

# Section 07 other important information

This section outlines some important things you need to know about your pension.

It includes a brief overview of the main tax rules that apply to pensions and explains how you might be affected by them. The tax rules are set by HM Revenue & Customs, and more information can be found on their website.

You will also find some guidance on what you can do if you encounter a problem and want to complain, and details of where you can go for advice and information.

# Section 07

## Other important information



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This guide uses as little jargon as possible but where it has to use specific technical terms, they have been explained in plain English.

This section provides a guide to some other pension information you could need. But it does not cover every aspect of alpha; full details will be set out in the regulations, which are the legal basis of the scheme.

Nothing in this guide can override the alpha regulations. We have made every effort to make this guide as accurate as possible, but in the event of any difference, the regulations will apply. This guide is based on the alpha regulations current at the time of publication and there is no guarantee that any part of the regulations will not change in the future.

You should not take anything in this section as financial advice. You might want to consider contacting an Independent Financial Adviser (IFA) to discuss your retirement planning. You can find tips on finding an IFA by visiting the Financial Conduct Authority website: [www.fca.org.uk](http://www.fca.org.uk)

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### **This section explains:**

#### **07A. Your pension and tax**

Important rules to consider from HM Revenue & Customs.

#### **07B. Death benefits and the Lifetime Allowance**

How the lump sums paid to your nominees are assessed.

#### **07C. State Pension ages (SPA)**

How the SPA affects when, and how, you can claim your alpha pension.

#### **07D. What to do if you have a complaint about your pension**

The process you need to follow when something goes wrong.

#### **07E. Important contact information**

Contact details, addresses and websites you may need, and places to go for more information.

# Section 07A

## Your pension and tax



### Do I get tax relief on my pension contributions?

Yes. You can get tax relief on your pension contributions of up to 100% of your annual earnings. When contributions are taken from your pay, tax relief is usually applied by your employer. The tax to be taken from your pay is worked out using your pay after your contributions have been deducted.

You must make sure that you do not get tax relief on pension contributions worth more than 100% of your annual earnings. HM Revenue & Customs can ask you to pay back any tax relief you get above this limit.

### Is my pension taxed when it is paid?

When your pension is paid, it will be taxed as income in the same way as a salary.

HM Revenue & Customs will give you a tax code that the scheme administrator will apply to your pension so that you are paying the correct level of tax.

### Is my pension lump sum taxed when it is paid?

If you have chosen to take a lump sum in exchange for some of your pension, this payment is currently tax-free.

## Annual Allowance

### What is the Annual Allowance?

The Annual Allowance is set by HM Revenue & Customs and any changes to the Annual Allowance are made by HM Revenue & Customs.

## Section 07A Your pension and tax

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Annual Allowance is the maximum amount of pension savings you can make across all registered pensions like Civil Service Pensions in any one year, which benefit from tax relief.

If your pension savings in a year are more than the Annual Allowance, you might have to pay some tax on the amount over the Annual Allowance.

You can request a pension savings statement from the scheme administrators to check your pension against the Annual Allowance.

### Why have I been sent a pension savings statement?

You will be sent one automatically if your pension savings from your Civil Service Pension are over the Annual Allowance for the year. If you have gone over the Annual Allowance you might have a tax charge to pay.

### What is the Annual Allowance limit?

The amount of Annual Allowance can change. You can find details of the current limit on the Civil Service Pensions and HM Revenue & Customs websites.

### How are benefits checked for Annual Allowance?

The way your pension is measured against the Annual Allowance depends on what type of scheme it is.

For defined benefit schemes, like alpha, classic, classic plus, premium, and nuvos, it is the increase in the value of your pension benefits earned in the year that is measured.

For money purchase schemes, like partnership or any private pension that you might have, it is the total amount of contributions that you and your employer pay in a year that is measured.

The increase in your pension savings is measured over the Pension Input Period (PIP), for Civil Service Pensions this is 01 January to 31 December.

When checking your Annual Allowance for a tax year, you must use the PIP that ends during that tax year. For example the PIP for the 2015 / 2016 tax year ends on 31 December 2015. Please note that other pension arrangements may have different PIPs.

### How is the increase in my benefits worked out?

The increase is called the Pension Input Amount (PIA), and it is checked each PIP.

This is found by working out the value of your benefits at the end of the previous PIP, and adjusting them in line with prices, then working out the value of your benefits at the end of the current PIP. The difference between these two totals is your PIA.

Your PIA is the value that is checked against that year's Annual Allowance.

Please note that any contributions you and (where applicable) your employer pay to other defined contribution pensions such as CSAVCS, partnership, a stakeholder or personal pension outside the Civil Service Pensions arrangements will not be included on a pension saving statement you receive from Civil Service Pensions. You will need to ask each pension scheme or provider for a statement from their scheme.



### Will I go over the Annual Allowance?

There are some circumstances when you are more likely to go over the Annual Allowance, these include if you:

- earn a relatively high salary
- had a significant increase in your pay
- bought large amounts of added pension.

If your PIA exceeds the Annual Allowance the scheme administrator will send you a statement. If you think you should have received a statement, but have not, you can request a copy from your scheme administrators.

### How do I check if I have gone over the Annual Allowance?

On your pension saving statement it will show whether or not your alpha pension and PCSPS benefits if you have any, have gone over the limit.

You will need to add together all the increases from all of your occupational and personal pensions (including your pensions from the Civil Service pension arrangements), to see if you have gone over the Annual Allowance limit in a scheme year.

Tax is your responsibility. If you are liable to pay any Annual Allowance tax charges, you should follow HM Revenue & Customs guidelines for calculating, declaring and paying any tax due.

### What do I do if I have gone over the Annual Allowance?

Even if your PIA is over the Annual Allowance you might not have to pay any tax. In the last three years before the current tax year if you did not use up all of the Annual Allowance for that year you can carry forward the remaining allowance to use in the current year.

You can use the carried forward allowance to offset against the amount you have gone over the current Annual Allowance.

More information on carrying forward used Annual Allowance is available on the HM Revenue & Customs website. Your unused carried forward balance applies across the whole of your pension savings, and not just to your alpha or PCSPS pension.

### How do I pay an Annual Allowance charge?

If an Annual Allowance tax charge applies to you, you can pay HM Revenue & Customs directly using tax self-assessment.

If your charge is more than the HM Revenue & Customs limit, currently £2,000, and you are still in service, you can ask the Civil Service Pensions Scheme to pay the charge that was based on your alpha or PCSPS pensions. This is known as Scheme Pays.

Your pension benefits are permanently reduced to cover the Annual Allowance charge.



### What do I need to do if I want to use Scheme Pays?

If you are interested in using Scheme Pays you can request a Scheme Pays quote form from the scheme administrators.

This should only be completed and returned when you have the actual amount of the Annual Allowance tax charge for your Civil Service Pensions Scheme benefits.

If you are eligible for Scheme Pays, you will be given an estimate showing how much of a reduction would be applied to your pension benefits. You must decide whether you want to use Scheme Pays.

If you are already in receipt of your Civil Service Pensions Scheme benefits and are no longer in service because you have retired, you are not eligible to use Scheme Pays.

### Is there any time limit to Scheme Pays?

Yes. You must confirm you want to use Scheme Pays by 31 July following the tax year the charge is due.

#### **For example:**

For tax year 2013 / 2014 you must apply for Scheme Pays by 31 July 2015.

If you do want to use Scheme Pays and are planning to leave and take your benefits from the pension scheme, the Scheme Pays action must be completed before any of your scheme benefits are paid to you.

### How do I tell HM Revenue & Customs I have used Scheme Pays to cover my tax charge?

You will need to tell HM Revenue & Customs on your tax self-assessment. You should complete the 'Pension savings tax charges and taxable lump sums from overseas pension schemes' section of the self-assessment tax return.

## Lifetime Allowance

### What is the Lifetime Allowance?

The Lifetime Allowance (LTA) is a limit on the total amount of pension that you can build up in your lifetime before any tax charges are applied. If you have a number of different pensions, the LTA applies to the total value of all of them. If you go over the LTA limit, there is a tax charge to pay.

If you want to find out more about this, go to the HM Revenue & Customs or GOV.uk website.

### Which of my benefits count against the Lifetime Allowance?

The LTA applies to all of your pension benefits, except for:

- the State Pension
- any pension you receive as someone else's dependant (eg as a spouse or partner).



## How much is the Lifetime Allowance?

To use up 100% of your LTA the total of all of your pension funds would currently need to be over £1 million. The LTA limit can change; it can go up as well as down.

## When is a pension checked to see how much of the Lifetime Allowance it uses up?

When the pension comes into payment.

Civil Service Pensions will confirm what percentage of the LTA your pension will use up when it comes into payment.

You will also need to check how much (if any) of your LTA is being used up by any other pensions that you are already receiving, or that are coming into payment on the same day.

## What are my responsibilities for the Lifetime Allowance?

Each time you become entitled to get benefits from a pension scheme you must give information to the scheme administrators. They will check that you will not exceed the LTA.

If you do not give them the information when they ask for it, this will delay your pension being paid. As they will not be able to confirm your LTA, they may have to deduct some tax from any pension or lump sum you are paid even if you have not used up 100% of your LTA.

If you were granted LTA protection by HM Revenue & Customs, you must send your certificate whenever a Civil Service Pension comes into payment.

## What if I go over the Lifetime Allowance limit?

The LTA is set at a level so it will usually only affect high earners. But if you do go over the LTA limit, Civil Service Pensions will give you some options on the ways that you can pay your LTA charge when your benefits come into payment. You can usually choose between a one-off payment or a deduction from your pension.

# Section 07B

## Death Benefits and the Lifetime Allowance (LTA)



### Do death benefit lump sums count as part of the Lifetime Allowance?

In most cases, yes. As well as any pension the member may have already been paid, the lump sum payments made from their pension as a result of their death also count as using part of their LTA.

A lump sum can be paid when an active member, a member with a preserved pension or a pensioner dies.

HM Revenue & Customs set the rules around the LTA. They currently state that if the member was under age 75 when they died, the lump sum will be tested against the LTA. If the member was age 75 or over when they died the LTA does not apply.

### Do pensions for dependants count towards the Lifetime Allowance?

No. Pensions that are paid to dependants following the death of a member do not count towards the LTA of either the deceased member or the person getting the pension.

### Who has to check to see if the member has used up all of the Lifetime Allowance?

The member's personal representative (the person who is responsible for administering the estate of the deceased) is responsible for checking the LTA tax position and informing HM Revenue & Customs.

But any LTA charges must be paid by the person who receives the lump sum. The charges will be collected from them by HM Revenue & Customs. There is more information on the GOV.uk website, and available from HM Revenue & Customs.

# Section 07C

## State Pension ages



### What is State Pension age (SPA)?

This is the age from which you can claim your State Pension benefits.

### What is my State Pension age?

This is set by the Government, and is usually linked to your date of birth.

You can find out more about State Pension ages by checking the GOV.uk website.

### Why is my State Pension age important for my alpha pension?

In alpha your Normal Pension Age (NPA) is linked to your SPA.

Your NPA is the later of age 65 and your SPA. This means for most members their SPA and alpha NPA will be the same.

### What if my State Pension age changes?

For most members your alpha NPA is the same as your SPA. Your SPA could change in the future and as the two are linked, if your SPA changes, your alpha NPA will change too. If your SPA is lower than age 65 your alpha NPA will remain as age 65.

# Section 07D

## What to do if you have a complaint about your pension



### How do I make a complaint?

If you have a problem with your pension benefits the best way to try and sort it out is to contact your scheme administrators.

You should write to them setting out your concerns or complaint, you can find the address in Section 07E - Important contact information.

The scheme administrators will give you a full response to your letter or email.

If you cannot resolve your problem this way, the scheme has a formal complaints procedure to follow called the Internal Dispute Resolution (IDR) procedure. IDR procedures are statutory; they are set out by law.

### What is IDR?

All occupational pension schemes must, by law, have an IDR procedure for handling disagreements between scheme members and the administrator and / or scheme manager.

The Civil Service Pensions arrangements use a two-stage process that you can go through to resolve any concerns you may have.

### What benefits are covered under IDR?

The IDR procedure covers all of the Civil Service Pensions arrangements, as well as the Civil Service Injury Benefit Scheme (CSIBS), Civil Service Compensation Scheme (CSCS).

### Who can use the IDR procedure?

To make a complaint using IDR you must meet, or believe that you meet, one of the following criteria:

- You are an active, deferred or pensioner member of the pension scheme.
- You are a widow, widower, surviving civil partner or a dependant of a member who has died.
- You were a member at some point within the last six months.
- You are a pension credit member.

### Where can I find the forms to start an IDR?

The scheme administrator can give you a copy of the IDR appeal form.

### What types of complaint can the IDR process deal with?

You can use the IDR procedure to raise a complaint, or dispute, about anything linked to your benefit entitlement or your treatment under the scheme rules or regulations by the scheme administrator.

You should not use the IDR procedure for complaints about employment issues. For employment issues you should speak to your employer's HR team.

### Who can I ask for help?

You can ask anyone to take your complaint forward on your behalf, but this would usually be a friend, partner, or family member, or someone linked to your work, like a trade union official, or welfare officer.

You can ask The Pensions Advisory Service (TPAS) for help at any time during the IDR procedure:  
[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

### What is the first stage?

At the first stage of the IDR procedure the scheme administrator must give you a written explanation of a decision they made, or of the actions that were taken.

### Who makes the first stage decision?

A team of IDR specialists will investigate your complaint. The specialist looking into your case will gather the evidence and either uphold or reject the complaint you have made.

The scheme administrator will give you their decision within four months of receiving your application and supporting evidence.

If it is clear they cannot meet the four-month deadline (for example, if the information to provide a decision on your application has not been received in time), the scheme administrators will send you a letter explaining why there is a delay and giving a new date for completion.

### What is the second stage?

At the second stage you have the right to appeal the decision made at the first stage. Cabinet Office will carry out a further investigation and issue a written decision in response to your complaint.

### Is there a time limit for a second stage IDR?

Yes. You must request a second stage IDR appeal within six months of the first-stage decision.

### Who makes the second stage decision?

Cabinet Office has a team of investigators who deal with second stage IDR appeals.

They will review the relevant papers and any evidence you have supplied to support your appeal.

Based on this evidence they will decide whether to uphold your appeal. If Cabinet Office has been involved with the action or decision that is the reason for your IDR, Cabinet Office officials who have had no previous involvement with your case will investigate your appeal.

### When can I expect a reply?

Cabinet Office must give you a decision within four months of receiving your appeal and the information they need to make a decision.

If it is clear they cannot meet the four-month deadline (for example, if the information to provide a decision on your application has not been received in time), Cabinet Office will send you a letter explaining why there is a delay and giving a new date for completion.

### Can I appeal against the IDR decision?

Yes. The decision will tell you about how to contact The Pension Advisory Service (TPAS) and the Pensions Ombudsman. The Pensions Ombudsman is available to investigate your complaint if you disagree with Cabinet Office's decision.

Before asking the Pensions Ombudsman to review your case, the Pensions Ombudsman's Office normally expects you to have completed the first and second stages of the IDR procedure, and asked TPAS for help. You can contact the Pensions Ombudsman at: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

#### **Pensions Ombudsman Service**

11 Belgrave Road  
London  
SW1V 1RB

[enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)



## Is there a time limit for contacting the Ombudsman?

The Pensions Ombudsman will normally only look into a complaint that is raised within three years of the event(s) you are complaining about happening, or if later, within three years of when you first knew about it (or ought to have known about it). You need to have followed the IDR procedure before referring your case to the Pensions Ombudsman.

## Can I appeal against the Pensions Ombudsman's decision?

The Pensions Ombudsman's decision is final and binding for all concerned.

You may be able to take an appeal to the High Court (or in Scotland the Court of Session), but only if you disagree based on a point of law.

## Can I complain about my partnership account provider?

Yes. You should contact the provider in the first instance, to see if you can sort out any complaint through their internal complaints procedures.

If you are unable to find a resolution this way, you may make a complaint through the Financial Ombudsman Service.

# Section 07E

## Important contact information



This section provides contact details for some organisations that you might need during your time as a scheme member.



### Who do I contact about my pension?

The scheme administrator should be your first point of contact about your pension. The scheme administrator can be contacted at:

#### **MyCSP**

PO Box 2017  
Liverpool  
L69 2BU

Telephone: 0300 123 6666  
To call from overseas: +44 1903 835902  
To email: [contactcentre@mycsp.co.uk](mailto:contactcentre@mycsp.co.uk)  
Or: [contactcentre@mycsp.gse.gov.uk](mailto:contactcentre@mycsp.gse.gov.uk)

## Section 07E Important contact information

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### Who do I contact about my partnership pension or my CSAVCS?

Contact details for the providers are shown below. Further information is available on their websites:

#### **Scottish Widows:**

[www.scottishwidows.co.uk/civilservicepartnership](http://www.scottishwidows.co.uk/civilservicepartnership)

Telephone: 0800 028 4419

#### **Standard Life:**

[www.standardlifepensions.com/civilservice](http://www.standardlifepensions.com/civilservice)

Telephone: 0800 333 304

Members with an Equitable Life AVC (a scheme which is now closed to new entrants) should contact the scheme administrator for more information.

### Who do I contact for financial advice?

Your employer, the scheme administrator, and Civil Service Pensions cannot advise you on what you should and should not do with your pension.

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/financial-services-products/investments/financial-advice/finding-an-adviser](http://www.fca.org.uk/consumers/financial-services-products/investments/financial-advice/finding-an-adviser)

### Who do I contact for details about my State Pension?

Your State Pension is provided by the Government, and administered by the Department for Work and Pensions.

There is more information about the State Pension on the GOV.uk website: [www.gov.uk/yourstatepension](http://www.gov.uk/yourstatepension)

### Who do I contact about my partnership pension or my CSAVCS, including any complaint I may have?

After going through the providers' internal complaints procedure you can complain to the Financial Ombudsman Service.

## Section 07E Important contact information

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### The Financial Ombudsman Service

Exchange Tower  
London  
E14 9SR

Telephone: 0800 023 4567

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

## Who do I contact if I cannot find any information about a previous pension?

The Pension Tracing Service provides free help in locating pension providers:

[www.gov.uk/find-lost-pension](http://www.gov.uk/find-lost-pension)

Telephone: 0845 6002 537

## Who can I contact for general advice or help?

The Pensions Advisory Service (TPAS) was set up to offer guidance on all types of pensions:

[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

### The Pensions Advisory Service

11 Belgrave Road  
London  
SW1V 1RB

Telephone: 0300 123 1047

## Where can I get more information?

There are several websites you can visit for more information about Civil Service Pension Schemes and pensions in general.

The Civil Service Pension Scheme website: [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

HM Revenue & Customs, for tax information: [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

GOV.uk for information on State benefits and other Government services: [www.GOV.uk](http://www.GOV.uk)