



## Important information about your pension: April 2011

This letter 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 2010/2011 (P60) with pay advice (on the reverse side) are enclosed.

**You should keep these important documents and this letter in a safe place**

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.

### Pension Payments from April 2011

Like all public sector pensions yours has been reviewed this year in line with the cost of living. The Government said in 2010 that it would in future be using the Consumers Price Index (CPI) for price indexation of, among other things, public service pensions. Indexation had previously been based on the percentage rise in the Retail Price Index (RPI - all items).

For the year ending 11 April 2011 the increase is 3.1%, based on the increase in the CPI.

**Information about the background to the Government's introduction of CPI for public service pensions can be found on the Civil Service Website at: [www.civilservice.gov.uk/my-civil-service/pensions/Pensioners.aspx](http://www.civilservice.gov.uk/my-civil-service/pensions/Pensioners.aspx)**

### 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.

Your P60 is printed on the back of your pay advice, and tells you the amount of pension Capita paid you and the tax deducted in the year 2010/11. 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. This may be because:

- 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) tells 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 300 0627**

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 Pensions Increase (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.**
- **(Post 1988)** For service after 5 April 1988, PI up to 3% is normally paid by the scheme.

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.

## 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. To be able to apply the right GMP entitlement we need to be told about your circumstances by the Pension Service. The Pension Service need pensioners whose State pension is not increased due to where they live to contact them, before they can notify us.

If you would like more information 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 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.

## 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.**

### Dependants' pensions

The amount of widow's, widower's, civil partner's or nominated partner pension we will pay depends on the contributions you paid, how long you paid them for, and the scheme you are a member of (**classic, classic plus, premium**).

**Please note that pension payments to your dependants will not necessarily be one half of your own pension.**

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](http://www.csp.capitahartshead.co.uk). Alternatively you can call our contact centre and select the option for a dependant's benefits fact sheet.

### Re-marriage or new relationships

If we are paying you a widow's, widower's or civil partner's pension your entitlement may be affected if you re-marry, enter into a civil partnership or live with another person as man and wife or civil partners. In such circumstances:

- a pension paid under **classic** will normally stop. However, we may pay the pension again if your new relationship comes to an end or you encounter unforeseen events during the relationship that cause you severe financial difficulties.
- 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. If your pension is paid under **premium** we will continue to pay your pension even if you enter into a new relationship.

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

HM Revenue and Customs (HMRC) introduced new tax rules for pension schemes from 6 April 2006. These included the introduction of a pension LTA. 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). The value of benefits is assessed at the time that the pension is taken. It does not limit the total amount of pension benefits that an individual can be paid in their lifetime.

Although the LTA is £1.8 million for the tax year commencing 6<sup>th</sup> April 2011, the Government has announced that the LTA for tax year 2012-13 is to reduce to £1.5 million. This is equivalent to a pension in excess of £60,000 a year. The LTA charge will still, therefore, affect a very small number of people.

If you are close to the LTA limit, and have been re-employed, you may wish to seek independent financial advice regarding any transitional protection from the LTA charge available from HMRC.

If any of your Civil Service pension benefits started after 5 April 2006, the total value of your benefits will be 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 you will be required to complete a periodic statement to confirm continuing entitlement to your pension.

## Changes you need to tell Capita about

It is important that you tell Capita 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
- if 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
- 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 about 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

Capita's 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](mailto:csp.enquiries@capita.co.uk)

Postal: 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](http://www.csp.capitahartshead.co.uk)

#### **Other useful addresses**

**Cabinet Office  
Scheme Management Executive**  
Priestley House  
Priestley Road  
Basingstoke, Hampshire,  
RG24 9NW  
[www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)

**Civil Service Pensioners' Alliance**  
First Floor  
102 – 104 Park Lane, Croydon  
CR0 1JB  
Telephone: 020 8688 8418  
Email: [enquiries@cspa.co.uk](mailto:enquiries@cspa.co.uk)  
[www.cspa.co.uk](http://www.cspa.co.uk)

**Civil Service Retirement Fellowship**  
Suite 2, 80A Blackheath Road,  
London, SE10 8DA  
Telephone: 020 8691 7411  
Email: [info@csrf.org.uk](mailto:info@csrf.org.uk)  
[www.csrf.org.uk](http://www.csrf.org.uk)

**Civil Service Benevolent Fund**  
Fund House,  
5 Anne Boleyn's Walk, Cheam,  
Sutton,  
SM3 8DY  
Telephone: Freephone 0800 056 2424  
Email: [info@csbf.org.uk](mailto:info@csbf.org.uk)  
[www.csbf.org.uk](http://www.csbf.org.uk)

**CS Healthcare**  
Princess House, Horace Road,  
Kingston-upon-Thames,  
KT1 2SL  
[www.cshealthcare.co.uk](http://www.cshealthcare.co.uk)

**Her Majesty's Revenue and  
Customs**  
South Wales Area Office  
Government Buildings  
Ty Glas, Llanishen  
Cardiff  
CF14 5YA  
Telephone: 0845 300 0627

**Pension Tracing Service**  
The Pensions Service  
Tyneview Park, Whitley Road,  
Newcastle upon Tyne  
NE98 1BA  
Telephone: 0845 6002 537