



### How will I know how much added pension I have bought?

Your annual benefit statement will show how much pension you have bought each year, and the current value of any added pension bought in previous years.

### How do I apply?

Contact your **pensions administrator**. They will tell you what you need to do to buy added pension. You can pay by lump sum at any time of the year after your first 12 months. If you want to start paying by monthly deductions from your pay, you should apply in good time to start payments at the start of the **scheme year**.

### Are there other ways of boosting my pension?

See 'The Civil Service Additional Voluntary Contribution Scheme' and 'Stakeholder Pensions' leaflets for other ways you can increase your pension with contributions via your pay.



### Technical terms

**Active member** An active member is a classic, classic plus, premium or nuvos scheme member who is employed in an organisation that participates in the Civil Service pension arrangements.

**Consumer Price Index (CPI)** The official index of increases in consumer prices.

**Pensions administrator** The pensions administrator holds your pension records and administers your pension on your employer's behalf.

**Scheme year** is 1st April to 31st March.

### More information

#### Scheme booklets:

- 'Your **classic** pension benefits explained'
- 'Your **classic plus** pension benefits explained'
- '**premium** pension scheme'
- '**nuvos** pension scheme'

If you are considering boosting your pension, you may wish to consult an Independent Financial Adviser to get advice.

You can obtain more information about the Civil Service pension arrangements, including the booklets referred to in this leaflet, from the website:

[www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)  
or from your **pensions administrator**.

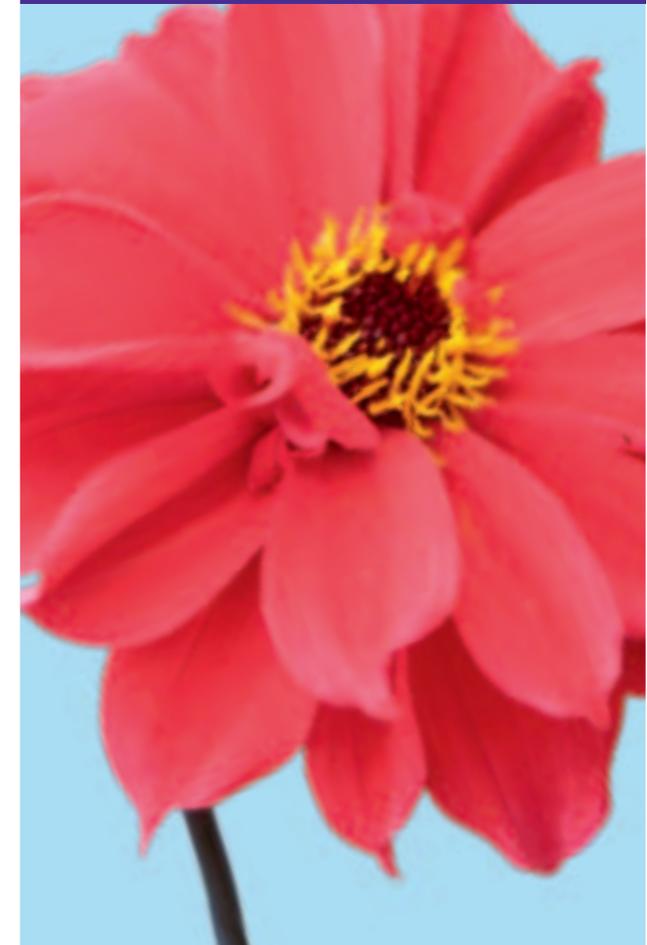
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## Added pension for **Classic, Classic plus, premium and nuvos**

*A brief guide*



This leaflet tells you about buying added pension to boost your **classic**, **classic plus**, **premium** or **nuvos** pension.

We have tried to use as little jargon as possible but some technical terms are shown in bold where they appear in the text. Please refer to the Technical terms section for an explanation of these terms.

You will find a fuller explanation of your scheme benefits in our booklets (see details below) which you can find on the Civil Service Pensions website, or get from your **pensions administrator**.

**Note:** this leaflet provides a guide to buying added pension. It does 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 leaflet can override the rules, and in the event of any unintentional difference, the rules will apply.



## Who should read this leaflet?

Anyone who is an **active member** of **classic**, **classic plus**, **premium** or **nuvos** and who wants to boost their pension.

### What is added pension?

Added pension is just what it says! It is an amount of extra annual pension that you can buy; it will be paid with your **classic**, **classic plus**, **premium** or **nuvos** pension after you retire.

### Who can buy it?

You can buy added pension if you are an **active member** of **classic**, **classic plus**, **premium** or **nuvos**. You cannot buy added pension after you have left the scheme.

### Are there any limits?

Yes. The limits will go up each year in line with inflation; your **pensions administrator** can tell you the current amount. Note also that the tax rules mean that you cannot use a lump sum from another pension arrangement to buy added pension.

### Can I buy added pension for my dependants?

Added pension will provide benefits for you and your dependants like your main pension.

### How much does it cost?

The cost of added pension will depend on your age. You can find a calculator on the Civil Service Pensions website; if you do not have access to the website you can ask your **pensions administrator** to tell you how much it will cost.

The calculator illustrates how much added pension you can buy with either a lump sum or regular monthly



payments over a set period of time. It also estimates how much you need to pay if you want to increase your pension by a set amount, e.g. £500 a year, either as a one-off lump sum payment or by monthly contributions. It gives you the flexibility to decide what you can afford.

### Do I get tax relief on my contributions?

Yes, provided that your contribution does not exceed the limits set by HM Revenue and Customs. In general, you can get tax relief on pension contributions of up to 100% of your taxable earnings, or £3,600 if you earn less than that.

Please note that higher rate taxpayers have to claim extra tax relief on lump sum payments.

The Annual Allowance limit will be reduced in 2011 from £255,000 a year to £50,000 a year. The HM Revenue and Customs website contains guidance and details of how the rules apply. [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

### What do I get for my money?

You will get a set amount added to your pension that will increase each year in line with the **Consumer Price Index (CPI)** each April.

How much you get will not depend on investment returns, so it is less risky than other ways of increasing your pension.

When you take your pension, your added pension will be combined with it. See your scheme booklet for details on how your pension is worked out.



### How do I pay for added pension?

You can choose to pay by monthly contribution from your salary, or by lump sum. If you choose to pay monthly, you can either choose a set amount (e.g. £20 each month) or a set percentage of your salary (e.g. 5% each month).

You should note that if you decide to pay a set amount, it will buy a smaller amount of added pension in future years because the rates are age-based. If you want to go on buying the same amount of pension each year, you will need to increase your contribution amount each year.

If you pay a percentage of your salary this will increase the amount paid each year as your pay increases, but it may still not buy the same amount of pension.

If you choose to pay by regular deduction from salary, you must do so for the full **scheme year**, starting on 1 April, except in the year you start work and the year you leave. You can choose to make an open-ended commitment to go on contributing every month, until you leave or choose to cancel it.

Alternatively, you may pay by lump sum, but not in the first 12 months after you join the scheme. You can make one lump sum payment each year.