

Stakeholder pensions



A brief guide

This leaflet gives you some basic information about stakeholder pensions and some of the options available to you. You do not have to be a member of the Civil Service Pensions arrangements to invest in a stakeholder pension.

A stakeholder pension is a form of personal pension. Standard Life has been appointed as the stakeholder pension provider.

With a stakeholder pension you invest money with the provider to build up a retirement fund.

You can make contributions through your employer's payroll. Your employer will set up the arrangements for you.

If you prefer, you can make your own arrangements, paying by Direct Debit or by sending cheques direct to Standard Life without involving your employer.

You can open a stakeholder pension account with any pension provider, but if you choose another provider you will have to make your own payment arrangements as your employer will not be able to make contributions direct from your pay.



Your questions answered

How much can I pay and will I get tax relief on my contributions?

You will receive tax relief for contributions (on all pension arrangements you contribute to) up to 100% of your taxable earnings. This is subject to the **Annual Allowance**.

Will my employer contribute?

No.

How do I invest my money?

You can choose an investment option from the stakeholder pension provider. If you do not choose an investment option, your money will be invested in the default fund.

Neither Civil Service Pensions nor your employer can tell you what the right choice is for you. You may wish to speak to an Independent Financial Adviser before you make your choice. See the Financial Conduct Authority site for tips on finding an adviser: www.fca.org.uk

When can I claim my stakeholder pension?

You can claim your stakeholder pension at any time from age 55. You can take your stakeholder pension even if you are still working.

What do I get when I claim my pension?

The changes following the March 2014 Budget give you more choice on how to use your stakeholder pension fund. From 6 April 2015 your options will include:

- An annuity. You can take up to 25% of your fund as a tax-free lump sum, and use the remainder to buy an annuity: a regular income paid to you for life, similar to a pension. Annuities are subject to income tax.
- Taking your full fund as cash. The first 25% is usually tax-free (subject to the limits set by HM Revenue & Customs and the Lifetime Allowance), but anything over this is taxed.
- Withdrawing part of your fund. The first 25% of the withdrawal is tax-free and the rest of that withdrawal is taxed as income. The remainder of the fund continues to be invested and can be taken at a later date. 25% of the remaining fund can be taken tax-free (either as a single lump sum or as a series of withdrawals).
- Leaving your funds invested, or using a combination of the above, to suit your circumstances

All withdrawals are subject to the **Lifetime Allowance (LTA)**.

Other information

To find out information about Standard Life's stakeholder pension, you can ring their dedicated Helpline 0800 333 304 or visit: www.standardlife.co.uk

For general information on Civil Service pensions, see the website: www.civilservicepensionscheme.org.uk

This guide is based on the rules and regulations current at the time of publication and there is no guarantee that any part of the regulations will not change in the future.

Technical terms

Annual Allowance is the maximum amount of pension savings you can make across all registered 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.

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 (except dependant's and State Pension). If you go over the LTA limit, there is a tax charge to pay.