



Important information about your pension: April 2012

This note has important information about your Civil Service pension, including things you may need to tell us about.

Your combined certificate of Pay and Income Tax for 2011/2012 (P60) with pay advice (on the reverse side) are enclosed. You should keep these important documents and this letter in a safe place.

Pension Payments from April 2012

If you are over 55 and receive a member's pension or you are paid an ill-health, widow's, widower's, civil partner's, partner's or child's pension, the full year's Pensions Increase (PI) applicable on 9 April 2012 is 5.2%. This is based on the increase in the Consumers Price Index (CPI) up to September 2011. A proportionate amount of PI will be applied in certain circumstances e.g. a person takes benefits over 55 and has been in service during the year. The PI factors for 2012 can be located on the HM Treasury website: www.hm-treasury.gov.uk

Your pay advice and P60

Your pay advice shows your new annual rate of pension and your next payment. This monthly rate applies as long as your annual pension rate, tax liability or other deductions do not change. The tax deducted from your pension may vary slightly from payment to payment, due to variations in the tax tables. Please note that future pay advices will only be issued when the monthly rate changes.

Your P60 is printed on the back of your pay advice, and tells you the amount of pension Capital paid you and the tax deducted in the year 2011/12. The amount of pension before tax shown on your P60 may not be the same as your annual rate of pension for most of the tax year. There are a number of reasons for this, the most likely of which is that:

- your pension started during the tax year; or
- it was not paid in full for the whole tax year, for example your pension was abated (reduced) because you were re-employed.

Your Tax Code

HM Revenue and Customs (HMRC) tell us how much tax to take from your pension through your tax code. We are unable to change your tax code unless we have been instructed to do so by HMRC. If you want to ask about your tax code or tax liability, please write to:

HM Revenue & Customs, South Wales Area Office, Government Buildings,
Ty Glas, Llanishen, Cardiff, CF14 5YA Telephone: **0845 3000 627**

You will need to quote your National Insurance number, PAYE reference and your pension reference number which can be found on your pension advice note.

Guaranteed Minimum Pension (GMP)

As the Civil Service scheme was contracted out of the State Earnings Related Pension Scheme (SERPS) you have a GMP if you had service between 6 April 1978 and 5 April 1997. This means the pension we pay you must equal or exceed your GMP.

When you claim your State pension, the PI applied to your pension is calculated differently due to the GMP rules. When an annual increase is payable, the Government will pay some of the increase on the GMP part of your pension with your State pension.

The GMP consists of two elements:-

- **(Pre 1988)** For service up to 5 April 1988, the Government will normally pay the PI increase on your GMP with your State pension. **This part does not attract increases from the Civil Service scheme, but the increase will be included in your State pension.**
- **(Post 1988)** For service after 5 April 1988, PI up to 3% is normally paid by the scheme and the increase above 3% will be included in your State pension.

The effect of this is that the overall increase in your pension will be the same as if the full increase had been paid with your Civil Service pension. The GMP is paid as part of your Civil Service pension and not as a separate benefit. Your pay advice shows your annual rate of pension.

New arrangements will apply to members whose GMP age (60 for women, 65 for men) is different from their State pension age e.g. females born after 5 April 1950. In these instances, the scheme will temporarily increase the GMP element which was previously paid by the State until State pension age. From State pension age, the pension will be split as set out above.

Important note if you live outside the UK –

Pensioners who live in certain countries outside of the UK are not entitled to increases to their State pension. If this applies to you, Capita Hartshead can continue to pay the pension increases to your GMP with your Civil Service pension but you must contact the Pension Service to instruct Capita Hartshead to do this.

- Please contact the International Pension Centre, Tyneview Park, Newcastle upon Tyne, NE98 1BA, United Kingdom. Telephone: +44 191 218 7777, Fax: +44 191 218 7021, Textphone: +44 191 218 7280.

National Insurance Modification

If you were a **classic** member your pension may be reduced when you reach State pension age to take account of basic National Insurance pension. The rate of your basic Civil Service pension, that is before any increases are applied, will be reduced by £1.70 for each year of your reckonable service before 1 April 1980. The reduced pension is then increased by the full increases since your pension came into payment.

Note: When referring to **classic** we mean the pension scheme applying before October 2002. Staff in post on 30 September 2002 could opt to stay in **classic** or transfer to the **premium** or **classic plus** schemes. **nuvos** has been the main Civil Service pension scheme since 30 July 2007.

MyCSP

As you will see, there is a letter enclosed with this note from the Chief Executive of MyCSP.

MyCSP is the organisation that administers the Civil Service pension arrangements. It came into being in 2010 and is based on the 'Authorised Pensions Administration Centres' that were in place before then. MyCSP have been providing this service under an agreement with the Cabinet Office that covers all employers who take part in the Civil Service pension arrangements. They also manage, on behalf of the Cabinet Office, the contract with Capita Hartshead to pay you your pension. MyCSP will shortly become what is known as a Mutual Joint Venture, and as such will move into the private sector. This move will have no effect on how you receive your pension. If you have any queries about your pension, you should continue to use the contact details at the end of this note.

New pension scheme for Civil Servants

Lord Hutton's review recommended a move to a new type of pension scheme and pension ages to mirror State pension age. These changes only affect staff in post, not Civil Service pensioners.

Bereavement – how much will my dependants get after my death?

Lump sum death benefits

A lump sum may be paid if you die within 2 years (5 years if you are a member of **classic plus** or **premium**) of your pension being paid. If a lump sum is payable, Capita will pay it to whoever you nominated to receive it or to your personal representatives. **It is important, therefore, that you review your death benefit nomination during the first years of your retirement.**

Further detailed information explaining how dependant benefits are worked out is available on the Frequently Asked Questions area of the website www.csp.capitahartshead.co.uk. Alternatively you can call our contact centre and request a dependant's benefits fact sheet.

Lifetime Allowance (LTA) (For re-employed pensioners only)

HM Revenue and Customs (HMRC) set a limit on tax relief for pensions. The LTA is the maximum value of pension an individual can take from all pension benefits before they are charged additional tax (the LTA charge). It does not limit the total amount of pension benefits that an individual can be paid in their lifetime. The value of benefits is assessed at the time that the pension is taken and does not include State pension or dependant's pension. If you took benefits on or after 6 April 2006, your benefits will have already been assessed against the LTA. If you are building up additional benefits in the Civil Service scheme or another arrangement, your existing pension will need to be taken into account to see if these further benefits will be subject to the LTA charge.

For member's taking benefits in the 2012-13 tax year, the LTA is to reduce to £1.5 million (from £1.8 million for 2011/12). This is equivalent to a pension of more than £60,000 a year. The LTA charge will, therefore, affect a very small number of people and will not affect you if you have taken pension benefits from all sources.

If you are close to the LTA limit, and you are building up further benefits, you may wish to seek independent financial advice about the LTA. See the HMRC website www.hmrc.gov.uk for details.

If any of your Civil Service pension benefits started after 5 April 2006, the total value of your benefits is shown as a percentage of LTA on your P60.

National Fraud Initiative (NFI)

Along with other organisations we take part in the NFI. Our pension records are checked against other national databases to ensure that our records of continuing pension entitlement are accurate. These data matching exercises meet the requirements of Data Protection law.

Any wrongly paid pensions must be recovered. Where fraud is suspected, cases are referred to the police. We pursue prosecutions in such cases.

The NFI programme covers UK residents. If you live outside the UK we will write to you to ask you to complete a statement to confirm continuing entitlement to your pension.

Changes you need to tell us about

It is important that you tell us of the following changes in your circumstances straight away:

- **a change to your address, bank or building society details.** (If Capita pay you more than one pension, please quote the reference numbers of all the pensions to which the changes apply). If your bank or building society details have changed please give details of the old and new account details.
- **if you are thinking of taking up employment or have already been re-employed by an employer covered by the Civil Service pension arrangements.**
- **Re-marriage or new relationships** - if you are in **classic** or **classic plus**, and Capita pay you a widow's, widower's or civil partner's pension and you re-marry, enter into a civil partnership or live with another person as man and wife or civil partner.
 - a pension paid under **classic** will normally stop. However, Capita may pay the pension again if your new relationship comes to an end or you receive less in the way of spouse's or civil partner's pension compared to when the spouse's or civil partner's pension first became payable or there are compassionate grounds for doing so.
 - If your pension is paid under **classic plus**, that part of the pension based on the member's service before 1 October 2002 will stop. The part of your pension based on the member's service from 1 October 2002 continues for the rest of your life
 - No reduction applies to **premium or nuvos** members.
- if you register a civil partnership after your retirement (your civil partner may be entitled to a survivor pension).
- If you are being paid a child's pension you must tell Capita if the child is over 17 (18 for **premium** or **classic plus**) and they leave full time education or training.

Please tell your next of kin or other representative that they must tell Capita in the event of your death without delay. Your pension ends on the date of your death and we will recover any pension overpayment. If your surviving spouse, civil partner or partner is entitled to a pension Capita will send them an application form.

What to do if you have a question about your pension

Our contact centre will deal with your questions about your pension or if you have a change in your circumstances. It is open from 8.30am to 6pm Monday to Friday. The lines are particularly busy on a Monday, so if your call is not urgent you may find it more convenient to call on another day. If calling please have your CSP reference number and National

Insurance numbers handy as you will have to confirm your identity before your enquiry can be answered. Capita's contact details are:

Telephone: **0870 1699 700** Fax: **0870 1699 720** e-mail: csp.enquiries@capita.co.uk

Post: PO Box 215
Mowden Hall
Darlington
County Durham
DL3 9GT

You can view your pension payslips and P60s and make changes to some of your personal details, by registering at 'My Pension Online', the secure area of Capita's Website at:

www.csp.capitahartshead.co.uk



MyCSP Ltd
Room 4E01
Quarry House
Leeds
LS2 7UA
Date: April 2012

Dear Sir/Madam

Welcome...

I'm writing to you as Chief Executive of MyCSP Ltd, a new company with a great public service heritage administering Civil Service Pensions. You may have read about us in the news as the first government department to become a mutual joint venture formed out of a partnership between employees, Government and a private sector partner.

We remain committed to delivering excellent customer service.

The new company aims to be;

First for our customers
First for our people
First in the market

What does the change mean for you?

There will be no change for you. There is nothing for you to do and there will be no change in the way payments are made to you. MyCSP Ltd has exactly the same responsibility for all aspects of Civil Service Pensions administration as now. Payment of your pension will continue to be made by Capita Hartshead as our paying agents under contract to MyCSP Ltd. Their contact details for any queries remain the same and are on the newsletter from Cabinet Office.

You may also like to know...

At MyCSP we are working with recognised organisations familiar to us in the civil service and who offer support to our customers. Not many people realise that the services and support offered by these organisations are available to us (and often our families) even after we've left the civil service. They provide a wide range of practical help and support as well as access to recreation and other services. They have provided some information about themselves and their contact details are at the end of this letter.

Remember the Civil Service Benevolent Fund is there to help all current and former civil servants. It offers a wide range of help and advice and not just financial support and, you don't have to be a donor to get help from them.

Tell us what you think...

I am committed to ensuring we build MyCSP Ltd around an understanding of what our customers need and want. So I'm very interested to learn more about what your experiences have been and what you expect for the future. We have developed a simple quick survey we'd like you to take part in.

This can be done on line at our website www.mycsp.co.uk/survey. We may also contact you in the future to seek your views on the services we provide.

I look forward to hearing from you.

Yours sincerely

Phil Bartlett
(CEO MyCSP)

Benevolent Fund

Fund House,
5 Anne Boleyn's Walk, Cheam,
Sutton, SM3 8DY
Telephone: Freephone 0800 056 2424
Email: info@csbf.org.uk www.csbf.org.uk

The Civil Service Benevolent Fund is the occupational charity for all current, former and retired civil servants, and their financial dependants. If only everyone who needed the Fund's wide range of help, advisory, information, and support services, knew that we were here for you, for life. Eligibility to the Fund's services doesn't end when you retire.

Civil Service Pensioners' Alliance

First Floor
102 – 104 Park Lane, Croydon. CR0 1JB
Telephone: 020 8688 8418
Email: enquiries@cspa.co.uk
www.cspa.co.uk

The Alliance campaigns to maintain and improve the purchasing power of Civil Service pensions and to promote the economic and social well-being of pensioners at large. It advises and represents members if they have problems with their pensions.

Civil Service Retirement Fellowship

Suite 2, 80A Blackheath Road,
London, SE10 8DA
Telephone: 020 8691 7411
Email: info@csrf.org.uk www.csrf.org.uk

To provide to all retired Civil Servants fellowship, friendship a kindly ear, help and advice, a regular meeting place to meet, discussion over tea and biscuits and take part in and listen to Talks on a wide variety of topical, advisory and interesting subjects.

CSSC Sports & Leisure

7/8 Buckingham Place
Bellfield Road
High Wycombe
Buckinghamshire HP13 5HW

CSSC positively promotes health and well-being and we want to help you to have fun, get active, try out new hobbies or activities and experience the great diversity of our organisation. We organise hundreds of events, activities and special offers for you every year.

Telephone: 01494 888444
Email: headoffice@cssc.co.uk
