

Taking more cash at retirement

If you are a member of the CPS or the CPS2 Members' Benefit Structures, you can now choose to take more of your benefits from the Plan as cash when you retire. This cash lump sum is currently payable free of tax.

What cash will I receive when I retire?

At present, you earn a lump sum of 3/80 of your pensionable final earnings for each year of your reckonable service in the Plan, as set out in the Member's Booklet. This is paid in addition to your pension when you retire. This is the 'standard' lump sum automatically payable by the scheme and remains unchanged. This lump sum is approximately equivalent to 15% of the total value of your final salary benefits in the CNPP.

What new choice is available?

If your pension starts on or after 1 November 2010, you can choose to take a higher cash lump sum which is broadly equivalent to 25% of the total value of your final salary benefits in the CNPP. The higher cash lump sum is obtained by giving up some of your final salary pension. The amount of cash you can take and amount of pension exchanged will depend upon the age at which you retire.

This choice is only in respect of your CNPP benefits and does not affect any benefits you may have in the UK Atomic Energy Authority Combined Pension Scheme.

What do I have to do?

As you approach your retirement date, the Plan Administrator will write to you with details of the CNPP retirement benefits that will be automatically brought into payment when you retire, and the benefits you could receive if you choose to take the higher cash lump sum. If you wish to take the higher cash lump sum you must opt to do so by notifying the Plan Administrator once you receive your letter. Otherwise, you will automatically receive the 'standard' CNPP retirement benefits and lump sum (as set out in the Member's Booklet).

Does this affect the minimum benefit guarantee?

If you die after retirement a lump sum of five times your pension, less the pension and lump sum payments already received at the date of your death will be paid. If you have chosen to take more cash at retirement, you will have already received more than five times your pension, and so no further guarantee payment will be made.

Does this affect benefits for my dependants?

If you die while in receipt of your pension, a short-term spouse's pension is payable which is the same as your pension at the date of your death. If you choose to take more cash at retirement, the short-term spouse's pension will be based on your pension after you have exchanged some of it for cash.

All other dependants' benefits are not affected, should you choose to take the higher cash lump sum at retirement. Dependants' benefits may be paid to your surviving spouse, Civil Partner or children on your death.

Does this change affect members with defined contribution Investment Accounts?

No. Members of the Defined Contribution Structure, members who contribute to the Shift Pay Pension Plan or who are making money purchase Additional Voluntary Contributions can already choose to take 25% of their Investment Account at retirement as a cash lump sum.

For a guide to the benefits which you may be entitled to as a member of the Plan please refer to the member's booklet or www.cnpp.org.uk

For more details about taking cash at retirement contact the DB Plan administrator whose contact details are Combined Nuclear Pension Plan, P.O. Box 5167, Lancing, BN99 9AY. Tel: 0333 207 6523 (overseas +44(0) 121 415 0906); email: CombinedNuclearPensionPlan@equiniti.com.

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