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## Pension Choices from Age 60 Onwards

The options available depend upon when you joined the Fund and which Category of Member you are; if you joined the Fund on 1 April 1989 on the merger of the London Transport Pension Fund and the London Transport 1970 Superannuation Fund, you are classed as an **Existing Member**, if you joined after that date you are classed as a **New Member**.

### When can you draw your pension?

You can only draw your pension when you leave employment, with one exception, which is that if you joined the Fund before 1 June 1989 you can on your 65<sup>th</sup> birthday elect to draw your pension but remain in employment.

If you choose this option you cannot continue in the Fund and therefore would cease to accrue further pension and cease to be covered for the life cover on death in service under the Fund. In addition you should bear in mind that for taxation purposes the pension is subject to tax under PAYE and when added to any earnings or State benefits may put you in a higher tax bracket.

### Options at Age 60

If you are an **Existing Member** you have the option at age 60 to choose to stop contributing to the Fund in which case any future service and salary increases will not be taken into account when determining your pension; instead the pension you earned up to age 60 is increased in line with the pension increases granted under the Fund plus you will receive a bonus of 2/3 per cent for each complete month (8 per cent a year) that your pension remains deferred (provided that you remain in service for at least six months from age 60). You must take it no later than your 75<sup>th</sup> birthday, even if you are still working.

If you are a **New Member** you do not have this option.

### Options at Age 65

Regardless of whether you are a **New Member or an Existing Member** you have the option at age 65 to choose to stop contributing to the Fund in which case any future service and salary increases will not be taken into account when determining the pension; instead the pension you earned up to age 65 is increased in line with the pension increases granted under the Fund plus you will receive a bonus of 2/3 per cent for each complete month (8 per cent a year) that your pension remains deferred (provided that you remain in service for at least six months from age 65). You must take it no later than your 75<sup>th</sup> birthday, even if you are still working.

You should note that under both of the options to elect to cease contributing, this decision cannot be backdated or reversed, so you should consider this carefully and if necessary take independent financial advice.