have purchased may be reduced if taken before age 65.

If you joined CUACPS on or after 1 December 2009, all of your benefits will be reduced by reference to age 65 if you retire before age 65.

If you would like an early retirement quotation please contact us using the email address below:

pensionsonline@admin.cam.ac.uk

EARLY RETIREMENT DUE TO ILL HEALTH OR INCAPACITY

This factsheet does not cover early retirements on the grounds of ill health or incapacity. For details of the benefits payable on retirement due to ill health or incapacity, please see [Factsheet 11 – Ill Health Benefits](#).

STATE PENSION BENEFITS

State Pension benefits are payable in addition to the benefits payable under CUACPS. However your State Pension benefits are payable from your State Pension Age and cannot be taken early.

For more information on your State Pension benefits and your State Pension Age please follow the link below:

www.gov.uk/browse/working/state-pension

IMPORTANT NOTE

This factsheet provides a summary of the Scheme's early retirement provisions. However, your legal rights are governed by the Trust Deed and Rules of CUACPS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet. A copy of the rules can be found using the following link:

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

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