

Factsheet FS15 – Isle of Man Government Unified Scheme

Annual Benefit Statement

This Factsheet is to be read in conjunction with your Unified Scheme Annual Benefit Statement and will provide you with additional information and answer some common questions you may have.

What is an Annual Benefit Statement?

As an active member of the Isle of Man Government Unified Scheme 2011 (the Unified Scheme) you will have received an Annual Benefit Statement assuming you have worked pensionable hours in the tax year in question.

We would like to remind members to check their employee contributions on their payslips.

The Unified Scheme offers you a range of valuable benefits for you and your family: including a pension, lump sum, annual inflation proofing of benefits and potential pension benefits for your surviving dependants.

The purpose of sending you the statement is to give you an estimate of the value of the benefits you have built up so far (up to 31 March 2022) for your retirement and we hope that you will find it useful for any future financial planning.

The next batches of statements are due to be issued in November 2022 and quoted the updated value of the benefits as at March 2022.

When will we get one?

The statements for active members are being posted to your home address during November 2022

If you haven't had one by 13 January 2022 then please email abs@pspa.im as soon as possible, you will need to give your full name, date of birth and home address so we can arrange for one to be sent to you.

What does it tell us?

Your annual benefit statement will give you an estimate of the pension and maximum lump sum benefits you may receive at a range of three retirement ages of 55, 60 and 65 (age 50 or 55 for Section 7 members). We hope that this will help in your future retirement planning. For those of you over 60 as at 31 March 2022, we will also include comparator estimates as at your next two birthdays (and age 65 if applicable).

The Unified Scheme offers retirement flexibility to its members, allowing them to choose to retire at any age from age 55 (or 50 for some Section 7 members) up to age 75 (subject to any contractual restrictions). It also has flexibility around the level of benefits and amount of lump sum that can be taken

We do not quote the pension benefits accrued to the statement date i.e. 1 April. This is because in the Unified Scheme, if you leave without collecting your retirement benefits, your service and final pensionable pay are preserved. It is the final pensionable pay that will be inflation proofed and applied to a growth rate and your service at whatever age you choose to retire from the scheme.

We recognise that there will be some information that you may like to know for example how it is calculated, especially service and final pensionable pay. This factsheet is developed to support the issue of the annual benefit statements and to help your understanding of the figures we have quoted and the service and final pensionable pay we have based them on.

All the Scheme factsheets, member guides and forms you may need can be found on the forms and guides page of our website at www.pspa.im

For Practitioners and Section 7 members there are supplementary guides to support the Unified Scheme Guide.

Why is it to 31 March 2022?

The Scheme year runs from 1 April to 31 March.

The pension and lump sum estimates illustrated on the statement are based on your service, working pattern and your final pensionable pay to 31 March 2022.

Each year, your employer tells us about your earnings and service you have worked up to the end of the scheme year, which is 31 March. We record that data and produce your annual benefit statement.

Who will get one?

If you were a contributing member of the Unified Scheme on or before the 31 March 2018, then you will receive an annual benefit statement.

If you fall into this category and haven't had one, then please email abs@pspa.im as soon as possible, you will need to give your full name, date of birth and address so we can arrange for one to be sent to you.

What do I need to do?

We would recommend that you read the statement and check the 'About You' details carefully, please also check the contributions section.

It is important that these are correct, especially the scheme section, pay and service.

If you disagree with any of the information we have quoted, then please first read this factsheet, as it may answer your questions. If after reading the information we have provided, you still want to get in touch please email us at abs@pspa.im quoting your reference number and giving as much information as you can.

Please ensure that you email us your question rather than telephoning, as it is important that we can keep a written record of your question and our written response.

We will acknowledge your email and tell you when we aim to respond to you.

If you are content with the data provided, then we would recommend that you keep the statement to assist in your future retirement planning.

About You

This is the section which confirms important information that we hold about you and the following explanations are to help you understand how some of this information has come about. For security reasons, we have not included your date of birth or your National Insurance Number.

Scheme Name and Section

The Scheme Name is the Unified Scheme and the Section is the Section of the Unified Scheme that we have you recorded as being a member of.

The table shows each Section name in full

Name of Unified Scheme Section
Standard Section 1
Section 2
Section 3
Section 4
Section 5
Section 6
Section 7
Section 8
Section 8a

Please check your section number carefully, if you believe this to be wrong then please contact us as soon as possible. It is important we have you in the correct section, as it will affect the contributions you make and the way in which your pension benefits are calculated. Further information on the Unified Scheme Sections and contribution rates can be found in [Member Guide](#) our website on www.pspa.im

Special Category

Within the Unified Scheme there are some members who have special protected membership categories. If you are in one of these Special Categories this will be indicated here, as follows: More information on the various special membership categories this will be indicated here, as follows:

Name of Special Category:

Civil Servants able to retire after 40 years from age 55
Mental Health Officer Status
Practitioners
Special Class Status
Hospital Doctor with protected Final Pensionable Pay
Section 7 only – Protected Commutation Factor
Not applicable – no special category

More information on the various special membership categories can be found your Unified Scheme member guide on the website.

Assumed working pattern

This is the working pattern at 31 March 2022, as confirmed to us by your employer.

100% means you were full-time in your post and anything less will mean you were part-time including any unpaid leave in your post.

Any changes to your working pattern since 1 April 2022 will be reflected in next year's Annual Benefit Statement.

For the purposes of this statement the estimated benefits shown assume the same working pattern for the future from 1 April 2020 up to ages 55, 60 and 65.

For example, if your current working pattern as at 31 March 2022 was 50.00% we would have pro-rated down your future pensionable service to ages 50, 55 and 65 by 50%.

That is to say if you had 10 years to work until age 55, this would be reduced to 5 years because you are working part-time at 50%. 15 years to work to 60, would be reduced to 7.5 years and 20 years to age 65, would be reduced to 10 years.

Pensionable Service

The total number of years and days which count toward your Scheme benefits, accrued up to 31 March 2022.

This may be different to the length of time you have worked and contributed to the Unified Scheme.

For example, it will include service built up in your previous schemes that have been converted into the Scheme on terms that protect its value. It may also include service that you had transferred in from another pension arrangement. Information on how service was converted into the Unified Scheme from 1 April 2012 can be found in your scheme Member Guide on the website at www.pspa.im.

Contributions in year

The amount of superannuation contributions paid during the year proceeding 31 March 2022. Always check your pay slip to make sure you are paying the correct contributions for your scheme section.

Projected Estimated Retirement Benefits

Pensionable Service

Based upon your current working pattern as at 31 March 2022 this is the total pensionable service we estimate that you would be able to build up in the scheme up to the range of pension ages quoted.

Final Pensionable Pay

Based on your pensionable pay as at 31 March 2022 and historic pay this is the estimated Final Pensionable pay projected forward up to the range of pension ages quoted.

In a 'final salary' scheme like the Isle of Man Government Unified Scheme, your benefits are calculated when you retire using your pay near retirement and we call this your Final Pensionable Pay. The amount used to calculate your Final Pensionable Pay is the annual average of the best three consecutive years' pay in the last 13 years, revalued by the increase in inflation (except for the last year's pay).

Your Final Pensionable Pay is likely to change between now and when you leave the scheme so the actual figures used at retirement will be different.

As your pay at or near retirement is not currently known, we have used an estimate based on your pensionable pay earned up to 31 March 2022. Depending on your age at the date of this statement, the final pensionable pay may be different at each age.

Please see our Final Pensionable Pay Factsheet on the website at www.pspa.im to find out how these figures have been calculated.

If you are a Practitioner and accruing pension based on Care Average Revalued Earnings (CARE) your Final Pensionable Pay is calculated differently. Please refer to the Scheme Guide for Practitioners on the PSPA website for more information.

How much could you get in retirement?

As the Unified Scheme has the flexibility to allow members to retire at a range of ages from age 55 (50 for Section 7), we have quoted estimated benefits at ages 55, 60 and 65. Or, if you are over age 60 then you will have comparator figures as at your next two birthdays.

The benefits quoted are based on the equivalent final pensionable pay for each age and your projected pensionable service up to each age.

Annual Pension: your estimated benefits if you do not take a cash lump sum

This is the estimated annual pension that would be payable from retirement for your life time. It is based on your current service pattern going forward, as stated in the 'About You' section, so if you change your hours in the future then this value will change.

It is also based on the Final Pensionable Pay figure we have quoted for each age.

Depending on your age now, you may find that the pension at 55 is more than the pension quoted at a later age and this will be because of the impact of unknown inflation increases on your Final Pensionable Pay. As we can't predict future inflation increases, we have assumed no future inflation, which may see final pensionable pay being less in the future than it is now.

The [Final Pensionable Pay factsheet](#) will explain more, but as we don't know what future inflation increases are we have not applied any. If we did predict future inflation increases, we would be in danger of overestimating your benefits.

Maximum Cash Lump Sum and Reduced Annual Pension

As you know you also have the option of taking up to 30% of the value of your pension as cash at retirement, so we have quoted the maximum lump sum available and the reduced balance pension.

You can take a lesser lump sum, and to see the impact on your pension you can use our Lump Sum modeller available on our website at www.pspa.im You will need your annual benefit statement, as you will be asked to input your scheme section and pension (before lump sum) figure.

Adult Dependant Pension

In the event of your death after retirement this is the pension amount that would be paid to your surviving adult dependant.

Protection for your family – Death in Service Lump Sum and Pension

In the event of your death before retirement and whilst still in service, this is the cash lump sum that will be payable to your nominated beneficiary. The cash lump sum is 3 x pay.

You can nominate a person or person(s) to be the recipient of this lump sum when you die. You can make a nomination by completing this form.

If you have made a nomination, make sure you keep it up to date.

Adult Dependant Pension

In the event of your death whilst in service and before retirement this is the pension amount that would be paid to your surviving adult dependant.

Find out more about these benefits from the Scheme Guide on the website.

Added Years and Added Pension

If you are purchasing additional years of service or pension, the benefits will be confirmed in your statement.

Frequently Asked Questions

How is the pension calculated?

When you retire, you will receive a percentage of your Final Pensionable Pay for each year of Pensionable Service. The percentage rate you receive is known as a growth rate or accrual rate. The growth rates are dependent on your age at retirement and there are different growth rates for each section of the Scheme. You can see the growth rates we have used on page 14 of the Unified Scheme Guide.

Nothing in this factsheet will override the Rules, and in the event of any unintentional difference, the rules will apply.

How we use your information

The PSPA will use the information that we hold about you for administering the Scheme and processing the payment of your pension benefits. We may share your information to administer and pay your pension, to enable us to prevent and detect fraud and mistakes, or as required by law. For more information about whom we share your information with, how long we keep your personal data and your rights over your data, please refer to our Privacy Notice on our website at www.pspa.im

Where can I go for help?

The PSPA website has numerous guides and fact sheets to help you understand the Unified Scheme. These are held on the forms and guides page at www.pspa.im

Contact the Scheme administrators at the PSPA:

Email: abs@pspa.im

Write to:

PSPA 3rd Floor, Prospect House,

27-29 Prospect Hill, Douglas

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You can telephone us on 01624 685598 you will need to provide your full name, date of birth and your current home address, however we always recommend putting your enquiry in writing if you can, so that there is a written record of your enquiry and our response.

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