



Civil Service Pensions

# Pension Choices – nuvos or partnership

*A guide to available benefits*





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**Note:** This booklet provides a guide to enable you to make your choice of pension. It may not cover every aspect. The full details are contained only in the rules, which are the legal basis of the scheme. You should note that nothing in this booklet can override the rules, and in the event of any unintentional difference, the rules will prevail. Text in bold in this booklet has an entry in the technical terms on pages 34-36.



## Welcome to Civil Service pensions

Firstly, congratulations on your new job. We hope your Civil Service career is happy, fulfilling and successful.

We have a long history of providing staff with a pension when they retire from work. Your pension is a valuable part of your pay package. In addition, Civil Service pension arrangements provide a wide range of benefits for

you and your family both whilst you are working and when you leave the Civil Service.

You have a choice of pension arrangements:

- **nuvos** - a defined benefit pension scheme; or
- **partnership** pension account - a stakeholder pension with an employer contribution.

The Pension Act 2011 requires all employers to automatically enrol all workers who are not currently in a qualifying pension scheme periodically (usually every three years), from the employer's staging date. Your employer will tell you what their staging date is.

It is important that you read the contents of this booklet before you decide.

It is important that you complete and return your **PensionChoices** form even if you have been entered into nuvos. This:

- gives us your death benefit nomination,
- lets us know if you wish to transfer in any previous service, or benefits from another pension scheme,
- allows you to ask for more information about increasing your benefits,

- asks you whether you want to complete a Partner Declaration Form.

If you want to have a **partnership** pension account, it is important that you complete and return your **PensionChoices** form within 3 months of joining so that any contributions to **nuvos** can be refunded or paid into your **partnership** pension account.

You must also complete the provider's application form.

Both choices offer valuable benefits but their suitability for you depends upon your personal circumstances and how you see your career progressing.

We recommend that you read this booklet carefully and keep it for future reference. It gives you a summary of your pension choices.

It offers you some pointers on:

making up your mind - page 20;

things to consider, page 21;

and making your choice - page 25.

### IMPORTANT NOTE:

time limits:-

- 12 months for transfers in
- return your **PensionChoices** form within 3 months



## Pensions basics

Many people find pensions confusing. We have therefore tried to answer some of your immediate questions.

### What is a pension?

A regular source of income paid to you after you retire.

### How does it work?

As a member of a pension scheme, you, and your employer, will pay contributions that pay for a pension and any other benefits from the scheme. If you open a **partnership** pension account you do not have to contribute but your employer will.

### Pensions? Why do I need to think about them now?

Your pension will give you an income when you retire. Although you may not retire for many years yet, you do need to plan beforehand to make sure that you get the pension you want.

The Government encourages people to save for their retirement. You will get tax relief on your pension contributions, and pension funds get special tax treatment.

### Won't the State look after me?

The State pension on its own is not likely to give you the retirement income you want. It is made up of one or two parts and, for some people, a 'top-up' arrangement known as the Pension Credit.

We give more details in Annex A.



## Your pension choices

### What options do I have?

You may choose between two pension arrangements:

- the **nuvos** pension scheme; or
- a **partnership** pension account.

**nuvos** is a defined benefit pension scheme to which you and your employer make contributions. You earn an amount of pension each year based on your **pensionable earnings**. Your pension will be increased in line with rises in the cost of living.

A **partnership** pension account is a stakeholder pension, which is a type of personal pension. You do not have to pay any contributions but your employer will pay contributions into your pension fund whether you wish to contribute or not. These contributions are invested for you by your chosen pension provider. Over the years, your pension fund should grow with investment returns (the money earned by your invested pension contributions), and you use the resulting 'pot' to buy a pension when you retire or to leave to someone when you die.

The **partnership** pension providers are: Standard Life and Scottish Widows. (See glossary for contact details.)

### Opting out

You can opt out and not have a pension but you should think carefully before doing this. You would be giving up the important scheme benefits listed below.

### What benefits might I expect?

This will depend upon whether you choose **nuvos** or **partnership** but you may expect:

- A range of benefits for you and your family whilst in work and when you retire; (see summary on page 6)
- A death-in-service lump sum (a form of life assurance) paid to whoever you have nominated should you die in service;
- Access to a range of providers who can offer you means of boosting your pension on favourable terms;
- The opportunity to have a pension from a **partnership** account without you paying a penny;
- A substantial contribution from your employer towards your pension and other benefits;
- Tax relief on your pension contributions.

### How do these options compare?

The following section should help you by answering some of the questions you may have.

## Summary of scheme benefits

defined benefit scheme	defined contribution arrangement
nuvos	partnership
Substantial employer contributions	
Low employee contributions – See the Civil Service Pensions website for current rates.	No employee contribution required, but employer will match contributions up to 3% of pay (as well as paying a contribution based on employee age)
Retirement pension for the member based on <b>pensionable earnings</b> throughout the career and increased in line with rises in the cost of living.	Retirement income provided by an <b>annuity</b> bought with <b>partnership</b> pension account 'pot'.
Benefits payable on retirement from age 65, or from 55 on a reduced basis. If re-employed in an organisation covered by the Civil Service pension arrangements, any pension in payment may be reduced whilst working.	Benefits may be taken from age 55. Do not have to retire in order to take benefits and salary is not affected.
Lump sum – available on retirement by giving up some pension.	Lump sum possible from pension pot before buying <b>annuity</b> .
Death-in-service benefit lump sum	
Pension benefits after member's death for husband/wife/ <b>civil partner</b> or partner and children. Partner's pension requires completion of a valid Declaration Form. See Annex B	On death before retirement, <b>dependants</b> receive pension pot. On retirement, member chooses whether or not to provide pension for dependants as well as for self.
Pension paid early on ill-health retirement	Lump sum paid on ill-health retirement
Opportunity to increase pension benefits by buying added pension, or by contributing to a money-purchase top-up arrangement. You may also be able to transfer in benefits from a previous pension arrangement.	Flexibility to increase pension pot and eventual benefits within <b>HMRC</b> employee contribution limits.
<b>nuvos</b> is a <b>contracted out</b> scheme so you pay lower National Insurance contributions. You will not have any <b>State Second pension</b> for your period of service, although under certain circumstances a top-up payment is made.	<b>partnership</b> is not contracted out of the State pension scheme; you will pay higher National Insurance contributions and receive <b>State Second pension</b> benefits on top of your <b>partnership</b> pension.

## Your questions answered

you ask...	nuvos	partnership
<b>How does my pension work?</b>		
<p><b>Are there any conditions for receiving a pension?</b></p>	<p>You will only be able to have a nuvos pension if you meet the qualifying conditions in the scheme rules. As a general rule, this means that you have to work for a Civil Service pensions employer for a minimum of two years. The only exceptions to this are:</p> <ul style="list-style-type: none"> <li>- any period of service transferred from another pension scheme counts towards the two year requirement</li> <li>- if you transfer a personal pension into the scheme the two year requirement is satisfied immediately</li> <li>- if you are retiring from active service at or after age 65 there is no minimum service period</li> </ul>	<p>You must be eligible for a Civil Service pension.</p>
<p><b>How much will I get?</b></p>	<p>Every year you will earn a pension based on your <b>pensionable earnings</b> in that year. At present the scheme rules give you a pension of 2.3% of <b>pensionable earnings</b> each year. Your <b>MyCSP Pension Service Centre</b> will send you a statement after the end of every scheme year so you can see how your nuvos pension account is growing.</p>	<p>You use your pension fund to buy a pension <b>annuity</b>. Your pension is based on your fund value and <b>annuity</b> rates at retirement. You decide what sort of pension you want, and you can shop around for the best deal.</p>
<p><b>Can I have a lump sum as well as a pension?</b></p>	<p>When you come to retire, you will have an option to give up some of your pension in exchange for a lump sum. This is called “commutation”. The scheme uses an exchange rate of £1 of annual pension for every £12 of lump sum. Under current tax law the lump sum is tax-free and the maximum lump sum is worked out as pension (before commutation) x 30 / 7.</p> <p><b>Example:</b> When Dave retires his <b>nuvos</b> account shows that he has built up a pension of £14,000 a year. The maximum lump sum he can take = £14,000 x 30 / 7 = £60,000. If Dave chooses to take the maximum lump sum then his pension will be reduced by £60,000/12 = £5,000. This means that Dave will retire with a pension of £9,000 a year plus a tax-free lump sum of £60,000.</p>	<p>Under current tax law you can take up to 25% of your fund as a tax-free lump sum when you use your pension fund to buy an <b>annuity</b>, subject to the <b>Lifetime Allowance</b>.</p>

## Your questions answered

you ask...	nuvos	partnership																																								
<b>How does my pension work?</b>																																										
<b>Will you increase my pension?</b>	We will work out the balance on your <b>nuvos</b> pension at the end of every scheme year (that is, in March) and then increase your account in April. This increase reflects the rises in line with the cost of living for the year to the previous September. These increases apply every year whether you are in service, are drawing your pension or have left but are waiting for your pension to come into payment	Depending upon the type of <b>annuity</b> you buy there may be provision for increases in your pension.																																								
<b>What might my pension look like?</b>	<p>Example:</p> <p>Kelly's <b>pensionable earnings</b> are:</p> <table border="0"> <tr> <td>Year 1 (a part year)</td> <td style="text-align: right;">£15,000</td> </tr> <tr> <td>Year 2</td> <td style="text-align: right;">£20,000</td> </tr> <tr> <td>Year 3</td> <td style="text-align: right;">£21,000</td> </tr> <tr> <td>Year 4 (a part year)</td> <td style="text-align: right;">£10,000</td> </tr> </table> <p>Kelly's <b>nuvos</b> pension account would show:</p> <table border="0"> <tr> <td><b>Year 1</b></td> <td style="text-align: right;"><b>Balance</b></td> </tr> <tr> <td>2.3% x £15,000 = £345</td> <td style="text-align: right;">£345</td> </tr> <tr> <td><b>Year 2</b></td> <td></td> </tr> <tr> <td>Cost of living increase (say £9)</td> <td style="text-align: right;">£354</td> </tr> <tr> <td>2.3% x £20,000 = £460</td> <td style="text-align: right;">£814</td> </tr> <tr> <td><b>Year 3</b></td> <td></td> </tr> <tr> <td>Cost of living increase (say £20)</td> <td style="text-align: right;">£834</td> </tr> <tr> <td>2.3% x £21,000 = £483</td> <td style="text-align: right;">£1,317</td> </tr> <tr> <td><b>Year 4</b></td> <td></td> </tr> <tr> <td>Cost of living increase (say £33)</td> <td style="text-align: right;">£1,350</td> </tr> <tr> <td>2.3% x £10,000 = £230</td> <td style="text-align: right;">£1,580</td> </tr> <tr> <td><b>Year 5</b></td> <td></td> </tr> <tr> <td>Cost of living increase (say £40)</td> <td style="text-align: right;">£1,620</td> </tr> <tr> <td><b>Year 6</b></td> <td></td> </tr> <tr> <td>Cost of living increase (say £41)</td> <td style="text-align: right;">£1,661</td> </tr> <tr> <td>... and so on.</td> <td></td> </tr> </table>	Year 1 (a part year)	£15,000	Year 2	£20,000	Year 3	£21,000	Year 4 (a part year)	£10,000	<b>Year 1</b>	<b>Balance</b>	2.3% x £15,000 = £345	£345	<b>Year 2</b>		Cost of living increase (say £9)	£354	2.3% x £20,000 = £460	£814	<b>Year 3</b>		Cost of living increase (say £20)	£834	2.3% x £21,000 = £483	£1,317	<b>Year 4</b>		Cost of living increase (say £33)	£1,350	2.3% x £10,000 = £230	£1,580	<b>Year 5</b>		Cost of living increase (say £40)	£1,620	<b>Year 6</b>		Cost of living increase (say £41)	£1,661	... and so on.		<p>The amount of your pension will depend on:</p> <ul style="list-style-type: none"> <li>• the amount of money that both you and your employer contribute every month;</li> <li>• the investment returns that your pension provider achieves in the fund, or funds, you choose;</li> <li>• the <b>annuity</b> rate that is used to convert your pension 'pot' into a monthly income when you retire;</li> <li>• the amount of lump sum you take from your fund; and</li> <li>• the type of pension you choose.</li> </ul>
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<b>I work part-time. How does this affect my pension?</b>	The pension you earn every year reflects your <b>pensionable earnings</b> in that year whether you work full-time or part-time.	Your contributions are a percentage of <b>pensionable earnings</b> .																																								

## Your questions answered

you ask...	nuvos	partnership
<b>How does my pension work?</b>		
<b>When do I get my pension?</b>	<p>You can choose to retire at any age from 55, but if you draw your pension before 65, the scheme pension age, it will be reduced to take account of the fact that it will be in payment for longer. If you delay your retirement until after age 65 your pension will be increased to take account of the fact that it will be in payment for a shorter time.</p> <p>You can not access your pension while you are working for a Civil Service pensions employer unless you meet the conditions for flexible retirement.</p>	<p>You can use your pension fund to buy an <b>annuity</b> that will provide you with a pension. You can do this currently from age of 55. You do not have to retire and your salary will not be affected if you are drawing your pension while carrying on working.</p>
<b>Do I get a State pension as well?</b>	<p>You will also earn Basic State pension but, as the Civil Service pension scheme is “<b>contracted-out</b>”, you will not normally earn <b>State Second pension (S2P)</b> as well, but you may be eligible for a top-up payment. You can find out more about State pension entitlements from the Pension Service website at <a href="http://www.thepensionsservice.gov.uk">www.thepensionsservice.gov.uk</a></p>	<p>You will earn Basic State pension and <b>State Second pension (S2P)</b>. If you want, you can “<b>contract-out</b>” on a personal basis and the State will pay a refund of National Insurance contributions into a personal pension for you. This could be your <b>partnership</b> pension account or another pension. You may wish to take advice from an <b>IFA</b> before deciding to <b>contract-out</b> on a personal basis.</p>
<b>How much will it cost me?</b>	<p>You will pay a percentage of your <b>pensionable earnings</b>. See the Civil Service Pension website for current rates. The contributions will be deducted before your income tax is worked out so you will get tax relief at the highest rate that you pay.</p> <p><b>Example:</b> Chris pays basic rate income tax at 22%. Chris’s monthly pension contribution is £52.50 before tax relief. But the net cost to Chris, taking account of tax relief, is just under £41 a month.</p> <p><b>Example:</b> Jane pays higher rate income tax at 40%. Jane’s monthly pension contribution is £175 before tax relief. But the net cost to Jane, taking account of tax relief, is £105 a month.</p>	<p>You don’t have to pay anything. You will have to pay the standard (higher) rate of National Insurance contributions if you do not <b>contract-out</b>.</p> <p>But if you do contribute, your employer will match this up to 3% of your pay in addition to the employer age-related contributions. You can pay up to 100% of your <b>taxable income</b> or £3,600, whichever is the higher, and receive full tax relief, subject to the <b>Annual Allowance</b>.</p>

## Your questions answered

you ask...	nuvos	partnership						
<b>How does my pension work?</b>								
<b>Are my contributions fixed?</b>	The scheme contribution rates will increase each year for 3 years from April 2012. Any contribution changes are fully consulted with the Trades Unions and staff are given plenty of notice.	You can vary your contribution rate but you have to give notice.						
<b>How much does my employer pay?</b>	Your employer pays the balance of the cost of providing the Civil Service pension arrangements. On average, employers currently pay 19.4% of pensionable earnings.	<p>Your employer will pay:</p> <ul style="list-style-type: none"> <li>• a contribution of between 3% and 12.5% based on your age;</li> <li>• plus extra contributions matching yours up to 3% of your <b>pensionable earnings</b>;</li> <li>• the cost of benefits on death-in-service</li> <li>• the cost of benefits on ill-health retirement.</li> </ul> <p>Your employer will also pay higher National Insurance contributions.</p>						
<b>Is there a limit to the amount of pension I can receive?'</b>	<p>Your <b>nuvos</b> pension cannot be more than 75% of your final pay. In most cases final pay will be your last 12 months' pensionable earnings but, if your earnings were higher in the past, we will look back to an earlier scheme year.</p> <p><b>Example:</b> Mo's earnings dropped as he approached retirement. This is because Mo stopped working unsocial hours and also moved to part-time working. Mo's earnings in his final years were:</p> <table border="0"> <tr> <td>Year of retirement (6 months) -</td> <td>£10,000.</td> </tr> <tr> <td>Year before retirement -</td> <td>£19,000</td> </tr> <tr> <td>2 years before retirement (full-time)</td> <td>£36,000</td> </tr> </table> <p>So Mo's best year's <b>pensionable earnings</b> were £36,000 and the maximum pension Mo can earn is £27,000 a year.</p>	Year of retirement (6 months) -	£10,000.	Year before retirement -	£19,000	2 years before retirement (full-time)	£36,000	No.
Year of retirement (6 months) -	£10,000.							
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## Your questions answered

you ask...	nuvos	partnership
<b>Transferring in pensions from another scheme</b>		
<p><b>I have a pension from another employer. Can I bring this into the scheme?</b></p>	<p>You can apply to transfer a pension from another pension scheme or arrangement but you need to be aware that the scheme may not accept it for technical reasons.</p> <p>If the scheme accepts your transfer it will buy you an index-linked pension with a <b>pension age</b> of 65 (unless your transfer is made on <b>Public Sector Transfer Club</b> terms – see below). You need to be aware that your transferred-in pension will be subject to the same rules as your main pension; in particular you will not be able to draw your pension before you retire (unless you meet the conditions for flexible retirement).</p>	<p>You can transfer rights built up in a previous scheme into a <b>partnership</b> account. You should make this wish clear on the provider’s application form. Also make sure you understand the implications of <b>transferring in</b> benefits from a <b>contracted out</b> pension scheme.</p> <p>Consult an <b>IFA</b> if needed.</p>
<p><b>Are there time limits on transferring my pension?</b></p>	<p>Your <b>MyCSP Pension Service Centre</b> must receive your transfer application within 12 months of your joining <b>nuvos</b>. This time limit applies to all transfers, except those from a <b>Club</b> scheme. In those cases the time limit is 12 months from being eligible to join <b>nuvos</b>.</p>	<p>Your pension provider will tell you about the transfer arrangements.</p>
<p><b>What is the Public Sector Transfer Club?</b></p>	<p>This is a club which provides special transfer terms when people move from one pension scheme to another. Most large public service pension schemes (such as those run for Local Government, the NHS, teachers, and universities) belong to the <b>Club</b>.</p> <p><b>Club</b> terms only apply when an individual moves on a voluntary basis. To find out more about the <b>Club</b>, see the leaflet on our website or ask <b>MyCSP Pension Service Centre</b> for a copy.</p>	<p>Although you can transfer these rights into a <b>partnership</b> account you will not get a special deal.</p>

## Your questions answered

you ask...	nuvos	partnership
<b>Transferring in pensions from another scheme</b>		
<p><b>How does a Club transfer work?</b></p>	<p><b>Club</b> schemes work out their pensions on the basis of years of service and final salary. If you transfer a pension into <b>nuvos</b> from a <b>Club</b> scheme you will be credited with a number of years' service. These will carry on giving you final salary benefits of 1/60 of <b>pensionable earnings</b> for each year of service. On top of this you will build up <b>nuvos</b> benefits as described above.</p> <p><b>Example:</b> Zak brings in a <b>Club</b> transfer from the NHS scheme. It gives him a 15 year service credit in <b>nuvos</b>. Zak leaves after a further 5 years, when he is earning £24,000 a year and has built up benefits in <b>nuvos</b> of a pension of £2,200 a year.</p> <p>Zak's total <b>nuvos</b> pension = £2,200 + (15/60 x £24,000) = £8,200 a year.</p>	<p>Any transfer will be converted into a cash lump sum and added to your <b>partnership</b> pension account.</p>
<p><b>What do I do first?</b></p>	<p>If you want to enquire about transferring a pension you should tick the box on your <b>PensionChoices</b> form. Your <b>MyCSP Pension Service Centre</b> will contact you to ask you for further information. They will contact your old pension scheme to get a valuation and to make sure that there are no technical obstacles to a transfer taking place. Your <b>MyCSP Pension Service Centre</b> will send you an estimate telling you what your transfer would buy in <b>nuvos</b>.</p>	<p>Contact your <b>partnership</b> pension provider.</p>
<p><b>How do I apply?</b></p>	<p>Once you have received your estimate you then decide whether or not to go ahead and apply for the transfer to take place. Your <b>MyCSP Pension Service Centre</b> must receive your application within 12 months of your joining <b>nuvos</b>, or being eligible to join <b>nuvos</b> in the case of <b>Club</b> transfers.</p>	<p>Your <b>partnership</b> pension provider will tell you.</p>

## Your questions answered

you ask...	nuvos	partnership
<b>Pension boosting</b>		
<p><b>What options do I have for topping up my pension?</b></p>	<p>You can buy added pension in <b>nuvos</b> and/or build up a money purchase pension pot to sit alongside your <b>nuvos</b> pension. We have negotiated special terms with some providers or you can make your own arrangements.</p> <p>You can buy added pension by monthly contributions or lump sum. Monthly contributions will only be allowed for a full scheme year, although on joining the scheme you will be allowed to begin monthly payments during the first 3 months of service.</p> <p>You will be limited to a maximum of one lump sum purchase per scheme year. Lump sum purchases will not be allowed during the first 12 months of scheme membership. See our website: <a href="http://www.civilservice.gov.uk/pensions">www.civilservice.gov.uk/pensions</a> for further information.</p> <p>If you increase your pension savings in any year over the Annual Allowance set by HM Revenue and Customs, you may incur a tax charge. This will mainly affect high earners and people paying by lump sum, but will depend on your circumstances. For more information, including examples, see the HMRC website <a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a></p>	<p>You can choose to increase your contributions to your <b>partnership</b> pension account. You can get tax relief on contributions up to the higher of 100% of your earnings or £3,600.</p>
<p><b>I am on a fixed-term appointment (FTA). Do I have the same choices?</b></p>	<p>Yes.</p>	<p>Yes.</p>



## Your questions answered

you ask...	nuvos	partnership
<b>Ill health</b>		
<p><b>What provision is there for ill-health cover?</b></p>	<p>If your health is such that the scheme medical adviser agrees that it is likely to prevent you from doing your job now and in the future, the scheme will pay your pension early without reduction for early payment provided you have been in the scheme long enough to qualify for a pension.</p> <p>If you are so ill that the scheme medical adviser considers that you are unable to work at all, we will increase your pension to reflect your lost years of earnings.</p>	<p>If you have to leave the Civil Service before you are 65, and our medical adviser agrees that you cannot do your own or a similar job because your health has broken down permanently, we may pay you a lump sum when you leave.</p> <p>We will only pay the lump sum if you have worked for us for at least two years.</p> <p>If you want to draw your pension early, contact your pension provider.</p>
<p><b>What if I become ill after I leave the scheme?</b></p>	<p>If you are terminally ill (with a life expectancy of less than 12 months) you can apply to have your pension benefits “commuted” into a lump sum of 5 times your pension.</p>	<p>You should approach the pension provider for details of any arrangements they may have.</p>



you ask...	nuvos	partnership
<b>Leaving before pension age</b>		
<p><b>What options do I have if I resign?</b></p>	<p>Provided you qualify for a pension, you will have the choice of:</p> <ul style="list-style-type: none"> <li>• <b>preserving</b> your pension in the scheme; or</li> <li>• taking a transfer to another scheme</li> </ul> <p>If you <b>preserve</b> your pension it will continue to increase in line with rises in the cost of living each April and it will then come into payment when you reach age 65.</p> <p>If you leave with at least 3 months' service but before you have qualified for a pension, you will have the choice of:</p> <ul style="list-style-type: none"> <li>• a refund of contributions, less tax and your share of the cost of putting you back into the <b>State Second pension (S2P)</b>; or</li> <li>• taking a transfer to another scheme.</li> </ul> <p>If you leave within your first 3 months we will refund your contributions, less tax and your share of the cost of putting you back into the <b>State Second pension (S2P)</b>.</p>	<p>Although your employer contributions will stop, you keep your pension fund. You may still contribute to your <b>partnership</b> pension. You should discuss your options with your provider.</p>
<p><b>When can I draw my pension?</b></p>	<p>You can claim your <b>preserved</b> pension at any age from 55, but if you take it before 65 it will be reduced as it will be paid for more years. If you claim your <b>preserved</b> pension after age 65 it will be increased for late payment.</p>	<p>You can currently turn your pension fund into an <b>annuity</b> from age 55. You can also take up to 25% as a lump sum. You don't have to retire to do so.</p>

## Your questions answered

you ask...	nuvos	partnership
<b>Death benefits</b>		
<p><b>What happens if I die in service?</b></p>	<p>The scheme will pay a lump sum to your <b>beneficiaries</b> of the better of:</p> <ul style="list-style-type: none"> <li>• 2 x your <b>pensionable earnings</b>; or</li> <li>• 5 x the pension (including added pension) you have built up in <b>nuvos</b>.</li> </ul> <p>If you are buying added pension or contributing to a money purchase pension, this will also provide benefits on death in service.</p>	<p>We will pay a sum of three times your <b>pensionable earnings</b> to the person (or people) you have named – your <b>beneficiaries</b>. This sum will normally be tax-free. Your pension provider will pay the value of your pension fund to the person you have nominated on your pension application form.</p>
<p><b>What is a beneficiary and how do I nominate one?</b></p>	<p>Beneficiaries are the people you want to receive any lump sum when you die. You may want to nominate a single <b>beneficiary</b> – for example your husband, wife, <b>civil partner</b> or partner. Or you may prefer us to divide up your lump sum – for example among your children.</p> <p>Alternatively, you may nominate an organisation to receive a lump sum – for example a charity.</p> <p>You nominate your <b>beneficiaries</b> on your <b>PensionChoices</b> form. You can change your nomination at any time – contact your <b>MyCSP Pension Service Centre</b> for a form. The death benefit nomination form is also available on the Civil Service website at <a href="http://www.civilservice.gov.uk/pensions">www.civilservice.gov.uk/pensions</a></p>	<p>You may also nominate a beneficiary on the <b>partnership</b> provider application form.</p>
<p><b>Who gets the death in service lump sum?</b></p>	<p>Your <b>MyCSP Pension Service Centre</b> will be guided by your death benefit nomination – this is included on your <b>PensionChoices</b> form. If you have not made a nomination, the scheme will pay the benefit to the people who have responsibility for sorting out matters after your death.</p>	<p>Your pension provider will be guided by your nomination on your application form.</p>

## Your questions answered

you ask...	nuvos	partnership
<b>Death benefits</b>		
<b>What if I die after leaving but before I retire?</b>	When someone dies with a <b>preserved</b> pension, the scheme will pay a lump sum of 5 times your pension (including added pension).	Your provider will pay the balance of your <b>partnership</b> pension account to the person (or persons) you have nominated to receive it.
<b>What if I die shortly after I retire?</b>	If you die within 5 years of starting to draw your <b>nuvos</b> pension, the scheme will pay a death lump sum – reflecting the balance of 5 years' worth of your pension.	This will depend on the type of <b>annuity</b> you have chosen. You should contact your provider for further information.
<b>What will my dependants get?</b>	Provided you would have qualified for a pension, <b>nuvos</b> will pay an adult <b>dependant's</b> pension after your death. This will be based on the amount of pension you have and may be enhanced if you die while in service. If you are married or in a <b>civil partnership</b> , the adult <b>dependant's</b> pension will be paid automatically on sight of the marriage certificate or <b>civil partnership</b> certificate.	This will depend on the type of <b>annuity</b> you have chosen. You should contact your provider for further information.
<b>I am neither married nor in a civil partnership, but I have a partner. Will they get anything?</b>	If you are living with someone in a permanent relationship you may ask the scheme to consider paying your partner a pension. If you want to do this, then you and your partner must complete a declaration – read Annex B 'Pensions for partners' for further information and send your completed declaration in with your <b>PensionChoices</b> form. The partner declaration form is also available on the Civil Service website at <a href="http://www.civilservice.gov.uk/pensions">www.civilservice.gov.uk/pensions</a>	This will depend on the type of <b>annuity</b> you have chosen. You should contact your provider for further information.
<b>Will my children get a pension?</b>	Pensions are paid to dependent children up to the age of 23. The amount of the pension will vary depending on the number of children and also whether or not there is an adult <b>dependant</b> pension payable	This will depend on the type of <b>annuity</b> you have chosen. You should contact your provider for further information.

## Your questions answered

you ask...	nuvos	partnership
<b>Questions for rejoiners</b>		
<p><b>I have a preserved final salary pension from my earlier service – what choices do I have?</b></p>	<p>Provided that you resigned when you last left service, you have the choice of:</p> <ul style="list-style-type: none"> <li>- leaving your pension <b>preserved</b> for payment (normally at age 60); or</li> <li>- giving up your <b>preserved</b> pension and, instead, <b>linking</b> your earlier service to give you a final salary pension based on <math>1/60 \times</math> your <b>pensionable earnings</b> when you next leave.</li> </ul> <p>If you left on terms other than resignation, your earlier pension remains <b>preserved</b>.</p>	<p>You can leave your pension <b>preserved</b> or transfer the value into your <b>partnership</b> pension account.</p>
<p><b>Are there limits on the pension I can build up?</b></p>	<p>If you have any Civil Service pension calculated on a final salary basis these years will be taken into account in working out your limit in <b>nuvos</b>.</p> <p><b>Example:</b> Pedro gives up a <b>preserved</b> Civil Service pension and <b>links</b> 15 years' service to give him final salary benefits. This will be deemed to use up <math>15/60 \times 100\% = 25\%</math> of his <b>nuvos</b> limit. So the maximum pension that Pedro can earn in <b>nuvos</b> = <math>50\%</math> of his best year's <b>pensionable earnings</b> rather than <math>75\%</math>.</p>	<p>No</p>
<p><b>I am already receiving a Civil Service pension – can I build up more pension?</b></p>	<p>If you are receiving a final salary pension, then the limit on your <b>nuvos</b> pension will be as described in the previous answer. Any pension from a <b>partnership</b> pension account does not impact on the benefits you can earn in <b>nuvos</b>.</p> <p><b>Example:</b> Huw is receiving a Civil Service pension based on 45 years' service. This is deemed to use up <math>45/60 \times 100\% = 75\%</math> of his <b>nuvos</b> limit. So Huw cannot build up any further benefits in <b>nuvos</b> (but he could open a <b>partnership</b> pension account).</p>	<p>Yes</p>



## Your questions answered

you ask...	nuvos	partnership
<b>Questions for rejoiners</b>		
<p><b>I have been told that I have a quarantine period – how does this work?</b></p>	<p>If you previously left with an entitlement to some extra years of pensionable service – for instance, you left with an early retirement package or an ill health pension – you cannot build up more pension benefits until the period of enhancement has expired. We call this a “quarantine period”.</p> <p><b>Example:</b> Niall was made redundant 2 years ago. His package included early retirement, with his pensionable service increased by 5 years. Niall can join <b>nuvos</b> but won’t build up any basic pension for the first 3 years. During this period Niall will be covered for death-in-service and he can buy added pension if he wants to. Niall will start paying basic contributions again at the end of the quarantine period and he will then start building up basic pension in <b>nuvos</b>.</p>	<p>If you previously left with an entitlement to benefits based on the equivalent of pensionable service – for instance, you left with an early retirement package you cannot build up more pension benefits until the period of enhancement has expired. We call this a “quarantine period”.</p> <p><b>Example:</b> Sue was made redundant 2 years ago and is receiving an Annual Compensation Payment based on her service plus a notional enhancement of 5 years. Sue can open a <b>partnership</b> account but she will not receive an employer contribution into it for the next 3 years. During this period Sue will be covered for death-in-service and she can buy added pension if she wants to. Once the 3-year quarantine period has expired, Sue’s employer will pay a contribution based on her age and will match her contributions to a maximum of 3% of pay.</p>
<p><b>Why can’t I go back into my old final salary scheme?</b></p>	<p>The final salary schemes are closed to new entrants with effect from 30 July 2007. There are limited provisions for allowing people who left on resignation to rejoin, but only where they return within 5 years.</p>	



## Making up your mind

### Which option will give me the higher pension?

The answer will depend on which scheme you join and a number of

factors including:

- the number of years you build up pension in the scheme;
- your pay and how much it increases over your career with us;
- investment returns;
- the cost of buying a pension when you retire ('annuity rates');
- the level of contributions you make;
- your age;
- how much lump sum you want to take.

It is not possible to say with any certainty which option will give you the higher pension. In broad terms and assuming that you make the same level of contributions to each scheme, **nuvos** may give you a better pension if you stay for a long time (for example, over 10 years).

In contrast, **partnership** may give you a bigger pension if you stay for a short period. However, you cannot use this as a hard-and-fast rule because so many other things affect the outcome.

### What other things should I think about?

The size of pension isn't the only thing to think about. The table on page 21 sets out a range of things which you might want to consider, and gives you some space to record your own thoughts.

Don't forget that you have other sources of information to help you make up your mind:

- Your **MyCSP Pension Service Centre** can provide information on **nuvos** – see contact details on the letter enclosed with this pack. They can also answer general queries about the **partnership** arrangements.
- The booklets “**nuvos** pension scheme” and “partnership pension account” – look on our website or ask your **MyCSP Pension Service Centre** for these.
- Our website – [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)
- The Pension Service [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)
- The Financial Services Authority (FSA) has a section which explains pension basics and provides tools to help you plan. [www.fsa.gov.uk](http://www.fsa.gov.uk)
- **Independent Financial Adviser** – you might like to consult one of these to help you make up your mind.

## Things to consider

	nuvos	partnership	Your comments and thoughts
<b>How long you expect to stay in the Civil Service.</b>	If you leave within your first two years of membership, you will generally just get a refund of your contributions (less the cost of putting you back into the State scheme). If you leave with at least 3 months' service, you can apply for a transfer of the notional value of your pension benefits into another pension scheme or arrangement.	Your pension fund builds up from day one.	
<b>How much you are prepared to pay for your pension.</b>	See the Civil Service Pensions website for current contribution rates.	You do not have to pay anything if you don't want to.	
<b>How much certainty you want.</b>	You build up pension amounts each year based on your <b>pensionable earnings</b> . Your pension is increased in line with rises in the cost of living.	Contributions into your account will be a percentage of your <b>pensionable earnings</b> but your final pension will depend on: <ul style="list-style-type: none"> <li>• the investment returns over the years;</li> <li>• the cost of buying a pension (the '<b>annuity rate</b>') when you retire;</li> <li>• the type of <b>annuity</b> you choose; and</li> <li>• the amount of lump sum you take.</li> </ul>	

## Things to consider

	nuvos	partnership	Your comments and thoughts
<b>Who you want a pension for.</b>	This arrangement will provide a pension for your husband, wife, <b>civil partner</b> or partner and for your children when you die – you pay for these benefits whether you want them or not.	You decide how to spend your pension fund – you might choose more pension for you and less for your <b>dependants</b> , or a higher pension for your <b>dependants</b> and a lower one for you.	
<b>Benefits for your family if you die in service.</b>	Pays a lump sum if you die in service. Provides your husband, wife, or <b>civil partner</b> and children with a pension. If you are neither married, nor in a <b>civil partnership</b> , but have a partner, your partner may receive the pension if he or she is eligible, and a Partner Declaration Form has been completed and sent to your MyCSP. A copy of the partner declaration form is available on the Civil Service Pension website at <a href="http://www.civilservice.gov.uk/pensions">www.civilservice.gov.uk/pensions</a>	Pays a lump sum of three times your pay if you die in service. Does not provide a pension for your <b>dependants</b> , but they will receive your pension ‘pot’ as a lump sum.	
<b>Support for you if you have to give up work because of ill-health.</b>	May pay you a pension based on your pension earned.	We may pay you a lump sum up to three times your pay. You will have to use your pension fund to provide you with a pension.	

## Things to consider

	nuvos	partnership	Your comments and thoughts
<b>The extra State pension (S2P).</b>	You are <b>contracted out</b> by your employer, so you don't get the full extra State pension ( <b>S2P</b> ) as well, but you may get a top up pension.	You pay the standard National Insurance contributions for <b>S2P</b> (although you can choose to <b>contract out</b> and your National Insurance rebate will be paid into your <b>partnership</b> account).	
<b>Pension rights in a scheme in the Public Sector Transfer Club ('the Club').</b>	If you have pension rights in a <b>Club</b> scheme, you can usually bring these into <b>nuvos</b> on special terms. ( <b>Note:</b> You must apply for a 'Club' transfer within 12 months of being eligible to join <b>nuvos</b> .)	Although you can transfer these rights into your <b>partnership</b> pension account, you will not get a special deal. Also, make sure you understand the implications of <b>transferring in</b> benefits from a <b>contracted-out</b> pension scheme.	
<b>Pension rights preserved (frozen) in the Civil Service scheme.</b>	If you have a frozen or <b>preserved</b> pension from an earlier period of service in the Civil Service scheme (PCSPS before October 2002, <b>classic</b> , <b>classic plus</b> or <b>premium</b> ), you may be able to <b>link</b> that service to your <b>nuvos</b> pension. Depending on your salary now and when you were employed previously, this can be very beneficial.	Although you can transfer these rights into your ' <b>partnership</b> pension account', you will not get a special deal. Also, make sure you understand the implications of <b>transferring in</b> benefits from a <b>contracted-out</b> pension scheme.	

Now review the points above and your comments and thoughts.  
Does **nuvos** or **partnership** appear to provide the best match for what you want?  
Make a note of your answer here and then read on.



## Considering partnership

### How do I find out more about partnership?

- Look at the leaflets enclosed in your pack for information about the providers. The leaflets give the providers' contact details. You can also look on the Civil Service Pensions website: [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions) for more information.
- Contact the providers to get their application pack (using the contact details in the leaflets). Or, if you wish, you can download an application pack from the provider's website. You can contact more than one provider to help you to make your choice, but you can only choose one to open a **partnership** pension account.

#### Partnership providers contact details

Standard Life 0800 33 3309

Scottish Widows 0800 838 312

- Making your choice - see 'partnership pension account' booklet if you want more information about where to start and how to choose.

The "partnership pension account" booklet is available from our website at [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions) or from your **MyCSP Pension Service Centre**.

For other sources of information see:  
Financial Services Authority (FSA) website:  
[www.fsa.gov.uk](http://www.fsa.gov.uk)

The Pension Service website:  
[www.thepensionsservice.gov.uk](http://www.thepensionsservice.gov.uk)

Or consult an **Independent Financial Adviser**.

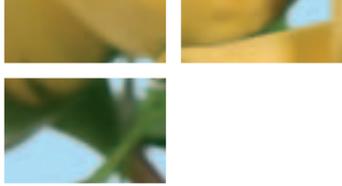
### How do I apply for a partnership pension account?

- Complete the provider's application form enclosed with the information from the provider.
- Complete the **PensionChoices** form. This form also asks you to name someone to receive any lump sum that we will pay if you die in service.
- Send the completed application form and **PensionChoices** form in the envelope provided.

**Please note:** You must open a **partnership** pension account within 3 months of joining. If you wish to open a **partnership** pension account after the 3 month deadline, and you have been defaulted into *nuvos*, this will be classed as switching which can only take place on 1 April and 1 October. You will need to give your employer 3 months' notice by completing and sending them a Pension Switch form together with an application form of your chosen **partnership** provider.

### What happens then?

When you send your completed **PensionChoices** form and provider application form to your employer they will contact your provider to set up your **partnership** pension account.



## Making your choice

### When do I have to decide?

#### You need to decide within three months of joining.

If you have already been enrolled into **nuvos**, you will pay a percentage of your **pensionable earnings** as pension contributions. See the Civil Service Pensions website for current rates.

If you want to join **partnership**, you need to fill in your **PensionChoices** form and send it to your employer within your first three months. Your employer will then sort things out by paying backdated contributions to your chosen pension provider. You will receive a refund of your **nuvos** contributions (less any contributions you have chosen to make to **partnership** and less your share of the cost of rejoining **S2P**).

If you have been enrolled in **nuvos** and don't send your **PensionChoices** form back within your first three months, you will stay in **nuvos**. If you have not been enrolled and you want to join **nuvos**, please note this on your **PensionChoices** form. In all cases it is important that you send back your **PensionChoices** form.

It doesn't just record your pension choice but also gives you the chance to ask for more information and to choose someone to receive any benefits when you die.

### Transfers

If you are interested in things like transfers from a **Club** scheme (see pages 11/12), you must act soon.

### Do I have to have a pension?

If you choose not to have a Civil Service pension at all you will still receive State benefits, including the **State Second pension (S2P)**. It will be up to you, at your cost, to make any other pension arrangements. If you want to opt out of (leave) our pension arrangements, you must say so on the **PensionChoices** form.

Don't forget that opting out will not save you any money. It will cost you no more to choose a **partnership** pension as your employer will pay an age-related contribution regardless of whether or not you pay anything. All you have to do is choose one of the pension providers and fill in their application form.

Read the booklet '**partnership** pension account' for more information. This booklet is available on our website or from your **MyCSP Pension Service Centre**.

If you opt out you will be missing out on a range of important benefits. Look again at the comparison between your available options.

The Pension Act 2011 requires all employers to automatically enrol all workers who are not currently in a qualifying pension scheme periodically (usually every three years), from the employer's staging date. Your employer will tell you what their staging date is.



## Am I committing myself forever?

No. You can change schemes in the future – we allow you one switch in each direction (that is, one switch from **nuvos** to **partnership** and one switch from **partnership** to **nuvos**). We suggest that you should give your pension arrangements a ‘health check’ every year when you receive your Annual Benefit Statement and satisfy yourself that you are on target for the sort of pension you want. As well as making sure you are still in the right scheme for you, you should also consider whether you should change your contribution level (in **partnership**) or top up your benefits (in **nuvos**).

**Example:** Sarah joins the Civil Service. She expects to stay only a short while and she is also attracted by the low cost of the **partnership** pension account. Sarah likes her job and after five years she thinks she will probably stay long term. Sarah moves into **nuvos**. As she approaches retirement, Sarah decides she would prefer the flexibility of **partnership**

– she doesn’t have any family, so she would prefer to use all her pension ‘pot’ to buy a pension for herself.

The conditions attached to switching between schemes are:

- you can only move on 1 April or 1 October in any year, and
- you must give your **MyCSP Pension Service Centre** 3 months’ notice of your intention to switch.

## How do I find out more?

This booklet is designed to give you enough information to make your choice. Read on if you think you may need extra help or advice.

If you have access to the Internet, you may want to visit our website at [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions) Look at ‘ **PensionChoices**– new entrants’.

If you are a member of one of the Civil Service unions, they may offer access to financial advice at special rates. Ask your local union representative. Or, you may want to consult an **Independent Financial Adviser (IFA)** but you will have to pay for any advice you get. If you do contact an **IFA**, we suggest that you take all this information with you.

Please remember that while your employer and your **MyCSP Pension Service Centre** will do everything they can to help you, they are not allowed to give you financial advice.

Also remember that what is right for your line manager or your colleagues may not be the best choice for you.

More detailed information can be found in the booklets ‘**nuvos** pension scheme’ and ‘**partnership** pension account’. These are available on our website, or you can ask your **MyCSP Pension Service Centre** for a copy.



## How to complete your PensionChoices form

Once you have decided on your pension choice, please fill in the **PensionChoices** form attached to the introductory letter. Tear it off and return it in the envelope provided.

If you choose **partnership**, you must also fill in the **partnership** pension provider's application form and return this as well in the envelope provided. If you make your decision before you start work, we suggest that you bring your **PensionChoices** form and, if relevant, your chosen provider's application form with you on your first day.

### The form

If you are eligible to be automatically enrolled into **nuvos** from your start date, you will have a green form. If you have a blue form you will not be enrolled automatically, you must apply to join if you want to be in the scheme. The Pension Act 2011 requires all employers to automatically enrol all workers who are not currently in a qualifying pension scheme periodically (usually every three years), from the employer's staging date. Your employer will tell you what their staging date is.

### Section 1 – Details about you (all forms)

Please complete all the details giving your marital status eg. married, divorced, **civil partnership** or single.

Please provide the name and address of your employer together with contact details.

## Section 2 – Your pension choice Green form

### already enrolled in nuvos

- Choice 1.** Tick if you would like to remain in **nuvos**
- 1a) Tick if you want information about **transferring** in a pension from another scheme
  - 1b) Tick if you are enclosing a completed Partner Declaration form
  - 1c) Tick if you want information about increasing your pension benefits
- Choice 2.** Tick if you want to open a **partnership** pension account and then fill in the details in Section 3.

**Please note:** that you must also complete the provider's application form.

**Please note:** If you decide to opt out of the scheme, you will be automatically re-enrolled by your employer periodically (typically every three years) from your employer's staging date. You will have further rights to opt out again if you are re-enrolled. A factsheet on automatic enrolment can be found on the Civil Service Pensions website at [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)

## Blue form

### applying to join nuvos or partnership

- Choice 1.** Tick if you wish to join **nuvos**
- 1a) If you are applying to join, please tick the box to authorise deductions from your pay.
  - 1b) Tick if you want information about transferring in a pension from another scheme
  - 1c) Tick if you are enclosing a completed Partner Declaration form
  - 1d) Tick if you want information about increasing your pension benefits.
- Choice 2.** Tick if you want to open a **partnership** pension account and then fill in the details in Section 3.

**Please note:** that you must also complete the provider's application form.



## How to complete your PensionChoices form

### Section 3 – Your partnership pension account choice (all forms)

If you choose to open a **partnership** pension account the **PensionChoices** form also asks you to:

Choose a provider. See the section ‘Considering **partnership**’ for information. Please select just one of the three providers.

- Say how much you want to contribute each month (as a percentage of your pay). You do not have to make a contribution, but if you do, your employer will make extra contributions to match yours (up to 3% of your pay).
- Complete the provider application form included in the pack they have sent to you;
- Remember to send the completed provider application form with your **PensionChoices** form in the envelope provided.

### Section 4 – intentionally blank

### Section 5 – Your Civil Service pension scheme history (all forms)

If you are remaining in, or applying to join **nuvos**, and you have belonged to the Civil Service pension scheme before please state what happened to your pension benefits.

- Tick if you have a preserved Civil Service pension and are interested in linking it to your **nuvos** pensionable earnings. (See page 18) Your **MyCSP Pension Service Centre** will contact you with more information.

### Section 6 – Nomination for death benefit (all forms)

For more information see page 16. Your **PensionChoices** form also asks you to name someone to receive any lump sum that we will pay if you die in service. It is important to complete the nomination for death benefit to ensure make sure that the lump sum is paid quickly. If you don't nominate someone to receive your lump sum it will be included in your estate, and this may delay payment.

- If you wish to leave your death benefit to more than one person the total percentage must add up to 100%.
- The person witnessing this form must not be anyone who benefits from your death benefit nomination .
- This is a nomination for your death in service lump sum and which should not be confused with the lump sum you may choose to take when your pension comes into payment.

### Section 7 – Your authorisation (all forms)

Please remember to sign and date the form and return it to the address shown.



## Annual benefit statement

While you are a member of **nuvos** your **MyCSP Pension Service Centre** will send you an annual benefit statement telling you how much pension you have built up to date and projected to **pension age**.



## Further information

### How do I complain?

If you have a problem with any part of your pension benefits, you should try to sort it out with your MyCSP Pension Service Centre. Often, a phone call or an email will be enough. If you cannot sort out the problem to your satisfaction, we have a complaints procedure known as internal dispute resolution (IDR). This entitles you to a written explanation from your **MyCSP Pension Service Centre** and then, if you are still not satisfied, to have your complaint investigated by Cabinet Office, Scheme Management Executive.

You can also contact The Pensions Advisory Service (TPAS) at any stage during the IDR procedures. TPAS is an independent organisation set up to help with sorting out disagreements between scheme members and the administrators or trustees of their scheme.

You can write to TPAS at:

11 Belgrave Road,  
London SW1V 1RB.

Their email address is:

**[enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)**

If you have gone through IDR and your complaint has still not been resolved satisfactorily, you can contact the Pensions Ombudsman. For more information see their website

**[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)**

You can write to the Pensions Ombudsman at:

11 Belgrave Road,  
London SW1V 1RB.

To find out more about IDR, ask your **MyCSP Pension Service Centre** for the leaflet 'If you have a complaint about your pension' or visit our website at **[www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)**

### The Pensions Regulator (formerly OPRA)

This organisation is the statutory regulator for occupational pension schemes. Their task is to make sure that pension schemes are run legally. They also educate and inform and work with others to raise standards.

You can contact The Pensions Regulator by writing to them at:

The Pensions Regulator,  
Napier House,  
Trafalgar Place,  
Brighton BN1 4DW.

Tel: 0845 6000707

Email: **[customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)**

Website: **[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)**

DWP operates a central tracing agency to help people keep track of any pension arrangements they had in the past.

You can contact them through The Pensions Tracing Service website or write to them at:

Pensions Tracing Service,  
Whitley Road,  
Newcastle-upon-Tyne NE98 1BA.

Tel: 0845 6002 537

Website: **[www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)**



## Annex A – State pensions

### 1. Basic State retirement pension

You can find the latest rates of, and more information about, the State retirement pension from the Department for Work and Pensions website [www.thepensionsservice.gov.uk](http://www.thepensionsservice.gov.uk)

The pension usually increases annually in line with inflation. To receive a full pension, you need to have paid enough National Insurance contributions during your working life.

You can find out whether you have paid enough National Insurance contributions by sending form BR19 to the Department for Work & Pensions. You should ask at your local benefits office for a BR19 form. Alternatively, you can get this form from the above website.

### 2. Additional State pension

As well as the basic State retirement pension, there is an additional earnings-related pension. Up to April 2002, this was called the State Earnings-Related Pension (SERPS). It has now been replaced by the **State Second pension (S2P)**.

Some pension schemes (such as our **nuvos** scheme) which pay more than a minimum level of benefit have ‘**contracted-out**’ of (left) the additional State pension.

This means that scheme members do not get **S2P** on top of their basic State retirement pension.

If you have a personal pension such as our **partnership** pension account, you and your employer pay the standard (higher) rate of National Insurance contributions and you can either stay with **S2P** or **contract-out**. If you

**contract-out** of **S2P**, the Government will pay a refund (known as a rebate), which will vary with your age, into a personal pension or stakeholder pension of your choice. This can be to one of the partnership pension account providers or any other of your choice.

### 3. Pension Credit

In October 2003, the Department for Work and Pensions introduced the new Pension Credit. If you are over 60 it could top up your income to a guaranteed minimum level.

It could also provide extra money if you are over 65 and have saved towards your retirement. To find out more, visit the Pension Service website.



## Annex B – Pensions for partners

If you are a member of **nuvos** and you have a partner to whom you are neither married nor in a **civil partnership** with, you will want to know whether the pension scheme will pay a pension to your partner after you die. This annex provides a summary of the qualifying conditions for a partner's pension. For more detailed information see the booklet "Pensions for partners".

### Will my partner get a pension?

The **nuvos** scheme rules provide for a partner's pension if:

- you have nominated your partner and, together, you complete a joint declaration of partnership, and send it to your **MyCSP Pension Service Centre**; and
- at the time of your death you and your partner were living together in an exclusive committed long-term relationship;
- you and your partner were free to marry; and
- either your partner was financially dependent on you or the two of you were financially interdependent.

### What's meant by an 'exclusive committed long-term' relationship?

We only expect to pay a pension if you are in a permanent relationship with just one person. After your death, **MyCSP** will not want to pry into your or your partner's personal life to try to 'disprove' your partner's eligibility for a pension but they will need to be satisfied that there was a strong bond between you.

Following your death, **MyCSP** will consider your case individually and take account of anything that supports the claim that you and your partner had a permanent relationship.

### What's meant by 'free to marry' or free to enter a civil partnership?

Neither of you can be married to, nor in a **civil partnership** with, anyone else. The relationships which are too close to allow a marriage/ **civil partnership** are set out in the booklet 'Pensions for partners' which is available on our website or from your **MyCSP Pension Service Centre**.

### I'm waiting for my divorce (or civil partnership dissolution) to come through – will my partner get a pension if I die in the meantime?

If you are married or in a **civil partnership**, the scheme will pay a pension to your surviving husband, wife or civil partner, even if you no longer live with them. If you want your partner to receive a pension, you must both be legally free to marry or enter a **civil partnership** when you make your nomination.



## Annex B – Pensions for partners

### What's meant by financial dependence and interdependence?

Under the **HMRC** rules governing occupational pension schemes, your partner must be financially dependent on you or you must be financially interdependent. 'Financially interdependent' means that you rely on your joint finances to support your standard of living.

It doesn't mean that you need to be contributing equally. For example, if your partner's income is a lot more than yours, he or she may pay the mortgage and most of the bills, and you may pay for the weekly shopping.

### How do I nominate my partner?

You and your partner must fill in and sign a declaration form and send it to your **MyCSP Pension Service Centre**. You will find a declaration form in this pack.

The declaration is very important. MyCSP cannot arrange to pay a pension without one.

You should both be aware that, after your death, your partner will need to provide information to your **MyCSP Pension Service Centre** to support his or her claim to a partner's pension. Don't get too worried about this. If, over the years, you continue to be able to sign up to all the statements on the declaration, your partner should receive a pension when you die.

### I don't really want my employer to know about my relationship.

If you wish, you can send your declaration directly to your **MyCSP Pension Service Centre**. The scheme is managed away from most scheme members' places of work. All pensions documentation and casework is handled in the strictest confidence and in line with data protection legislation. You do not have to worry as your declaration will be handled with appropriate confidentiality.



## Technical terms

### Annual allowance

**Annual allowance** is the value of pension rights you can build up tax-free in a year. Most people will be nowhere near the **annual allowance**. For further information see the HMRC website [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

### Annuity (this only applies to partnership)

When you want to draw your pension, you will use your pension 'pot' to buy an **annuity** which will provide your income during retirement.

### Automatic Enrolment

The Pension Act 2011 requires all employers to automatically enrol all workers who are not currently in a qualifying pension scheme periodically (usually every three years), from the employer's staging date. A factsheet on automatic enrolment can be found on the Civil Service Pensions website at

[www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)

### AVCs

Additional Voluntary Contributions are a way of topping up your pension. You pay additional contributions to a pension provider, which should then build up to a fund. When you retire you use your fund to buy an **annuity** – a pension for life – which is on top of your Civil Service pension.

### Beneficiary/Beneficiaries

A **beneficiary** is the person or people who you decide should receive your lump sum after you die.

### Civil partnership/civil partner

A **civil partnership** is a relationship between two people of the same sex that has been registered under the provisions of the Civil Partnership Act 2004. **Civil partnership** gives the couple many of the same legal and financial rights and responsibilities as marriage.

### classic and classic plus

These are pension schemes which were closed to new employees from 1 October 2002.

### Contracting-out

If you join **partnership**, you can opt out or 'contract-out' of (leave) the **State Second pension**. Although you and your employer continue to pay the higher rate of National Insurance contributions, the State will pay an age-related rebate (refund) into a separate pension 'pot' for you.

### Dependant

A dependant can be your husband, wife, **civil partner**, partner, children or anyone else who relies on you financially. Read the booklets 'nuvos pension scheme' and '**partnership** pension account' to find out what benefits they may get when you die.



## Guaranteed Minimum Pension

Pension schemes like **nuvos** must make sure that they give their members a pension that is at least the same level as the pension they would have had if they had stayed in the State Earnings-Related Pension (SERPS) for their service before 1997. This minimum level of pension is known as the **Guaranteed Minimum Pension** or **GMP**.

## HMRC

Her Majesty's Revenue & Customs.

## IFA

Independent Financial Adviser.

## Lifetime Allowance (LTA)

**Lifetime Allowance (LTA)** is a limit on the total value of all pension benefits (except the state pension) that can be taken without paying **LTA** tax. The value of benefits is assessed at the time that the pension is taken. It does not apply to the total amount of pension benefits that an individual can be paid in their lifetime.

The Government has set the **LTA** at a level which means that most people are unlikely to pay tax. Despite this, everyone's benefits must be checked against the limit at the time pensions or lump sum benefits are taken.

## Linking

'Unfreezing' a **preserved** Civil Service pension so that it will be worked out on the basis of your **pensionable earnings** at the time you leave or draw your pension.

## nuvos

In this scheme you build up a pension based on your **pensionable earnings** for each year of service. You will pay a percentage of your **pensionable earnings**. See the Civil Service Pensions website for the current contribution rates.

## partnership pension account.

This is a stakeholder-type money purchase scheme with an employer contribution. Your pension will be based on the level of your and your employer's contributions, the performance of your chosen fund, and the annuity you buy with your pension 'pot'.

## Pension age

This is the earliest age you can take your pension without it being reduced for early payment.

**Pension age** is age 65 in **nuvos**. If you choose partnership, you will choose your own pension age.

## Pensionable earnings

**Pensionable earnings** are all earnings which could count towards your pension. They can include non-cash items, for example, uniforms or accommodation. Contributions in **nuvos** and **partnership** are based on your **pensionable earnings**.

**Pensionable earnings** may be limited by reference to the earnings cap for any benefits worked out on a final salary basis. If you think this might be an issue for you, ask your **MyCSP Pension Service Centre** for further information.



## Technical terms

### Preserve, preservation and preserved (this only applies to **nuvos**)

If you leave the scheme with more than two years' qualifying service, you can leave the pension benefits you have built up in the scheme. We will then normally pay you a pension when you reach **pension age**.

Or you can choose to transfer your **preserved** pension before you retire.

### MyCSP

MyCSP is the organisation that holds your pension records and administers your pension.

### Public Sector Transfer Club (Club)

This is a club for pension schemes which offers special terms for transferring benefits into **nuvos**. Members include schemes run for the NHS, local government and teachers.

### State Second pension (S2P)

This is the additional State pension (on top of the State retirement pension), it replaces the State Earnings-Related Pension from April 2002. The level of this depends on your National Insurance contributions.

### Taxable income

The income on which you pay income tax. This may not always be the same as your **pensionable earnings**.

### Transferring in/Transfers in

You may be able to transfer in benefits from an existing pension scheme into **nuvos** or **partnership**.

If you have benefits from an existing pension scheme that you think you may be able to transfer into the Civil Service pension arrangements but have lost touch with your old employer, the Pension Tracing Service should be able to help you.

For further information see  
The Pension Service website  
[www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)  
or telephone 0845 6002 537



**Notes:**



## Notes:



**Notes:**

[www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)

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

