

# **PRINCIPAL CIVIL SERVICE PENSION SCHEME (AMENDMENT) SCHEME 2012**

**Laid before Parliament on 26 March 2012 under section 2(11) of the  
Superannuation Act 1972**

The Minister for the Civil Service, in exercise of the powers conferred by sections 1 and 2(9) of the Superannuation Act 1972<sup>(a)</sup> and now vested in him<sup>(b)</sup>, after consultation with persons appearing to the Minister to represent persons likely to be affected by it and with the last-mentioned persons, makes the following scheme, which shall form part of the Principal Civil Service Pension Scheme within the meaning of section 2 of that Act:

**1.**–(1) This scheme may be cited as the Principal Civil Service Pension Scheme (Amendment) Scheme 2012.

(2) This scheme shall come into operation on 1st April 2012 and the amendments listed in the schedule to this scheme shall have effect from that date.

**2.** The Principal Civil Service Pension Scheme 1974, which was laid before Parliament on 19<sup>th</sup> November 1974 and was subsequently amended, shall have effect subject to the amendments listed in the schedule to this scheme.

**Authorised on behalf of  
the Minister for the Civil Service**

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<sup>(a)</sup> 1972 c.11.

<sup>(b)</sup> See article 2(1)(c) of S.I. 1981/1670 and article 3 of S.I. 1995/269.

**SCHEDULE**  
*(with effect from 1 April 2012)*

**2002 Section**

**Rule C.2**

(1) For paragraph (1) substitute—

“(1)

- (a) Contributions under rule C.1(1) are to be paid at the normal contribution rate unless paragraph (3) applies.
- (b) The normal contribution rate is the standard contribution rate as provided for in paragraph (2) plus the further contribution rate as provided for in paragraph (2A).” .

(2) After paragraph (2) insert—

“(2A)

- (a) The further contribution rate applicable to the scheme year from 1st April 2012 to 31st March 2013 is the percentage rate set out in the table in sub-paragraph (f) which is applicable to the member’s annual rate of permanent pensionable earnings including any assumed pay as at the relevant date.
- (b) A member’s annual rate of permanent pensionable earnings including any assumed pay shall not for the purposes of sub-paragraph (a) include such pay or allowances as the Minister may determine.
- (c) The relevant date for the purposes of sub-paragraph (a) is 31st March 2012 or such later date as is the member’s first day of service in an employment in respect of which the member is receiving pensionable earnings or assumed pay.
- (d) If a member is in part-time service the applicable further contribution rate for the purposes of sub-paragraph (a) is that which would apply to the member’s full-time equivalent annual rate of permanent pensionable earnings including any assumed pay.
- (e) Where –
  - (i) the level of a member’s annual permanent pensionable earnings including any assumed pay changes during the scheme year 1st April 2012 to 31st March 2013; and
  - (ii) the change is such that a percentage rate for further contributions in the table in sub-paragraph (f) which is different

to the further contribution rate which applies under subparagraph (a) is applicable to this new level,

then in the circumstances and with effect from such date as the Minister may determine, the member's further contribution rate shall be at that different percentage rate for further contributions.

(f)

**Table**

Full time equivalent annual rate of permanent pensionable earnings including assumed pay	Applicable percentage rate for further contributions
Up to £15,000	Nil
£15,001 to £21,000	0.6%
£21,001 to £30,000	1.2%
£30,001 to £50,000	1.6%
£50,001 to £60,000	2.0%
£60,001 and over	2.4%

”.

## **1972 Section**

### **New rules 1.9A, 1.9B and 1.9C**

After rule 1.9 insert—

#### **“1.9A**

“Pensionable earnings for further contribution purposes”, in relation to a civil servant, means the civil servant’s pensionable emoluments as defined in Appendix 1.

#### **1.9B**

- (i) In the circumstances specified in paragraph (ii), a civil servant is to be treated as receiving or as having received amounts equal to the pensionable earnings for further contribution purposes that the civil servant would have received if those circumstances did not apply, with such increase, if any, as the Minister considers appropriate; and the amounts that the civil servant is treated as receiving or as having received under this rule are referred to as “assumed pay”.
- (ii) The circumstances are that a civil servant is—
  - (a) on secondment to a different employer under an arrangement which provides for the provisions of this scheme to continue to apply in respect of that civil servant, although the civil servant is paid by that other employer;
  - (b) on sick leave on reduced pay;
  - (c) receiving statutory maternity pay;
  - (d) on ordinary maternity leave;
  - (e) on ordinary adoption leave;
  - (f) on paternity leave;
  - (g) on unpaid leave for a period which counts as reckonable service under rule 2.10;
  - (h) absent from duty because of being called out or recalled for permanent service in the reserve forces or the regular forces in pursuance of a call-out order made under the Reserve Forces Act 1980 or the Reserve Forces Act 1996 or under an Order in Council made on 18th May 1982;
  - (i) receiving pensionable earnings for further contribution purposes at a reduced rate in accordance with arrangements for civil servants required by the Minister where a civil servant is entitled—

- (i) to pension benefits under an occupational pension scheme other than the PCSPS; or
- (ii) to a payment under this Scheme,  
in respect of an earlier period of service; or
- (j) voluntarily surrendering pensionable earnings for further contribution purposes in whole or in part.
- (iii) For the purposes of paragraph (ii)(b), “sick leave on reduced pay” does not include a period of leave during which a civil servant is paid at a rate which the civil servant’s employer has determined to be appropriate because it is equivalent to the rate of the ill-health pension to which the civil servant would be entitled under rule 3.4 if he or she had become entitled to such a pension on the day on which the leave paid at that rate began.
- (iv) The service mentioned in paragraph (ii)(h) does not include a period of absence from duty because of being called out or recalled for service that qualifies the civil servant for benefits under–
  - (a) the Armed Forces Pension Scheme, or
  - (b) any occupational pension scheme made under the Reserve Forces Act 1996.

## **1.9C**

“Scheme year” means a period of one year beginning with 1st April and ending with 31st March.”.

## **New section 2A**

After section 2 insert:

### **“Section 2A: Further Contributions**

#### **2A.1 Further Contributions**

- (i) A civil servant must make contributions to this Section of the Scheme (the 1972 Section) on the civil servant’s pensionable earnings for further contribution purposes at such intervals as the Minister may determine.  
  
This is subject to paragraphs (iii), (vi), (vii) and (viii).
- (ii) Nothing in this section 2A affects any of the provisions regarding contributions in section 4 (widows’ and dependants’ benefits) of this Section of the Scheme.
- (iii) A civil servant’s employer–

- (a) may make the contributions on the civil servant's behalf in such circumstances as the Minister may determine, and
  - (b) must do so for any period in respect of which the civil servant is treated as receiving assumed pay under rule 1.9B(ii)(g) (unpaid leave).
- (iv) For the purposes of paragraph (i), for any period during which a civil servant is treated as receiving assumed pay under rule 1.9B, the civil servant is treated as receiving pensionable earnings for further contribution purposes equal to the civil servant's assumed pay.

This is subject to paragraphs (v) and (vi).

- (v) A civil servant treated as receiving assumed pay under rule 1.9B(ii)(b) (civil servant on sick leave on reduced pay) is treated for the purposes of paragraph (i) as receiving pensionable earnings for further contribution purposes equal to the civil servant's pay at the reduced rate.
- (vi) A civil servant on ordinary maternity leave, ordinary adoption leave or paternity leave is only required to pay contributions on the contractual remuneration or statutory pay actually paid to or for him or her in respect of that period of leave (and accordingly a civil servant on unpaid ordinary maternity leave, unpaid ordinary adoption leave or unpaid paternity leave is not required to pay contributions).
- (vii) For the purposes of paragraph (i), the pensionable earnings of a civil servant to whom rule 1.6(b)(i) applies may not exceed one twelfth of the permitted maximum for the appropriate tax year for each month's service falling in that tax year.
- (viii) Paragraph (i) does not require contributions to be paid on pensionable earnings for any period of service that is not reckonable service.
- (ix) Contributions paid on service which reckons at double its length under rule 2.27 shall be paid as if rule 2.27 did not apply.

## **2A.2 Further Contribution Rate**

- (i) Contributions under rule 2A.1(i) are to be paid at the further contribution rate as provided for in this rule.
- (ii) The further contribution rate applicable to the scheme year from 1st April 2012 to 31st March 2013 is the percentage rate set out in the table in paragraph (vii) which is applicable to the civil servant's annual rate of pensionable earnings for further contribution purposes including any assumed pay as at the relevant date.

- (iii) A civil servant's annual rate of pensionable earnings for further contribution purposes including any assumed pay shall not for the purposes of sub-paragraph (ii) include such pay or allowances as the Minister may determine.
- (iv) The relevant date for the purposes of paragraph (ii) is 31st March 2012 or such later date as is the civil servant's first day of service in an employment in respect of which the civil servant is receiving pensionable earnings for further contribution purposes or assumed pay.
- (v) If a civil servant is in part-time service the applicable contribution rate for the purposes of paragraph (ii) is that which would apply to the civil servant's full-time equivalent annual rate of pensionable earnings for further contribution purposes including any assumed pay.
- (vi) Where—
  - (a) the level of a civil servant's annual pensionable earnings for further contribution purposes including any assumed pay changes during the scheme year from 1st April 2012 to 31st March 2013; and
  - (b) the change is such that a percentage rate for further contributions in the table in paragraph (vii) which is different to the further contribution rate which applies under paragraph (ii) is applicable to this new level,
 then in the circumstances and with effect from such date as the Minister may determine, the civil servant's further contribution rate shall be at that different percentage rate for further contributions.

(vii)

**Table**

Full time equivalent annual rate of pensionable earnings for further contribution purposes including assumed pay	Applicable percentage rate for further contributions
Up to £15,000	Nil
£15,001 to £21,000	0.6%
£21,001 to £30,000	1.2%
£30,001 to £50,000	1.6%
£50,001 to £60,000	2.0%
£60,001 and over	2.4%

**2A.3 Repayment of further contributions**

- (i) The contributions made by a civil servant under this section 2A are not repayable in any circumstances except where paragraph (ii) applies.
- (ii) This paragraph applies where—

- (a) a civil servant leaves pensionable service or opts-out of the scheme without immediately receiving a pension,
  - (b) the civil servant does not fall within rule 3.11 (including rule 3.11 as applied by rule 3.12),
  - (c) the civil servant has not required a payment to be made in respect of him or her under section 6 (transfers).
- (iii) Where paragraph (ii) applies, the civil servant is entitled to be paid an amount equal to the sum of the contributions made under this section 2A, less an amount equal to the income tax payable under section 205 of the Finance Act 2004 by virtue of the repayment.
- (iv) Where a refund is made under paragraph (iii) the civil servant's rights under this Section of the Scheme are extinguished.”.

## 2007 Section

### Rule D.2

(1) For paragraph (1) substitute—

“(1)

(a) Contributions under rule D.1(1) are to be paid at the normal contribution rate.

(b) The normal contribution rate is the standard contribution rate as provided for in paragraph 1A plus the further contribution rate as provided for in paragraph 1B.”

(1A) The standard contribution rate is 3.5% or such other rate as the Minister determines after consultation with the Scheme actuary.

(1B)

(a) The further contribution rate applicable to the scheme year from 1st April 2012 to 31st March 2013 is the percentage rate set out in the table in sub-paragraph (f) which is applicable to the member’s annual rate of permanent pensionable earnings including any assumed pay as at the relevant date.

(b) A member’s annual rate of permanent pensionable earnings including any assumed pay shall not for the purposes of sub-paragraph (a) include such pay or allowances as the Minister may determine.

(c) The relevant date for the purposes of sub-paragraph (a) is 31st March 2012 or such later date as is the member’s first day of service in an employment in respect of which the member is are receiving pensionable earnings or assumed pay.

(d) If a member is in part-time service the applicable further contribution rate for the purposes of sub-paragraph (a) is that which would apply to the member’s full-time equivalent annual rate of permanent pensionable earnings including any assumed pay.

(e) Where—

(i) the level of a member’s annual permanent pensionable earnings including any assumed pay changes during the scheme year 1st April 2012 to 31st March 2013; and

(ii) the change is such that a percentage rate for further contributions in the table in sub-paragraph (f) which is different to the further contribution rate which applies under sub-paragraph (a) is applicable to this new level,

then in the circumstances and with effect from such date as the Minister may determine, the member's further contribution rate shall be at that different percentage rate for further contributions.

(f)

**Table**

Full time equivalent annual rate of permanent pensionable earnings including assumed pay	Applicable percentage rate for further contributions
Up to £15,000	Nil
£15,001 to £21,000	0.6%
£21,001 to £30,000	1.2%
£30,001 to £50,000	1.6%
£50,001 to £60,000	2.0%
£60,001 and over	2.4%

”.

(2) In paragraph (2), for “(1)” substitute “(1A)”.

## EXPLANATORY NOTE

*(This Explanatory Note does not form part of the Scheme)*

The Schedule to this Scheme amends the rules of the Principal Civil Service Pension Scheme (the "PCSPS") from 1st April 2012.

The amendments provide for increases in the contributions payable under the 2002 (known as "premium"), 1972 (known as "classic") and 2007 (known as "nuvos") Sections of the PCSPS. The increase relates to the scheme year from 1st April 2012 to 31st March 2013.

The increase takes effect as an additional percentage of salary as set out in the table below:

Full time equivalent annual rate of permanent pensionable earnings including assumed pay	Applicable percentage rate for further contributions
Up to £15,000	Nil
£15,001 to £21,000	0.6%
£21,001 to £30,000	1.2%
£30,001 to £50,000	1.6%
£50,001 to £60,000	2.0%
£60,001 and over	2.4%

The percentage rate is calculated by reference to the member's full-time equivalent annual rate of permanent pensionable earnings including assumed pay, as at 31st March or such later date as is the member's first day of service. Provision is made for where this rate changes during the course of the scheme year.

Additional changes are made to the 1972 Section -

- (1) to insert new definitions where these are needed in relation to the increases in contributions; and
- (2) to provide for the repayment of the amount of the increase in certain circumstances (equivalent provisions are already contained in the 2002 and 2007 Sections).