

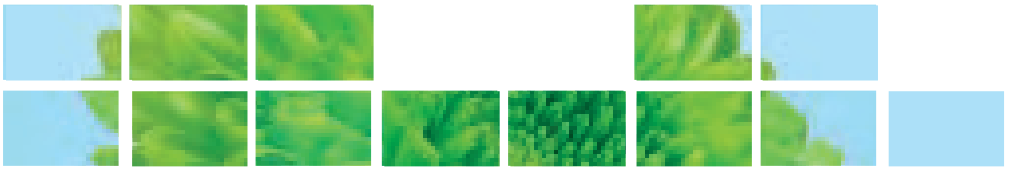


Civil Service Pensions

Pensions and divorce, dissolution or annulment

A brief guide for classic, classic plus, nuvos and premium members





This booklet explains how we deal with your pension when it is subject to an earmarking or pension sharing order as a result of an annulment or dissolution of your marriage or civil partnership, and tells you what you need to do.

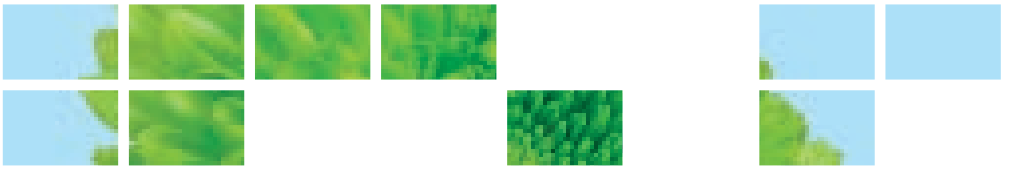
If you would like more information after you have read this booklet, please contact **MyCSP**. Contact details can be found in Appendix A.

Note: The booklet does not cover every aspect. Full details are contained in the rules, which are the legal basis of the scheme. Nothing in this booklet can override the rules. In the event of any difference, the rules will apply.

Where we have to use technical terms, we show them in bold and explain them in the back of the booklet.

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Going through a divorce, dissolution or annulment - what happens?

If you are going through a divorce, dissolution or annulment, the Civil Service pension you are currently contributing to or - if you are a pensioner - receiving, could be subject to an earmarking order or a pension sharing order. This means that your spouse/civil partner may be awarded some of your pension and/or lump sum by the Court presiding over your divorce/dissolution settlement.

Earmarking

If your pension is subject to an earmarking order, the Court will instruct MyCSP to pay a specified amount of your pension and/or lump sum to your former spouse/civil partner when you retire.

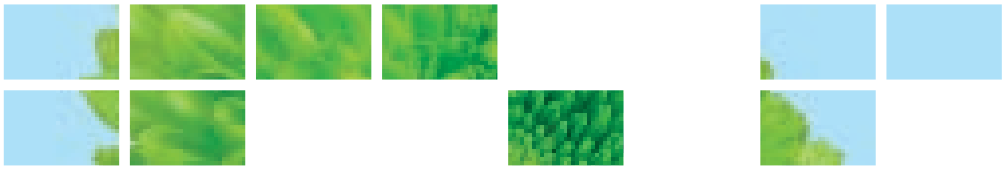
If the order is for a regular payment of a pension, the payments will stop if you should die before your former spouse/civil partner or if your former spouse/civil partner should marry or enter into a civil partnership in the future. (Note, your former spouse/civil partner's right to a lump sum under earmarking does not stop on remarriage but the

earmarking order will stop if your former spouse/civil partner dies before you.)

Pension sharing

If your pension is subject to a pension sharing order, your benefits will reduce by the percentage specified in the court order. In Scotland, the order will state a cash amount rather than a percentage. Pension sharing is a permanent transfer of your benefits and will not revert back to you on the death of your former spouse/civil partner.

Your former spouse/civil partner will get a pension credit. This is a percentage of the Cash Equivalent Transfer Value (CETV) of your pension which is then converted into benefits for your former spouse/civil partner. You should note that your former spouse or civil partner's share of the pension is worked out using factors appropriate to their age and gender; the pension paid to them could be higher or lower than the amount you are giving up.



Your legal adviser will be able to explain the full implications of earmarking and pension sharing orders.

Applying a court order to your pension

You (or your solicitor) must tell **MyCSP**, in writing, the likely terms of the court order when you know them.

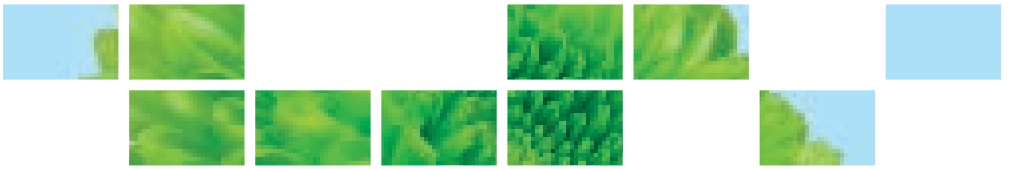
The Court will need details of your pension benefits when deciding whether to grant an earmarking or pension sharing order. If you are still in service, a former member not yet in receipt of your pension or a pensioner, and need an estimate of the value of the pension you have built up, you can ask **MyCSP** for a CETV estimate when you tell them about the divorce/dissolution proceedings.

If you are currently in service or a former member and not yet getting your pension, you can get a CETV estimate free of charge. **MyCSP** will charge for some of the services and information they provide. The court order will normally state who is liable

to pay any charges. See Appendix B for the list of charges.

You are likely to be asked to provide the Court with a copy of your pension scheme booklet to explain how it works. These are available from **MyCSP**. Alternatively, you can download booklets from www.civilservicepensionscheme.org.uk

You must send the actual court order to **MyCSP** as soon as you receive it, along with the decree absolute and any other information you are asked to provide.

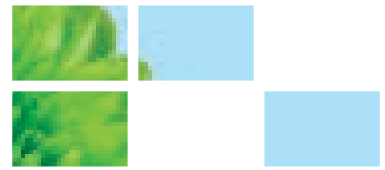
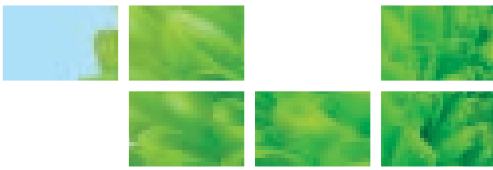


Retiring early and pension sharing

If you retire early taking your Civil Service pension under the Compensation Scheme arrangements, other than actuarially reduced retirement, and your Civil Service pension is subject to a pension sharing order, your pension will not be reduced or 'debited' until you reach your scheme's designated **pension age**.

Leaving on actuarially reduced or ill health retirement

If you are leaving on actuarially reduced or ill health retirement, the debit will be applied at the point the benefits begin to be paid; however, the debit will also be actuarially reduced.



Your questions answered

What is the process for transferring benefits under the pension sharing order?

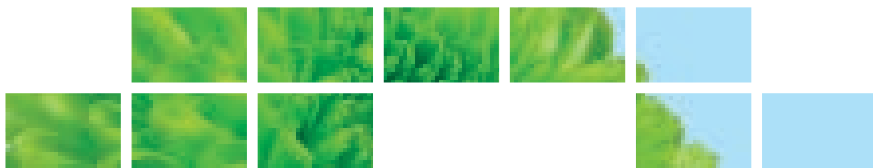
MyCSP works out the amount of benefits to be transferred, taking into account benefits up to the effective date. (In England and Wales, the effective date is 21 days after the court order is made or when the decree absolute is issued, if this is later. In Scotland, the court order takes effect from the date of the extract of the Decree of Divorce.)

MyCSP will apply the percentage (or amount) stated in the order to the estimated value of your benefits at the effective date. They will then organise for this amount to be transferred, in the form of pension benefits, to your former spouse or civil partner. When dealing with orders under Scottish law, **MyCSP** will transfer the amount of money quoted in the order. The order may also state that you must transfer a percentage (or amount, as appropriate) of your benefits built up in the Civil Service Additional Voluntary Contribution Scheme (CSAVCS) to your former spouse or civil partner.

If so, a percentage (worked out up to the effective date) or amount is transferred from your CSAVCS fund to an appropriate pension arrangement of their choice.

When do I have to pay the service charges?

The Court decides who is responsible for paying the service charges. It can decide that you or your former spouse or civil partner must pay the costs; alternatively, it may decide that the costs are split between you. If you do have to pay costs, you must send a payment as soon as **MyCSP** asks for it. They will not be able to proceed with implementing the court order without payment.



I am retired and a pension sharing order has been issued on my pension – what happens?

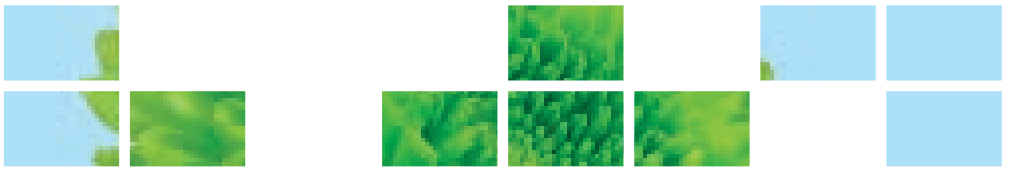
If you are already getting your Civil Service pension, there is likely to be an overpayment of your pension, which you will have to pay back. The overpayment is because the start of your new lower rate of pension is backdated to the effective date, and the pensions payroll provider cannot reduce your pension until they have received all the paperwork and associated payments for providing the service.

What happens about payment under an earmarking order when I retire?

When your employer tells **MyCSP** of your retirement date they will contact you and your former spouse or civil partner to check that the earmarking order is still valid, and to get bank details so that **MyCSP** can make the necessary payments.

Do I need to change my death benefit nomination?

Yes. If you nominated your former spouse or civil partner to receive your death benefit lump sum, the nomination will be cancelled when you are divorced or your civil partnership is dissolved. You must therefore complete a new death benefit nomination form and either nominate someone new or re-nominate your former spouse or civil partner to receive your death benefit lump sum after your divorce or dissolution. You can find a death benefit nomination form on the Civil Service Pensions website www.civilservicepensionscheme.org.uk or you can get one from **MyCSP**.



Information for your former spouse/civil partner

This section gives more information on the pension benefits your former spouse/civil partner might be entitled to. We have worded the questions as if your former spouse/civil partner is asking them.

What do I get under an earmarking order?

You will receive an amount of pension and/or lump sum, as specified in the court order. If the order is for a regular payment of a pension, the payments will stop if your former spouse/civil partner dies or if you get married/enter into a civil partnership in the future.

What pension benefits will I get, and when?

Under a pension sharing order, the CETV of the member's pension converts into a pension and, in certain circumstances, a lump sum. The pension will not provide dependant benefits but may pay a death benefit lump sum in certain circumstances.

The **pension credit** is worked out using **actuarial factors** and is paid from your 60th birthday or, if you are already aged 60 or over, from the **effective date**.

We will increase your pension annually in line with the cost of living increases. (This will apply from the **effective date**).

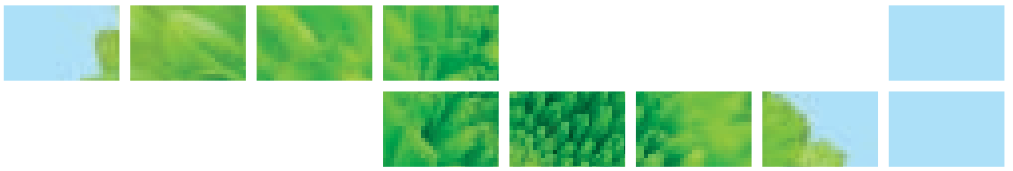
You can claim your pension from 55 onwards but be aware that, if you take it before 60, your pension will be significantly reduced because of early payment.

If you have an illness where your life expectancy is less than 12 months, we will convert your pension into a lump sum payment.

How will I know when the court order has been implemented?

MyCSP will write, confirming that they have set up a pension record for you.

If the order states that you are responsible for paying some or all of the charges associated with the divorce/dissolution, **MyCSP** will ask you to pay your share of the service charges.



They will not implement the court order until they have received payment from you and, if applicable, the member.

How do I claim my pension credit?

You must contact **MyCSP** three months before your 60th birthday. See Appendix A for their contact details. If you wish to take your pension before age 60, please remember you will still need to give **MyCSP** three months' notice.

MyCSP will send you a Personal Details Form to complete. They may already hold a lot of the information which will have been included on the court order (for example, your address). However, you will need to confirm that the details have remained the same, and to provide bank account details and other essential information.

What pension scheme will I be put into?

There are several schemes within the Civil Service pension arrangements; you will be put into the same scheme as your former spouse/civil partner.

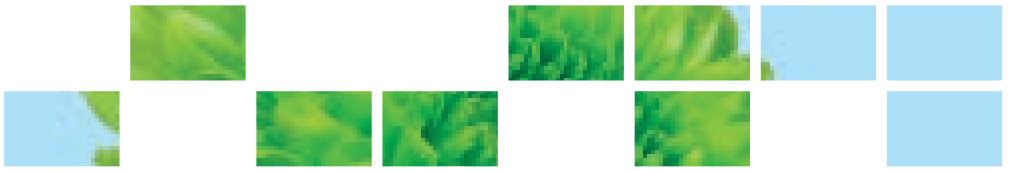
I have been put in the classic scheme. Do I get an automatic lump sum?

If your former spouse or civil partner has not already taken the lump sum, then yes.

Can I convert some of the pension into a cash lump sum?

Yes. For every £1 of the annual pension amount you give up, you will get £12 in return. If you are in the classic scheme, you can convert pension into an additional cash lump sum if:

- you become a **pension credit** member after 30 September 2007 and
- your former spouse or civil partner was working for an organisation covered by the Civil Service pensions arrangements after that date.

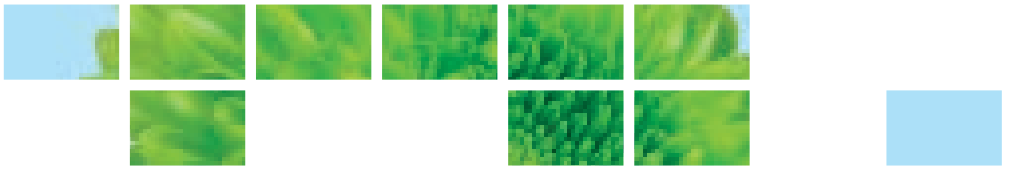


There is a limit to what you are allowed to convert; **MyCSP** will tell you more about this when you claim your pension.

Does the pension credit include death benefits?

Yes. The benefits are worked out according to the rules of each scheme. See Appendix C for details.

When **MyCSP** sends you a statement of your **pension credit**, you should complete and return the death benefit nomination form that will be enclosed with the statement to nominate the person you want as beneficiary. You are allowed to nominate more than one person if you are in the **classic plus**, **nuvos** or **premium** scheme.



Technical terms

Actuarial factors Factors, based on mathematical assumptions, used to work out pension benefits.

CETV Cash equivalent transfer value.

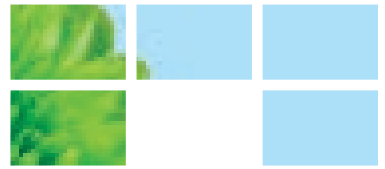
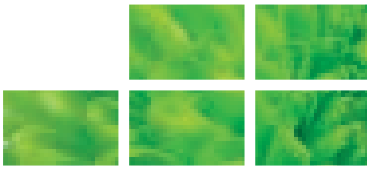
Effective Date In England and Wales the effective date is 21 days after the court order is made or when the decree absolute is issued if this is later. In Scotland, the court order takes effect from the date of the extract of the Decree of Divorce.

MyCSP is the organisation that holds your pension records and administers your pension on your employer's behalf, including working out and making pension and lump sum payments.

Pension age The earliest age at which members can choose to leave and receive immediate payment of their pension without it being reduced.

Pension credit This is the pension and/or lump sum that is paid to the member's former spouse or civil partner

Pensions payroll provider The agent that pays Civil Service pensions and lump sums. Other information You can obtain more information about the Civil Service pension arrangements from the website: www.civilservicepensionscheme.org.uk To find out who **MyCSP** is, ask your employer. Alternatively, see the 'MyCSP pensions helplines and complaints' page on the website.



Appendix A

Pensions payroll provider and payment process

MyCSP is the agent that pays Civil Service pensions and lump sums.

MyCSP will pay the pension monthly, on a designated payment date, in arrears. They will tell you what the monthly payment date will be, either before or with the first payment of the pension. When a payment date falls on a weekend or an English bank holiday, the payment date will be the preceding working day.

The amount due for part of a month is worked out proportionately according to the number of days in the full pension month.

MyCSP will not send you a monthly payment advice note; they will only send you an advice note when the amount of your pension or your tax code changes. The note will show the monthly gross amount payable and the tax that will be deducted from next month's payment. The net amount may vary slightly due to the effect of the PAYE tax tables.

MyCSP's contact details are:

MyCSP
PO Box 2017,
Liverpool,
L69 2BU

Telephone 0300 123 6666

Email contactcentre@mycsp.co.uk

What about income tax?

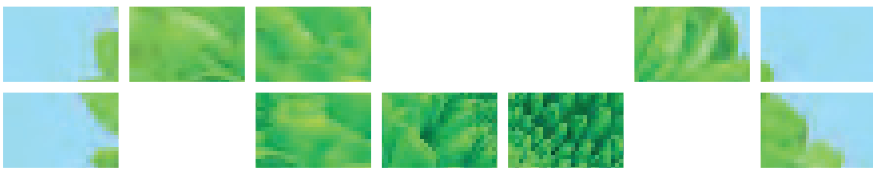
Pensions are assessed as earned income. MyCSP will deduct income tax using the tax code notified by HM Revenue and Customs. The deduction may be provisional until MyCSP receives the proper code.

MyCSP has no part in deciding your tax liability or code, so you should direct any enquiry about your tax code to:

Civil Service Pensions HMRC Customer Operations
PO 4000
Cardiff
CF14 8HR

Telephone 0845 300 0627

MyCSP will send you a P60 form each year to show the amount of pension paid and tax deducted in the previous tax year.



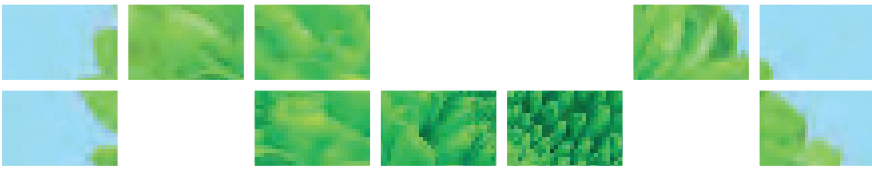
Appendix B

MyCSP - Summary of pension sharing charges applicable from 1 April 2017 *

The table below shows the charges in relation to the handling and implementation of pension sharing orders. Please refer to the Civil Service website for further information: www.civilservicepensionscheme.org.uk

Providing Information

Task	Active / Deferred	Pensioner	Fee*	Notes
Providing a CETV estimate			NA	There is no charge for a CETV estimate. On application you must confirm that this is for divorce purposes. Under Scottish Law we require confirmation of the date of marriage and separation.
Providing a PETV estimate			£600	Pensioner members are not entitled to a free PETV estimate. A PETV will only be sent further to a request from the member or solicitor and after payment has been received. On application you must confirm that this is for divorce purposes. Under Scottish Law we require confirmation of the date of marriage and separation.
Provision of other information			£0 - £500	In all divorce related cases any information which does not have to be provided free may be charged for depending on the nature and complexity of the enquiry.



Processing a pension sharing order

When a pension sharing order has been received the following charges are applicable, all fees must be paid before any work is carried out.

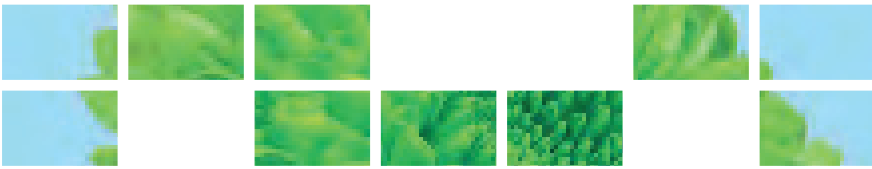
The standard charge to implement a member's pension sharing order is **£2500 plus VAT**, the charge for future administration is included in this amount.

Task	Active / Deferred	Pensioner	Fee*	Notes
Pension Sharing Order implementation			£2500	Setting and maintaining a pension sharing order.

Processing an earmarking order

When a pension earmarking order has been received the following charges are applicable, all fees must be paid before any work is carried out.

Task	Active / Deferred	Pensioner	Fee*	Notes
Making a note on your file			£41	
Changing records in line with changes to the court order or personal details			£21	



Paying an earmarking order

When a pension earmarking order has been processed the following charges are applicable, all fees must be paid before any work is carried out.

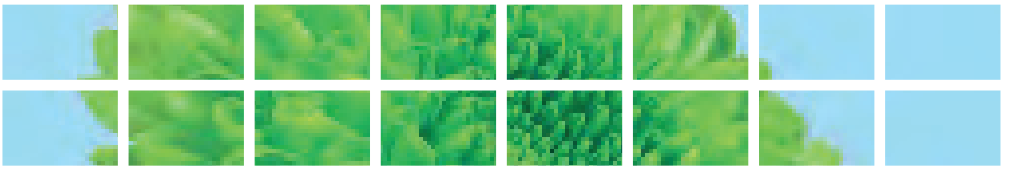
Task	Active / Deferred	Pensioner	Fee *	Notes
Setting up payments			£260	Setting and maintaining a pension earmarking order.
Making regular payments			£84.30 a year	The annual charge deducted from pension.

*VAT will be added to the charges listed in Appendix B.



Appendix C

Scheme	Benefits Available
classic	If the pension credit member dies before benefits become payable, 25% of the value of the pension credit will be paid, as a lump sum payment, to their nominee/personal representative.
classic plus, nuvos and premium	If the pension credit member dies before age 75 and before any benefits become payable, 25% of the value of the pension credit will be paid, as a lump sum payment, to their nominee/personal representative. If the pension credit member dies having received benefits, then the nominee/personal representative will get the balance of 5 x initial pension and lump sum.



www.civilservicepensionscheme.org.uk

This leaflet has been produced by MyCSP
on behalf of the Cabinet Office.

