



Your **classic plus** pension benefits explained

A guide to available benefits



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Note

Where we have had to use technical terms, we show them in bold and explain them at the back of the booklet.

The booklet does not cover every aspect of classic plus. The full details are contained only in the rules which are the legal basis of the scheme. Nothing in this booklet can override the rules and, in the event of any difference, the rules will apply. You should bear in mind that the booklet is based on the rules in force at the time of publication; your pension and associated benefits will be worked out using rules that are relevant to your period of service.



Introduction

Your pension, together with your pay, forms part of your total benefits package. This is your guide to the range of benefits to which you may be entitled as a member of classic plus.

classic plus is one of the pension schemes in the Civil Service pension (CSP) arrangements.

The arrangements cover all civil servants and certain groups of non-civil servants, subject to eligibility.

For ease of reference, we use the term 'civil servant' in this booklet.

Overview of classic plus features

classic plus

- is a **defined benefit** occupational pension scheme based on final salary. The scheme is a combination of your Principal Civil Service Pension Scheme (PCSPS) benefits up to 30 September 2002 and the equivalent of premium benefits from 1 October 2002.
- means that you pay a variable contribution rate dependant upon your **pensionable earnings**. Details of the amount you will pay can be found on www.civilservicepensionscheme.org.uk. Your employer also makes a significant contribution to your pension.
- was contracted-out of the ***State Second Pension (S2P)** between 6 April 1978 and 5 April 2016, when contracting out ceased. Due to the

contracted out status between 1978 and 2016, members of the scheme paid lower rates of National Insurance contributions and did not build up entitlement to the S2P element of the previous two part state pension.

- has a scheme **pension age** of 60. (You do not, however, have to retire at this age.)
- gives scope for you to increase your pension by making additional payments (called 'added pension'). Before the introduction of added pension, you could buy 'added years'. Added years have now been withdrawn but if you opened an account before 1 March 2008, you may still be contributing.
- provides an income that increases in line with rises in the cost of living when you retire and benefits for your dependants after your death.
- gives you:
 - an automatic lump sum from your pre October 2002 service
 - a choice to give up more of your pension to get an additional lump sum.(Both the automatic and additional lump sums are tax free.)
- includes valuable life cover before you retire and it may provide protection if you suffer serious ill health.

* The State Second Pension (S2P) was previously known as the State Earnings-Related Pension (SERPS).



Membership

Eligibility

Up to 30 September 2002, the only pension offered to Civil Servants was the Principal Civil Service Pension Scheme (PCSPS). On 1 October 2002, Civil Service Pensions introduced a new section of the PCSPS, and existing members of PCSPS were given the choice to stay in their current section - renamed **classic** – or join the new section, **premium**, or choose a hybrid of **classic** and **premium**, called **classic plus**.

Part-time work and temporary absences from work

Any type of part-time service counts on the basis of the actual hours you work and the equivalent full-time **pensionable earnings**. However, in the past there have been various restrictions on who can join the scheme depending on the number of hours worked. If you have had part-time service in the past, your **MyCSP** Pension Service Centre can tell you how these restrictions may apply to you.

Your pension may be affected if you have a temporary absence from work, depending on the type of absence. Your employer or your **MyCSP** Pension Service Centre will be able to advise you.

Transferring in previous pension benefits

If you have pension benefits in the scheme of a previous employer, you may transfer them into **classic plus**. To do so, you must apply, in writing, to your **MyCSP** Pension Service Centre who will guide you through making the transfer. The transfer must be completed before you leave **pensionable service** in **classic plus**.

The **transfer value** will buy a credit of **reckonable service** in **classic plus** and will be used to provide the equivalent of **premium** benefits (in other words, it will be treated as post-October 2002 service). You should note that the scheme may refuse the transfer if it does not cover the cost of your **guaranteed minimum pension**. Similarly, the scheme may refuse a transfer where the sending scheme does not meet certain requirements.

Public Sector Transfer Club

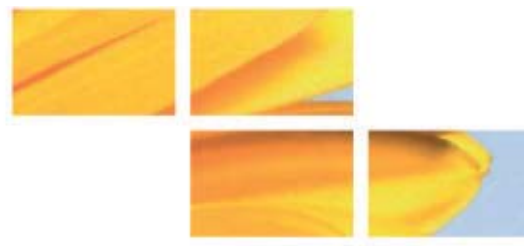
Most **classic plus** members are no longer able to transfer in pension benefits under the **Public Sector Transfer Club** arrangements or from a non-occupational pension scheme because you have to apply within 12 months of becoming eligible to join **classic plus**.

Opting out

You can opt out of **classic plus** at any time. However, we advise you to think very carefully about what you are giving up. Before you make a decision, please look at our 'Opting out' fact sheet on the Civil Service Pension website:

www.civilservicepensionscheme.org.uk.

You may also wish to consult an Independent Financial Advisor.



If you do decide to opt out you must complete the Opt Out form which is available on the Civil Service Pensions web site:

www.civilservicepensionscheme.org.uk

If you do not have access to the Internet then the form is also available from your MyCSP Pension Service Centre. The forms must be returned to your employer.

If you decide to opt out your contributions will be repaid:

- if you have less than 3 months qualifying service AND you do not already have a preserved award, or
- if you have more than 3 months but less than 2 years qualifying service AND does not already have a preserved award AND does not opt to take a transfer out.

You may rejoin classic plus at any time, if you are still eligible to be a member (see question 2) by writing to MyCSP. You will be re-entered into classic plus from the next pay period.

There is more information in the 'Leaving early' section about what happens to the pension benefits you may have built up if you choose to opt out now.

Please note The Pensions Act 2011 requires all employers to automatically enrol all workers who are not currently in a qualifying pension scheme periodically (usually every three years), from the employer's staging date. Your employer will be able to tell you what their staging date is. The opting out fact sheet will give you more information.



Paying for your benefits

What do I pay?

Up to and including 30 September 2002, you would have contributed 1.5% of your pay towards the cost of providing benefits for your widow, widower or surviving civil partner after your death (the Widow(er)s' Pension Scheme – WPS). These contributions were mandatory and applied to all members regardless of marital status. However, if you were single on 30 September 2002 and remain single when you retire, you may be entitled to a partial refund of WPS contributions.

From 1 October 2002, your contributions increased to 3.5% of your **pensionable earnings** to pay for the range of benefits that the **premium** part of your pension covers. On 1 April 2012 this was changed to a variable contribution rate dependant upon your pensionable earnings. Details of the amount you will pay can be found on www.civilservicepensionscheme.org.uk

What earnings are pensionable?

As a general rule, only permanent items of pay are pensionable. This includes any allowances that your employer tells you are pensionable but will not include payments such as overtime.

Bonus payments do not normally count as **pensionable earnings**. But if you receive pensionable bonus payments, both you and your employer will pay contributions on them.

You may also have some non-cash **pensionable earnings** – for example, some people's pensions will take account of a uniform allowance, and others may have an allowance for accommodation. In these circumstances, you and

your employer will also pay contributions based on the equivalent cash value of these non-cash **pensionable earnings**.

If you are on reduced pay during maternity leave (and in certain other circumstances) your employer will make contributions based on the pay that you would have expected if you were not off work. You will make your contributions based on your reduced pay.

If you are a high earner, you need to be aware that there are limits on your pension contributions and their resulting benefits. You will have to pay extra tax if you exceed the limits. You also need to be aware that your **pensionable earnings** may be limited to the '**earnings cap**' unless you joined the Civil Service pension arrangements before 1 June 1989. Your **MyCSP** Pension Service Centre can advise you.

Do I get tax relief?

Your employer takes your contributions from your pay before working out the tax, so you will automatically receive full income tax relief.

Your employer's contributions

Your employer makes significant contributions to your pension. The contributions are set at a level advised by the **scheme actuary** to provide enough funds to pay the pension as promised.



Boosting your pension

Can I pay more for a bigger pension?

You have a range of options:

Added pension

Added pension is a fixed amount of additional pension that you can buy. It increases in line with rises in the cost of living every year both before and after it comes into payment. Added pension will provide the same sort of benefits as the **premium** part of your **classic plus** pension – so, for example, you can choose to take an additional lump sum from the added pension you have built up. Our website has an added pension calculator which will give you an idea of the cost of buying added pension. Visit www.civilservicepensionscheme.org.uk.

Civil Service Additional Voluntary Contribution Scheme (CSAVCS)

You can pay additional voluntary contributions to the **CSAVCS**. We have three **CSAVCS** providers – Scottish Widows, Standard Life and Equitable Life. (Please note that Equitable Life is closed to new members). We have negotiated competitive management charges with these providers.

The providers offer a range of investment options. You choose which provider you want to invest your additional voluntary contributions and the fund or funds to invest in. You can pay up to 100% of your **pensionable earnings** through payroll, and receive tax relief on your contributions, subject to the **Annual Allowance**.

You can use your **CSAVCS** to provide extra pension from age 55 (or 50 if you had a CSAVCS before 6 April 2006) until the day before your

75th birthday. You do not have to retire to get your CSAVCS benefits. You can take up to 25% of your fund as a tax-free lump sum subject to the

Lifetime Allowance. You do not have to take your CSAVCS benefits at the same time as your Civil Service pension as long as it is before your 75th birthday.

Stakeholder pensions

You may, if you wish, contribute to a stakeholder pension. You can choose our appointed provider, Standard Life, or any other provider. You can draw your pension whenever you like between the ages of 50 (55 from 2010) and 75 and you can take up to 25% of your fund as a tax-free lump sum when you retire.

You can pay up to 100% of your **pensionable earnings** or £3,600, whichever is the higher (including tax relief), subject to the **Annual Allowance**.

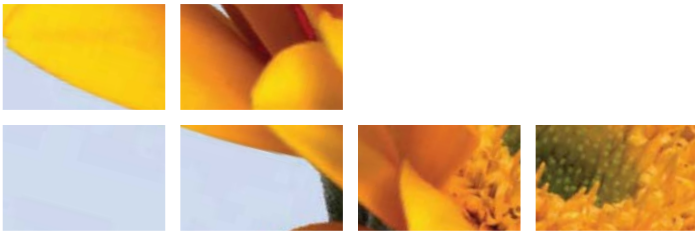
If you take out a policy with Standard Life, you may choose to pay your contributions through your salary. If you make your own arrangements you will need to set up your payments by direct debit.

You should consider your financial position carefully before entering into any pension arrangements.

You may therefore wish to consult an Independent Financial Advisor.

Added years

It is no longer possible to buy 'added years' of service. If you have an existing added years contract and want to know more about it, please contact your **MyCSP** Pension Service Centre.



Leaving early

Leaving or opting out – what happens to my pension benefits?

If you leave voluntarily or opt out of **classic plus** before you retire, you have a choice of options.

You can:

- transfer your **classic plus** pension rights to another pension scheme
or
- preserve the benefits you have built up within **classic plus** for payment at **pension age**.

Transferring out your classic plus pension rights

You can ask for a transfer payment to be made to your new employer's pension scheme or to an approved personal pension. The transfer payment will be equal to the cash value of your benefits.

You will need to consider the following issues before making a transfer:

- there may be a time limit in the receiving scheme's rules (for example, if it is a member of the **Public Sector Transfer Club**, the time limit is 12 months from the date the member first became eligible to join the new employer's pension scheme)
- the **transfer value** may not necessarily buy the same length of service in the new scheme – you should receive an estimate from the new scheme of how much your **classic plus** benefits will buy before you make your decision
- the range and type of benefits offered may be different and perhaps less appropriate for your needs

- you must apply for the transfer before we start the administrative process of paying your pension benefits.

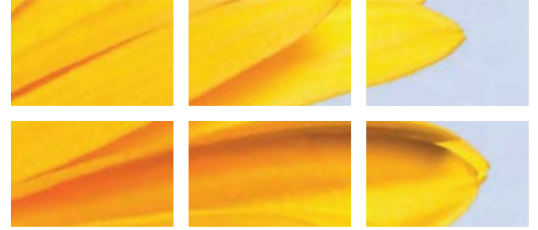
Preserved benefits within classic plus

If you do not transfer your benefits out of **classic plus** your benefits will normally be paid to you at the scheme **pension age** (60). You may, however, take your **preserved benefits** before **scheme pension age** if you were in post before 6 April 2006 and you are age 50 or over and you apply for immediate payment of your **preserved benefits** on an actuarially-reduced basis. Your pension benefits will be reduced in line with guidelines set by the **scheme actuary** to reflect the longer period of payment.

Actuarially-reduced early retirement

Most **classic plus** members who are aged 50 or over and were in post before 6 April 2006, can choose to retire and take their pension early on an actuarially-reduced basis. The only restrictions are that

- you must have two years' **qualifying service** or have transferred pension rights into **classic plus** from a personal pension; **and**
- you cannot have an actuarially-reduced pension if it would be less than the amount needed to pay your **guaranteed minimum pension** at **State pension age**.



We work out your pension and lump sum in the same way as if you were to retire on or after scheme **pension age** but reduce payments, permanently, by around 5% for each year before scheme **pension age** to reflect that your pension will be paid for longer. This means that if you were to choose to retire at age 55, for example, your pension will be about three quarters of the amount you would have received if you had waited until age 60.

Redundancy

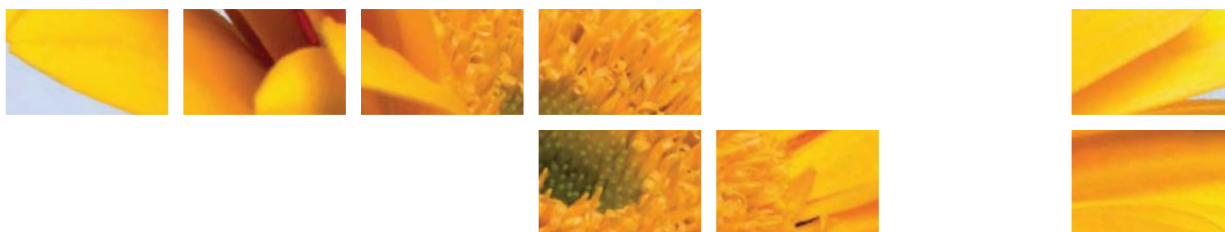
The CSP arrangements provide compensation under the Civil Service Compensation Scheme for civil servants who leave early because of:

- Voluntary exit
- Voluntary redundancy
- Compulsory redundancy

Ill health retirement

If you have to leave the Civil Service before you are 60, and our medical advisor agrees that you cannot do your job because your health has broken down permanently, we may pay you your pension when you leave. In these circumstances, we will pay your pension without making any reduction because of early payment and, in certain circumstances, you may be eligible for **enhanced reckonable service**.

If our medical advisor believes that your ill health is so severe that you are unlikely to work again, we may also give you all the extra years of service you would have expected to have had if you had worked to 60.



Retiring on or after scheme pension age

Partial retirement

Partial retirement allows you, with the agreement of your employer, to draw some or all of your **classic plus** pension and remain in work. There are certain conditions which you need to be aware of before you apply for partial retirement. See the booklet 'Partial Retirement' which you can find on the Civil Service website: www.civilservicepensionscheme.org.uk or ask **MyCSP** to send you a copy.

Preparing to fully retire

It will help if you agree your last day of service with your employer as far in advance as you can. Your employer will notify **MyCSP** who will send you an estimate of your pension benefits plus a Personal Details Form – this is, effectively, your pension claim form. You should check the details, complete and sign the form, and return it as quickly as possible.

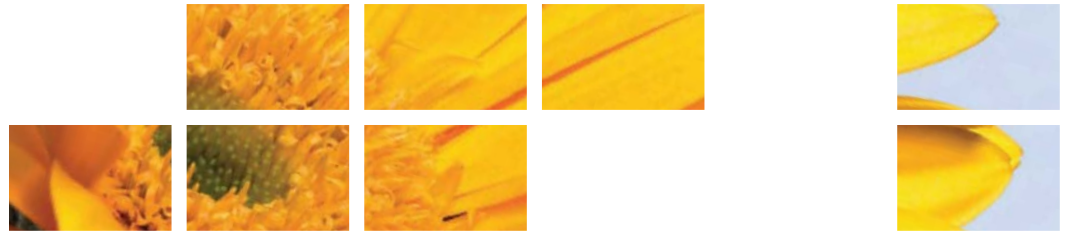
Providing benefits for someone else (allocation)

When you take your pension, you have the option to give up part of it to provide benefits for another person. This is known as 'allocation' of pension. You may choose to add to the benefits you have already provided for your husband, wife or civil partner, or to provide for another person who is dependent on you.

You need to remember a number of points about allocating part of your pension:

- you must be eligible
- you give up part of your pension permanently
- you can only allocate at final retirement; it is not possible to allocate when you take partial retirement
- you must make your allocation decision before we start to pay your final pension
- you cannot change or cancel the allocation, even if the person who would have received the benefits dies first
- the pension you allocate is payable for life and is not affected if you get married again or enter into a civil partnership.

If you are interested in allocating your pension, you must contact your **MyCSP** Pension Service Centre. They will tell you how your pension will be affected and what to do next.



Getting your pension

The **pension payroll provider** pays pensions to Civil Service pensioners and to civil servants' dependants, where appropriate.

You will receive an annual pension and a one-off lump sum. The **pension payroll provider** will pay your lump sum direct to either your bank or building society account, whichever you indicate on your Personal Details Form.

The provider will pay your pension every month in arrears, directly into your bank or building society account. Your pension will be treated as earned income for tax purposes; any tax that is due is taken off before the pension is paid.

The amount of your pension will depend on your **pensionable earnings** and length of **reckonable service**.

You should be aware that there is a maximum number of **reckonable service** years we can use, and that is 45.

Before 1 March 2008, the number of years was restricted to 40 before the age of 60 but you could build up a further five years **reckonable service** for any service from the age of 60 onwards. However, from 1 March 2008, anyone who had already reached their 40 years' service could start to build up another 5 years service, regardless of their age at that time.

We work out your pension in two parts. You earn 1/80 of your **final pensionable earnings** for each year of **reckonable service** in the scheme before 1 October 2002 and 1/60 of your **final pensionable earnings** for every year of **reckonable service** in the scheme from 1 October 2002.

Pension at scheme pension age (60) -

Example

Lloyd retires after 30 years' service of which 20 years were in **classic** (before 1 October 2002) and 10 years were in **premium** (from 1 October 2002). Lloyd's **final pensionable earnings** are £20,000 a year.

Pension

Lloyd's pension is made up of two elements, worked out as follows:

classic service $(1/80 \times 20) \times £20,000 = £5,000$

premium service $(1/60 \times 10) \times £20,000 = £3,333.32$

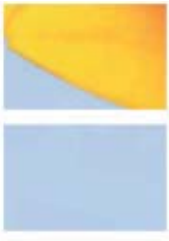
Total = £8,333.32

Automatic lump sum

Lloyd will get an automatic lump sum relating to his **classic** service of

$3/80 \times 20 \times £20,000 = £15,000$. (This will be tax free, subject to the **Lifetime Allowance**.)

Please note that the lump sum will be reduced if you owe some scheme contributions.



Choices on retirement

Additional lump sums

You will be able to choose to give up some of the **classic** part of your pension for an additional lump sum. You can choose how much extra lump sum you want, up to a maximum of $33/14 \times$ your initial pension, but you must give up £1 of annual pension for each £12 of lump sum.

You will also be able to choose to give up some of the **premium** part of your pension for a lump sum. You can take up to a maximum of $30/7 \times$ your **premium** pension, but you must give up £1 of pension for each £12 of lump sum.

Additional Lump sums - Example

Using the information from the example above, Lloyd can take an additional amount of lump sum relating to his classic service. The maximum he can take is $33/14 \times$ his **classic** pension. So,

$$33/14 \times £5,000 = £11,785.71$$

Lloyd can also choose to take an additional lump sum relating to his **premium** service. So,

$$30/7 \times £3,333.32 \text{ (premium part of pension)} \\ = £14,285.66$$

If Lloyd chooses to take the additional lump sums, he has to give up £1 of pension for every £12 of total lump sum. This means that his pension will reduce by £2,172.61 ($£26,071.37 \div 12$)

Pension choice

If Lloyd:

- takes no additional lump sum he will have a pension of £8,333.32 ($£5,000 + £3,333.32$) with an automatic lump sum of £15,000; or
- takes the maximum additional lump sums he will have a pension of £6160.71 ($£8,333.32 - £2,172.61$) with a total lump sum of £41,071.37 (made up of his automatic lump sum of £15,000 and maximum additional lump sums of £11,785.71 + £14,285.66).

He can choose to take any combination of pension and lump sum within the maximum allowed.

You can find out how much additional lump sum you can take, and the effect it will have on your pension by using the calculator on the Civil Service Pensions website;

www.civilservicepensionscheme.org.uk

(or you can ask **MyCSP** to do this for you if you do not have access to the calculator).

Reducing your annual pension in this way generally has no impact on your dependants' pensions as these are based on your pension before you give any up for a higher lump sum.

However, if you are aged 75 or over when you die, the tax rules on pensions will restrict the total of any dependants' pensions payable to a maximum of the amount of your pension at the date of your death.



If you take a higher lump sum, your dependants' pensions may reduce if you die after reaching 75 and leave two or more children under age 18 (or under age 23 if they are in full-time education).

If you are single and eligible to receive a partial refund of WPS contributions on retirement, you will have less scope to give up pension for an additional lump sum. This is because the total of any WPS refund plus any additional lump sum you choose to take cannot exceed the maximum permitted lump sum. See Appendix A for more information on WPS refunds.

Pensions increase

Pensions in payment may increase every year in line with the cost of living. All pensioners aged 55 or over get these increases. Preserved benefits are also increased up to the date they become payable.

You will also receive the 'cost of living' increases if you are under 55 and if you are retired because of ill health.

Cost of living increases are also added if:

- a pension is paid to a widow, widower or surviving civil partner; or if
- a pension is paid to, or in respect of, a child.

Example

Pensions increase

You retire in mid-October with an annual pension of £7,500.

The following April, the cost of living increase is 3.5%.

As you retired exactly halfway through the relevant 12-month period, the pension is increased proportionately (that is, by one half of the total increase – 1.75%).

During the second year, the cost of living increase is 4.2%. Your annual pension becomes £7,631.25 after six months and £7,951.76 a year later.



Death benefits

Lump sums

A lump sum is payable to the person(s) or organisation you have nominated when you die depending on whether you:

- were still working for an employer who participates in the CSP arrangements
- had retired; or
- had left with **preserved benefits** but had not yet reached scheme **pension age**.

This lump sum is separate to the automatic lump sum that is paid when you take your pension.

As well as the death benefit lump sum, your widow, widower or surviving civil partner and dependant children may also receive a pension.

Nominating someone to receive benefits

You can nominate any person(s), including a child, and/or an organisation (such as a bank, a trust, a firm of solicitors or accountants) to receive the death benefit lump sum. The advantage of making a nomination is that we can pay the benefit without delay.

If you do not nominate anyone, we will pay the death benefit lump sum to your personal representative.

You must complete a Death Benefit Nomination form to make your nomination/s, which you can download from our website:

www.civilservicepensionscheme.org.uk

Please make sure that you keep it up to date and that you send your **MyCSP** Pension Service Centre a new nomination if your wishes or circumstances change.

You should be aware that if you nominated your husband, wife or civil partner and the marriage/civil partnership comes to an end through divorce/dissolution (but not separation), it will no longer be valid and you will have to make a new nomination.

Please note that at the time of a divorce or dissolution, a court may order that when a scheme member or a previous member dies, all or part of the death benefit must be paid to the ex-husband, ex-wife or ex-civil partner. If only part of the benefit is paid to that person we will pay any balance to your nominee or personal representative.

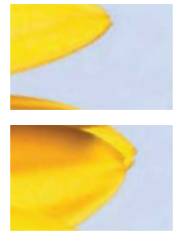
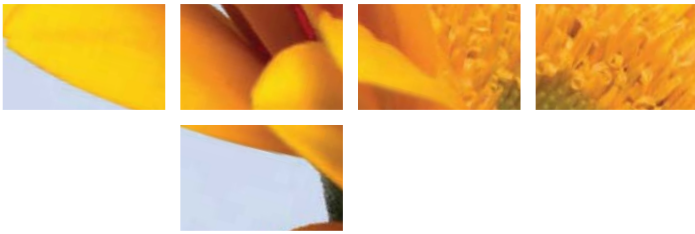
What happens if I die in service?

We may pay a sum of three times your pay to the person (or people) you have named. Your **annual benefit statement** shows your nominated beneficiary.

If you have not nominated anyone or your nomination is invalid (see above), we may pay it to your personal representative.

We will reduce this benefit should we need to recover any scheme contributions that you owed.

If you are receiving a Civil Service pension (for example, following partial retirement or re-employment), your death in service lump sum will be reduced by the amount of pension and lump sum already taken.



What if I die after I leave the scheme?

If you leave the scheme and then die before receiving your pension, we usually pay the person or people a lump sum of

- five times your preserved (frozen) pension; or
- twice your **final pensionable earnings** when you left the scheme, whichever is smaller.

We will reduce this benefit should we need to recover any scheme contributions that you owed.

If you die within five years of starting to receive your pension, we may pay the person or people you have named a lump sum representing:

- two years' pension based on your service before 1 October 2002, plus
- five years' pension based on your service from 1 October 2002

less any pension you have already received.

If you choose to take the maximum lump sum on retiring, it will impact on this 'death after retirement' lump sum. The maximum lump sum will reduce (or possibly cancel out) any potential death benefit lump sum payment.

If you are over age 75 when you die, we will pay any outstanding balance annually, in arrears, to your nominee(s) as a pension until the five-year period has expired.

Dependants' benefits

We pay pension benefits to your widow, widower or surviving civil partner and dependant children when you die depending on whether, at the date of your death, you were:

- a current member with two or more years' **qualifying service**
- a retired member
- a deferred member with **preserved benefits**.

Pension benefits for your widow, widower or surviving civil partner

As long as you have been in the scheme for at least two years, we will pay your surviving husband, wife or civil partner a pension based on the years you have paid full pension contributions. We will work this out in two parts:

- 1/2 of your pension based on your service before 1 October 2002, plus
- 3/8 of your pension based on your service from 1 October 2002.

If you die in service, we may grant some extra years of **reckonable service**, up to 10 years. The extra years will all count as service from 1 October 2002.

If you die after you have left the scheme, your husband, wife or civil partner will usually get a pension, again worked out in two parts:

- 1/2 of your pension based on your service before 1 October 2002, plus
- 3/8 of your pension based on your service from 1 October 2002 and taking the full amount of pension – in other words, before any reduction for using part of your pension to buy a lump sum.

If you retired with an ill-health pension, and with your **reckonable service** enhanced through to **pension age**, we will base the pension for your



husband, wife or civil partner on the extra years that we would have given if you had still been in service when you died.

If you have a civil partner, they will receive a pension based on your service from 6 April 1988.

We may increase your husband's, wife's or civil partner's pension every year in line with rises in the cost of living.

Will my husband's, wife's or civil partner's pension carry on if they remarry or enter into another civil partnership?

If your husband, wife or civil partner should remarry, enter into another civil partnership or live with someone else as husband, wife or civil partner, we will stop paying the part of the pension that is based on your service before 1 October 2002. But if their new relationship comes to an end, we may then restore that part of their pension.

Example

Sandra dies in service, aged 45. She has 20 years' service in total (10 years before 1 October 2002 and 10 years from 1 October 2002) and **final pensionable earnings** of £20,000 a year. Sandra leaves a husband, Iain.

We base Iain's pension on 30 years' service – that is, Sandra's 20 years' service plus an **enhancement** of an extra 10 years.

Iain's pension = $\frac{3}{8} \times \frac{1}{60} \times 20 \times £20,000$
 $+ \frac{1}{2} \times \frac{1}{80} \times 10 \times £20,000 = £3,750$ a year

If Iain were to remarry, his pension will be reduced to £2,500 ($\frac{3}{80} \times \frac{1}{60} \times 20 \times £20,000$).

Example

When Gordon retired he was awarded a pension of £11,000 (£5,000 based on his service before 1 October 2002 and £6,000 based on his service from 1 October 2002) plus an automatic lump sum of £15,000.

Gordon decided to commute (give up) £1,125 of his annual pension so he can have an additional lump sum of £13,500 (subject to the **Lifetime Allowance**).

When Gordon dies, although his pension was £9,875 a year, his widow gets a pension of £4,750 a year ($\frac{3}{8} \times £6,000 + \frac{1}{2} \times £5,000$).

I am not married or in a civil partnership, but I have a partner

If neither you nor your partner is married to, or in a civil partnership with, anyone else, we may pay your partner a pension. We work this pension out in the same way as the pension for a husband, wife or civil partner but it will be based only on your service from 1 October 2002. For more information, see the booklet 'Pensions for partners'.

Will my children get a pension?

We will pay a pension to your children (and to any other children who rely on you financially) when you die. We pay children's pensions to children under the age of 18, or up to 23 if they are in full-time education. To be eligible for children's pensions, the children must have been conceived or born before your employment with a Civil Service pension employer ends.



We will pay a pension for life to a child who is dependent due to serious disability; ask your MyCSP Pension Service Centre for more information about this.

We work out a child's pension as 30% of your pension entitlement if we pay a pension to your surviving husband, wife or civil partner, or 50% if you did not leave a surviving husband, wife or civil partner. If we pay a pension to your partner, we will work a child's pension out as 30% of your pension entitlement based on your service from 1 October 2002 plus 50% of your pension entitlement based on your service before 1 October 2002. This reflects the fact that your partner's pension only relates to service from 1 October 2002.

If you leave more than two children who qualify for a pension, we will reduce each child's pension so they each get an equal share.

Other information

Disagreements and complaints procedures

Civil Service Pensions operates a formal complaints process under the statutory Internal Dispute Resolution (IDR) procedures. If you have a complaint about classic plus benefits or scheme administration, and you have not been able to sort it out with MyCSP or the pension payroll provider, you can ask them for a written explanation of their decision under IDR. If, after receiving their decision, you still feel that you have a valid complaint, you (or someone representing your interests, such as a friend or trade union) can appeal to the Cabinet Office.

The Pensions Advisory Service (TPAS)

You may contact TPAS at any time during the IDR procedures. TPAS is a voluntary organisation which helps members and beneficiaries of occupational pension schemes with difficulties they may have with the trustees or administrators of their scheme. You can contact TPAS at:

11 Belgrave Road
LONDON
SW1V 1RB

email: enquiries@pensionsadvisoryservice.org.uk.



Pensions Ombudsman

The Pensions Ombudsman (based at the same address as TPAS) has the power to investigate and make decisions about complaints or disagreements in relation to occupational pension schemes. He can investigate any complaint about the injustice as a result of poor administration or questions of fact and law. He will expect you to have used the IDR procedures before he will investigate any complaint himself.

Re-employment

If you leave and, at some point in the future, are re-employed by an organisation that offers the Civil Service pension arrangements, you should ask your prospective employer how re-employment affects your pension choices.

If you are re-employed after you started taking your pension by an organisation that offers the Civil Service pension arrangements, your pension may be reduced.

If you are re-employed having previously left with a compensation payment, you may have to pay this back depending on the length of time between employments.

If you are re-employed within 28 days of having taken ill health retirement, the award will be cancelled.

You should discuss how re-employment affects your compensation payment or ill health retirement award with your prospective employer before accepting the post.

General information

Loss of benefits

If you become bankrupt, your pension will be paid in line with the Bankruptcy Acts.

Pension Schemes Registry

Cabinet Office has given information about the scheme, including the address, to The Pension Schemes Registry. It acts as a central tracing agency to help people keep track of their previous pension arrangements as they move jobs. If you want to use their service, please write to:

The Pension Schemes Registry
PO Box 1NN
Newcastle-upon-Tyne
NE99 1NN

Scheme amendments

Cabinet Office may amend the scheme's provisions from time to time by laying an amendment scheme before Parliament. Cabinet Office can only make changes after consultation with the Civil Service trade unions.

State benefits

From 6 April 2016 the new State Pension replaced the previous two part state pension arrangements – basic and earnings related (S2P).

Your membership of classic plus does not affect your entitlement to the basic State pension. However because classic plus was contracted-out up to 6 April 2016 you did not build up rights to S2P during the period of your classic plus membership to that date. In return you paid a lower rate of National Insurance contributions. Therefore your State Pension entitlement will be calculated in consideration of this.



The Pensions Regulator

This organisation is the statutory regulator for occupational pension schemes. Their task is to make sure that pension schemes operate legally. They also educate and inform and work with others to raise standards.

You can contact The Pensions Regulator by writing to them at:

The Pensions Regulator,
Napier House,
Trafalgar Place,
BRIGHTON
BN1 4DW

Tel: 0845 600 0707

Email: customersupport@tpr.gov.uk

Website: www.thepensionsregulator.gov.uk

Transferring your rights to benefits (assignment)

You cannot give anyone else the right to your entitlement from the scheme.

Finding out more

MyCSP

Your MyCSP Pension Service Centre holds your classic plus pension details and can, therefore, give you information which is specific to you.

They can only give you information about classic plus and other associated information about the Civil Service pension arrangements. They do not have the authority to advise you on financial matters relating to pension decisions you may have to make. If you want help in making such decisions, we suggest you contact an Independent Financial Advisor.

Publications

We have a range of booklets and leaflets covering all aspects of the Civil Service pension arrangements and associated benefits, all of which appear on the Civil Service website (see below for address). Alternatively, you can ask your MyCSP Pension Service Centre for hard copies.

Civil Service website

The Civil Service website holds information about its pension schemes. Visit

www.civilservicepensionscheme.org.uk



Technical terms

Annual Allowance

The **Annual Allowance** is the amount by which the value of your pension savings can go up in any year before you have to pay tax at 40%. For more information, see www.hmrc.gov.uk

Annual Benefit Statement

This is a statement which tells you how much pension you have built to date and gives you an idea of the benefits that **classic plus** may provide you with in the future.

CSAVCS

Civil Service Additional Voluntary Contributions Scheme - a money purchase arrangement where you pay contributions to a pension provider for investment in a fund or selection of funds. The accumulated investment fund then buys you an annuity - a pension for life.

Deferred member

Someone who left **classic plus** and has preserved benefits.

Defined benefit

A pension offering guaranteed benefits, worked out using a formula usually related to the members' **pensionable earnings** and/or length of service (including transferred in service).

Dependant child

Any child who is dependent on you and who is;

- under 18, or;
- under 23 and receiving full-time education or training or; who is permanently incapacitated and unable to earn a living. Dependency means that you are providing financial support to the child.

(The children must have been conceived or born before your employment with a Civil Service pension employer ends.)

Enhancement/enhanced

If you retire early because of ill health, die in service, or are made redundant, we may increase the number of years you have in the scheme when we work out your (or your dependants') pension benefits or Annual Compensation Payment (ACP).

Earnings cap

The maximum level of pay we will use when working out pension benefits and contributions. It applies to most members who joined the CSP arrangements on or after 1 June 1989.

Final pensionable earnings

These are the earnings on which we base your pension. Your final pensionable earnings will be whichever is the best of:

- your last 12 months' pensionable earnings; or
- your highest pensionable earnings in any of the last four complete scheme years; or



- your highest pensionable earnings in any period of three complete scheme years during the last 13 years ending on your last day of service.

A scheme year is the period from 1 April to 31 March.

Guaranteed minimum pension

The Civil Service Pension Scheme was contracted out of the State Earnings Related Pension Scheme (SERPS) prior to 6 April 2016. If you were a member of the Civil Service Pension Scheme between 6 April 1978 and 5 April 1997, GMP is the minimum amount that the scheme must provide for you at State Pension age (SPA).

Lifetime Allowance

A limit on the total value of all pension benefits (except the State pension) that you can take without paying additional tax. The value of benefits is assessed at the time that you take your pension. It does not limit the total amount of pension benefits that an individual can receive in their lifetime.

MyCSP

Your **MyCSP** Pension Service Centre holds your pension records and administers your pension on your employer's behalf, including working out and arranging pension payments.

Pension age

This is the earliest age at which you can choose to receive immediate payment of your classic plus pension without reduction. (In most cases, this is 60.)

Pensionable earnings

All earnings that could count towards your pension. They can include non-cash items, for example, uniforms or accommodation.

Pensionable service

Same as **reckonable service** (see below).

Pension payroll provider

The paying authority for Civil Service pensions. They pay pensions under contract to the Cabinet Office. You can find the contact details on our website.

Preserved benefits

We will hold (preserve) the pension benefits you have built up if you leave the scheme before **pension age** and have decided not to transfer them to another pension scheme. (We will only do this if you have built up more than two years' **qualifying service**.)



Public Sector Transfer Club

A group of defined benefit occupational pension schemes, mainly within the public sector. The Club assists easier movement of staff between its members by providing broadly equivalent benefits when they transfer.

Qualifying service

The service that determines whether you are eligible for (preserved) pension benefits.

Reckonable service

The service that counts towards a pension.

Parttime service counts on the basis of the hours you have worked.

Scheme actuary

An advisor on financial questions involving probabilities relating to mortality and other contingencies.

State pension age

The age at which you can receive your State pension.

State Second Pension S2P

The additional State pension on top of the basic State Pension (previously known as the State Earnings-Related Pension - SERPS). The amount you get depends on your National Insurance contributions. **Please note – this ended on 5 April 2016.**

Transfer value

The value of accumulated pension rights within a pension scheme that may be used to transfer benefits from that scheme to another pension scheme.



Appendix A

Refund of widow(er)s' pension (WPS) contributions

(The contributions you paid up to and including 30 September 2002)

If you have been unmarried throughout your service you are entitled to a refund of WPS contributions. If you have been married or in a civil partnership for only part of your service, you are entitled to a refund of the contributions you have paid since your marriage or civil partnership ended. Contributions are refunded as follows:

Men

contributions paid for service before 6 April 1978

(including any contributions paid as part of an added years option made before that date) will be refunded with interest and paid when you take your pension on final retirement.

contributions paid for service on or after 6 April 1978

(including any contributions paid as part of an added years option made on or after that date) will be refunded when you take your pension on final retirement. They will be refunded with interest and the deduction of a single, non-returnable payment to cover the cost to the scheme of providing a post-retirement widow's pension if you marry or enter a civil partnership after leaving and die before your wife or civil partner. You will not be required to repay the refund if you do marry or enter a civil partnership. The estimated amount of your refund and the current value of the post-retirement widow's pension are shown on your Estimate Statement.

Women

contributions paid for service before 6 April

1988 (including any contributions paid as part of an added years option made before that date) will be refunded with interest and paid when you fully retire.

contributions paid for service on or after 6 April

1988 (including any contributions paid as part of an added years option made on or after that date) will be refunded when you take your pension on final retirement. They will be refunded with interest and the deduction of a single, non-returnable payment to cover the cost to the scheme of providing a post-retirement widower's pension if you marry or enter a civil partnership after age 60 and die before your husband or civil partner. You will not be required to repay the refund if you do marry or enter a civil partnership. The estimated amount of your refund and the current value of the post-retirement widower's pension are shown on your Estimate Statement.



www.civilservicepensionscheme.org.uk

This leaflet has been produced by MyCSP
on behalf of the Cabinet Office.

