partnership pension account

A guide to available benefits

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Note: Text in bold in this booklet is explained in the Technical terms section on page 14.
This booklet does not cover every aspect. The full details are contained only in the rules, which are the legal basis of the scheme. You should note that nothing in this booklet can override the rules, and in the event of any difference, the rules will apply.

partnership pension account

What is a partnership pension account?

The partnership pension account is an occupational scheme. You do not have to make any payments to have a partnership pension account as your employer will make contributions anyway. If you do choose to contribute, your employer will match your payments up to a further 3% of your pensionable salary.

Who is eligible for a partnership pension?

If you are a new joiner you will receive details of your pension options in your Pension Starter pack, which will be with you within 4 weeks of your start date.

If you are an existing member of classic, classic plus, nuvos or premium, you can switch at any time, however you can only make one switch per 12 calendar months.

To switch to the partnership scheme, you must complete a Switching form and return it to your HR Department two months before the date you want to switch.

You can find the required forms on the ‘forms’ page of the JSS website:
http://jsspensions.nerc.ac.uk/guidesandforms.asp

Please note that partnership pension accounts cannot be opened if you are 75 or older, and contributions cannot be paid in at or after age 75 for existing holders of an account.

How does the partnership pension account work?

Contributions are invested for you by your provider. Over the years, your fund should grow with the money earned by your investments, and you can use the resulting pot to fund your retirement or to leave to someone in the event of your death.

Paying into your pension

Why open a partnership pension account?

It needn’t cost you anything. Your employer will pay a monthly contribution into your partnership pension account depending on your age and salary. If you want to pay something, your employer will match any regular contributions you make (up to 3% of your salary). By paying more into the scheme, your fund will grow faster giving you a bigger pot to fund your retirement.

Opening a partnership pension account gives you access to other benefits. If you are unable to work through ill-health, a lump sum may be payable, or if you were to die in service, a lump sum could be payable to your dependants.

Scottish Widows and Standard Life are the providers of the partnership pension account for your RCPS employer.

How much should I pay?

You do not have to contribute anything.

The partnership pension account offers you the opportunity of having a ‘free’ pension. Your employer will pay your age-related contribution and if you do contribute, your employer will pay an additional amount to match your contributions up to 3% of your pensionable earnings.

So if you decide to contribute 2% of your pensionable earnings, your employer will pay an extra 2% on top of the age-related contribution. If you decided to contribute 5%, your employer would pay an extra 3%, as the extra matching contributions are limited to 3%. Your contributions will be based on your pensionable earnings so if you are receiving reduced pay, you will only pay contributions on the pay you actually receive.

What will my employer pay?

Your employer will make a contribution as a percentage of your pensionable earnings. This varies according to your age as at the beginning of the tax year (at the last 6 April) and so it may increase in the future. Current contribution rates are shown in Table 1.

Table 1: Employer contributions

Age at the last 6 April	Percentage of your pensionable earnings
Under 31	8%
31 to 35	9%
36 to 40	11%
41 to 45	13.5%
46 or over	14.75%

Your employer will make these contributions even if you decide not to pay anything into your account.

You can always decide to pay money in at a later stage. If you do, your employer will then match the level of your contributions, up to 3% of your pensionable earnings.

What earnings are pensionable?

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

Bonus payments do not normally count as pensionable earnings, but if you receive pensionable bonus payments, your employer (and you, if you choose to contribute) will pay contributions on them. You may also have some non-cash pensionable earnings. For example, some people may receive a 2% uniform allowance, and others may have an allowance for accommodation. In these circumstances, your employer (and you, if you choose to contribute) 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 to your partnership pension account based on the pay that you would have expected to have had if you had still been working.

How much am I allowed to pay?

There is no limit on the amount that you can pay into your partnership pension account. You will receive tax relief on any contributions you make up to 100% of your taxable earnings or £3,600, whichever is the higher (subject to the Annual Allowance).

Do I get tax relief?

Your employer's contributions are based on your pay before tax (your gross pay). But your own contributions are taken from you after you have paid tax. You pay a reduced contribution which takes account of the tax relief that the pension provider will claim back on your behalf. So, for example, if you wanted to pay £100, we would take £80 from your net pay (£100 less £20 basic-rate income tax). The pension provider would then claim back £20 from HM Revenue & Customs, so the total amount going into your pension fund based on your contributions would be £80 + £20 = £100.

If you are a higher-rate taxpayer, you should contact HM Revenue & Customs to claim the extra tax relief.

Example

Sue has pensionable earnings of £1,500 (gross) in the month. Sue was 28 at the beginning of the current tax year and has chosen to pay contributions of 2%.

Sue's contribution is taken from her pay after basic-rate income tax at 20% has been taken off.

2% x £1,500 x (100-20) ÷ 100 = £24

Sue's employer contributes:

- an age-related contribution of 8% x £1,500 = £120; and
- a matching contribution of 2% x £1,500 = £30.

Total employer contribution = £120 + £30 = £150

Sue's pension provider claims back the tax on her contribution.

Tax claimed back = £24 x 20 ÷ (100-20) = £6

Total payment into Sue's pension fund = £24 + £150 + £6 = £180

How do I make my payments?

Your employer will take regular (normally monthly) contributions from your pay and pay it automatically to your provider.

What happens if I’m not working?

If you are not receiving any earnings, for example, if you are on a career break, you may continue to make contributions up to £3,600 a year. Your employer will not normally make contributions, so you can set up a direct debit to your partnership pension account from your bank account.

Please contact your provider for more information.

What about National Insurance?

You pay National Insurance (NI) contributions at the standard rate.

Please note: salary sacrifice is not available for the partnership pension account

Choosing your pension fund

Do I have to choose an investment fund?

You will see from both of the provider's information that they offer a wide range of investment funds, including a default option. All contributions made by you and your employer will be invested in the default option unless you tell them otherwise.

Read the provider's information to find out about the different funds on offer. When looking at past performance, remember that it may not be a reliable guide to how they will perform in the future.

How do I choose a fund?

You can only choose one provider but can choose different funds with the provider. You may wish to speak to an Independent Financial Adviser (IFA) before you make your choice. See the Financial Conduct Authority's website for tips on finding an adviser: www.fca.org.uk

How will I find out how my fund is performing?

Your provider will issue a statement each year. This will show the value of your fund and the contributions paid, together with a rough idea of what this may mean in pension terms at pension age. You must tell your provider whenever you change your address.

You can also view the performance of each of the funds on the providers' websites.
You can track the performance of your fund at any time by registering with your provider to use their secure online facilities.

What are my options at retirement?

Your options include:

- A fixed regular income that is guaranteed for life, also known as an annuity.
- A flexible income via income drawdown. This allows you to either withdraw regular income, payable monthly or yearly, or to take unlimited withdrawals. All withdrawals, other than pension commencement lump sums, are treated as taxable UK income.
- Taking your full fund as cash, in which case the first 25% of the amount is tax-free (subject to the limits set by HM Revenue & Customs and the Lifetime Allowance) but anything over this is taxed as regular UK income at your marginal rate of tax.
- Or a combination of the options to suit your circumstances.

Will the government guarantee my pension?

The government cannot guarantee your pension.

How big will my pension be?

If you choose to buy an annuity, the amount of your pension will depend on:

- how soon you start;
- how much you pay in;
- how well your chosen funds perform;
- how much is taken out in charges;
- how and when you choose to take your money.

It is important that you give your pension fund a regular health check over the years to make sure you are on track to get the sort of retirement income you want. You will receive annual statements that show the value of your fund to help you with this. And remember that contributions made while you are young are going to have more years to grow with investment returns.

When can I draw my pension?

Under current legislation, you can draw your partnership pension at any time from age 55.

You don't have to retire to take your pension. You choose the timing to fit in with your personal circumstances. You also decide whether or not you want to provide a pension for your dependants after your death.

How do I draw my pension?

You will need to contact your provider to start the process.

If you decide you want to buy an annuity, you do not have to buy your annuity from the pension provider you have used over the years.

Your provider will give you an illustration of the amount of annuity your pension pot would buy with them, but you can buy your annuity with a pension provider outside the partnership pension arrangements. This is called an open market option, and means that you can shop around for the best deal. You may wish to consult an Independent Financial Adviser to help you with this.

Can I carry on working after I draw my pension?

Yes. Drawing your pension doesn't have to be linked to retiring from work. You can also continue contributing. Speak to your provider about your plans and they will explain the process to you.

How to open a partnership pension account

If you are:

A new entrant	Switching from either classic, classic plus, premium, nuvos or partnership	Opting in to partnership (having previously opted out)
Please follow the guidance in your New Starter Letter	The pension switch form can be found on: http://jsspensions.nerc.ac.uk/guidesandforms.asp	Contact JSS. They have to check your eligibility to opt back in to partnership. If you are eligible to opt in, they will give you further instructions on rejoining
	Complete both the application and pension switch form and return them to JSS	

JSS will then make the following arrangements:

- Forward your application form to the provider so they can set up your plan, and
- Arrange for your employer/payroll to set up the relevant contributions.

You will receive confirmation from the provider once the first contribution has been paid in and the account set up.

Leaving an RCPS employer

What happens if I leave my job?

If you leave your job, your employer's contributions will stop. Your pension fund is yours, no matter what your job. You can leave it to earn investment returns.

You may want to transfer your fund to another pension provider or to your new employer's pension scheme.

The choice is yours, but if you are considering transferring your fund to another provider or to a new employer's pension scheme, make sure you understand what you are giving up and what you are getting in return.

What happens if I am made redundant?

Your employer can pay you compensation for loss of employment. Your employer's contributions into your pension account will stop when you leave, but your fund will continue to earn investment returns. You may transfer your fund to another pension provider.

If you get a new job you may be able to transfer your fund to your new employer's pension scheme. This will, however, depend on the particular arrangements of your employer's scheme. The choice is yours but, if you are considering transferring your fund, make sure you understand what you are giving up and what you are getting in return.

What happens if I become too ill to work?

If you have to leave work before the later of your State Pension age or age 65, and the Scheme Medical Adviser agrees that you cannot do your job because your health has broken down permanently, we may pay you a lump sum when you leave. We will work this out as 20% of your pensionable pay for every year of service, up to a maximum of three years' pay. We will only pay the lump sum if you have at least two years' service, and the lump sum cannot be more than the pay you would have received if you had continued in work until the later of your State Pension age or age 65.

What happens if I die before I draw my pension?

If you die before you draw your pension, the provider may pay the value of your pension pot to the person you have nominated as your beneficiary. The value of your pension pot will be the contributions that you and your employer have made, plus investment returns over the years. If you die before you leave, we will also pay a lump sum of three times your pensionable earnings to the person you have nominated, on your Pension Choices form, or on a later amendment.

You can change your nomination at any time; you can do this using the death benefit nomination form available on the member forms page of the JSS website:

http://jsspensions.nerc.ac.uk/guidesandforms.asp

Making changes to your partnership pension

Can I change to another investment fund?

You can change investment funds whenever you want to – just contact your provider.

Can I change my contributions?

You can change the level of your monthly contributions when you like, changes will normally be implemented from the next payroll period depending on your payroll cut off dates. You can make extra contributions whenever you like during the year, but your employer will not pay matching contributions. The best way of making extra contributions is to send payment direct to your provider.

Can I move to the classic, classic plus, premium or nuvos pension scheme?

If you decide to switch from the partnership scheme, you will only be able to switch to the **RCPS** defined benefit scheme you are currently eligible to join (for example, classic, classic plus, premium or nuvos).

You can switch from the partnership scheme at any time; however, you can only make one switch per 12 calendar months.

To switch from the partnership scheme, you must complete a Switching form and return it to JSS two months before the date you want to switch. The Switching form
can be found on the member forms page :
http://jsspensions.nerc.ac.uk/guidesandforms.asp

Finding out more

Who do I go to for help?

For questions about investment choices and your pension fund, contact your pension provider.

Provider contact details:

Scottish Widows
Scottish Widows Direct Sales
PO Box 17037,
69 Morrison Street,
Edinburgh EH3 8WZ

Telephone helpline: 0800 838 312
email: cs.stakeholder@scottishwidows.co.uk

Website: https://www.scottishwidows.co.uk/civilservicepartnership/

Standard Life
Civil Service Team
Group Pensions (J1),
Standard Life House,
30 Lothian Road,
Edinburgh EH1 2DH

Telephone helpline: 0800 33 33 09
email: corppen_service@standardlife.com

website: https://www.standardlifepensions.com/civilservice_gshp/index

If you wish to seek financial advice you should contact an Independent Financial Adviser (IFA) who is registered to advise you on what are the best options for you.

Visit the Financial Conduct Authority website for some tips on how to find an IFA in your area:

www.fca.org.uk/consumers/finding-adviser

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 may have to pay an Annual Allowance tax charge. This amount is set by HM Revenue & Customs.

Annuity

A pension for life. When you want to draw your pension, you can use your pension pot to buy an annuity which will provide you with an income during retirement.

Income drawdown

This is an option to draw income directly from your fund.

Lifetime Allowance

Lifetime Allowance is the limit to the amount of tax privileged pension benefits a member can draw over their lifetime before they incur a tax charge.

JSS

JSS carries out some pension functions on behalf of your employer.

Pensionable bonuses

Bonus payments do not usually count towards your pension, but your employer may have agreed certain payments can.

Pensionable earnings

Pensionable earnings are all earnings which could count towards your pension. They can include non-cash items, for example, uniforms or accommodation.