

Frequently Asked Questions

New 2017 Scale

Q1. What happens with my spouse's pension if I move to the new 2017 Scale?

If you switch to the 2017 Scale, the benefits that you have built up before April 2017 will be preserved for you, including your right to a spouse's pension in respect of your pre-April 2017 pensionable service. For example, if you have been contributing to the Scheme on the Basic Scale for 20 years, you will have built up 20 years' of spouse's pension entitlement which will be paid to your spouse if you die first.

Q2. Is the accrual rate the same for the new 2017 scale and the Basic Scale?

Yes, Pension benefits under both the Basic Scale and the 2017 Scale will accrue at 1/80th (or 1.25%) of your pensionable earnings.

Q3. Why is the Death in Service benefit higher on the 2017 Scale than that of the Basic Scale?

There will be no accrual of spouse's pension benefits on the 2017 Scale. The lump sum death in service benefit will be higher at 3 times the annual graded salary to compensate. If a member remains on the Basic Scale they will continue to be entitled to a 50% spouse's pension benefit and the death in service lump sum will remain unchanged at 2 times the annual graded salary.

Q4. What happens if my employer has told us they cannot afford the new Basic Scale rate?

This is a decision for each employer to take after consultation with their employees.

Q5. Is there anything else I can do to increase my pension benefits?

The Scheme offers the option of contributing to an Additional Voluntary Contribution (AVC) arrangement through Prudential plc. You will still receive tax relief on any AVCs you make and your investment will be in a fund of your choice.

Alternatively, you may wish to consider other savings vehicles like Individual Savings Accounts (ISAs) or Lifetime Savings Accounts (LISAs, if you are under 40).

You should consider taking independent financial advice to understand your options. The Industry Scheme cannot provide advice.