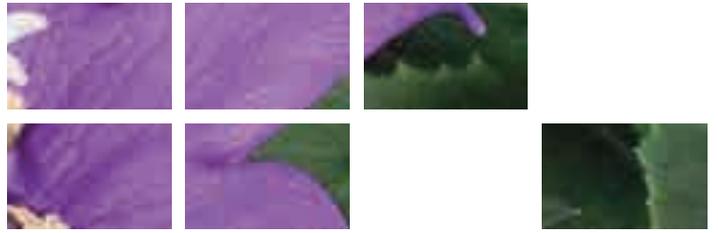




premium pension scheme
A guide to available benefits

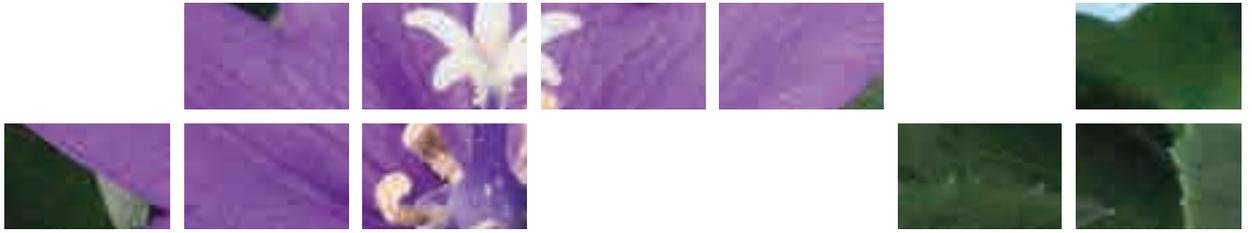


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Note: This booklet does not cover every aspect. Full details are contained in the rules, which are the legal basis of the scheme. Nothing in this booklet can override them and, in the event of any difference, the rules will apply. You should bear in mind that the booklet is based on the rules in force at the time of publication; your pension benefits will be worked out using the rules relevant to your period of service.

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



Introduction

What is premium and who can get it?

premium is an occupational **defined benefit** pension scheme. It provides a way of saving for your retirement. Over the years, you and your employer both make contributions to the scheme. When you retire, we pay you a pension based on the years you contributed to the scheme and on your **pensionable earnings** in your final years of service.

premium was closed to new entrants from 30 July 2007.

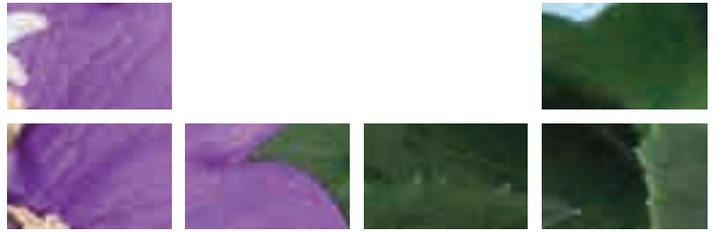
After 31 March 2015, with the introduction of **alpha**, no person is in or is eligible to be in pensionable service under **premium** unless the person is a protected member. This is because all other members would have transitioned into the **alpha** scheme from 1 April 2015.

A protected member means a full protection member, a tapered protection member or an ill-health protection member.

If you have transitioned into **alpha** and you want to find out more about how this affects your pension, you should read the **alpha** scheme guide found on the Civil Service Pensions website:

www.civilservicepensionscheme.org.uk

Protected members who left their previous Civil Service post because of ill health retirement and are receiving an upper-tier pension are not eligible to become a member of the PCSPS or **alpha** if they rejoin within 5 years. If they rejoin with a gap in service of more than 5 years they can join **alpha** or **partnership**.



Paying for your pension

How much will I pay?

You will pay a variable contribution rate dependent upon your **pensionable earnings**. Details of the amount you will pay can be found on www.civilservicepensionscheme.org.uk

What earnings are pensionable?

As a general rule, only permanent items of pay are pensionable. This includes any allowances that your employer tells you are pensionable, but will not include payments such as overtime.

Bonus payments do not normally count as **pensionable earnings**. But if you receive **pensionable bonus** payments, both you and your employer will pay contributions on them.

You may also have some non-cash **pensionable earnings** – for example, some people's pensions will take account of a uniform allowance, and others may have an allowance for accommodation. In these circumstances you and your employer will also pay contributions based on the equivalent cash value of these non-cash **pensionable earnings**.

If you are on reduced pay during maternity leave (and in certain other circumstances) your employer will make contributions based on the pay that you would have expected if you were not off work. Your contributions will be based on your reduced pay.

There are tax limits on your pension contributions and your pension benefits. You may have to pay extra tax if you exceed the limits.

If you are a higher earner you also need to be aware that your **pensionable earnings** may be limited to the '**earnings cap**' unless you joined the Civil Service pension arrangements before 1 June 1989.

The Scheme Administrator (**MyCSP**), can give you more information.

How much will my employer pay?

Your employer makes contributions, set at a level advised by the **scheme actuary**, to provide enough funds to pay the pension as promised.

Do I get tax relief?

Your employer takes your contributions from your pay before working out the tax, so you will automatically receive full income tax relief. This is subject to HMRC limits.

State Benefits

The new State Pension was introduced on 6 April 2016, for people reaching State **Pension age** from that point onwards, replacing the previous two part state pension arrangements – Basic Pension and earnings related ***State Second Pension (S2P)**.

Members of the scheme were contracted-out of S2P between 6 April 1978 and 5 April 2016, when **contracting out** ceased.

Due to the contracted out status between 1978 and 2016, members of the scheme paid lower rates of National Insurance contributions and did not build up entitlement to the S2P element of the previous two part state pension.

Your new State Pension amount will take into account any period you were contracted out of S2P,



plus your National Insurance record between 6 April 2016 and your **State Pension** age.

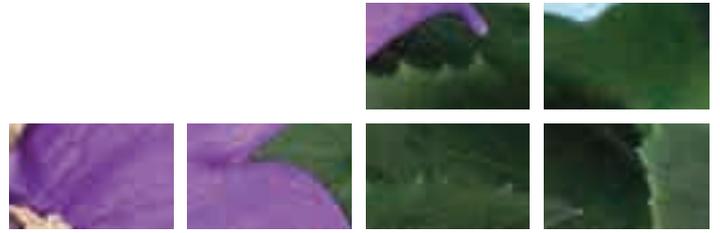
*** The State Second Pension (S2P) was previously known as the State Earnings- Related Pension (SERPS).**

What if I have periods off work?

You can usually only pay contributions and build up **reckonable service** if you are actually working. The main exceptions to this are certain periods of maternity, paternity or adoption leave which count as **reckonable service**.

If your employer allows you to take a career break you will continue to be a member of the scheme although neither you nor your employer will pay contributions and you will not build up **reckonable service** during this period.

If you are off work on long-term sick leave you will continue to build up **reckonable service** while you are receiving sick pay at full or half pay.



How your pension is worked out

We work out your pension as 1/60 of your **final pensionable earnings** for every year of **reckonable service** in the scheme.

Example

Mohammed leaves **premium** after 20 years' **reckonable service**. His **final pensionable earnings** are £18,000 a year.

Mohammed's **premium** pension
 $= 1/60 \times 20 \times £18,000 = £6,000$ a year.

The maximum length of **reckonable service** that can count towards your pension is 45 years. However, before 1 March 2008, the number of years was restricted to 40 years. So, if you had built up 40 years before 1 March 2008, you could not build up any more pension until that date.

If you were a member of **classic** on 30 September 2002 and chose to join **premium** from 1 October 2002 your **reckonable service** in **classic** will have been converted into **premium reckonable service**. You will have been told at the time how many years of **reckonable service** you would receive in **premium** in exchange for your years of **classic reckonable service**.

In most cases the conversion rate will have been 0.92 years of **premium reckonable service** for every year in **classic** but, depending on your circumstances, you may have had slightly less.

What if I work part-time?

If you work part-time we will work out your pension by using a full-time equivalent rate for your **pensionable earnings** and by counting your **reckonable service** on the basis of the hours you actually work. We will add together periods of full-time and part-time service.

Example

Jenny works full-time for 25 years and then works part-time (18 hours a week instead of the full-time 36 hours) for 10 years. When Jenny retires, her actual **pensionable earnings** in the last 12 months are £10,000. Her full time equivalent **final pensionable earnings** are £20,000.

Jenny's **reckonable service** is
 $25 + (10 \times 18/36) = 30$

Jenny's **premium** pension is
 $1/60 \times £20,000 \times 30 = £10,000$ per year



How will I know what my pension will be?

Each year we will send you an **Annual Benefit Statement**.

Annual Benefit Statements provide members with a summary of their Civil Service pension benefits, up to the date of the statement each year, based on your current salary.

Do I get a tax-free lump sum?

When you retire you can choose to give up part of your pension for a tax-free lump sum. You can choose how much extra lump sum you want to take up to a maximum set by HMRC. Other restrictions may apply if you left the scheme before 1 October 2007.

You must give up £1 of annual pension for each £12 of lump sum you take. You can find out how much lump sum you can take, and the effect it will have on your pension by using the calculator on the Civil Service Pensions website; www.civilservicepensionscheme.org.uk

Example

Tom retires after 30 years' service with a pension of £10,000 a year.

He has an option to take a tax-free lump sum of up to £42,857.14. If Tom chooses to take the maximum tax-free lump sum, he will have to give up a pension of £3,571.43 a year. This means that Tom can choose:

- a pension of £10,000 a year; or
- a maximum single tax-free lump sum of £42,857.14 plus a pension of £6,428.57; or
- some other combination of pension and lump sum up to the maximum allowed.

Reducing your annual pension in this way generally has no impact on your dependants' pensions as these are based on your pension before you give any up for a lump sum.

However, if you are aged 75 or over when you die, the tax rules on pensions may restrict the total of any dependants' pensions payable to a maximum of the amount of your pension at the date of your death.

If you take a lump sum, your dependants' pensions may be reduced if you die after reaching 75 and leave two or more children under age 18 (or under age 23 if they are in full-time education).



Joining up previous pensions

I have a pension from another scheme. Can I bring this into premium?

If you have pension benefits in the scheme of a previous employer, you may transfer them into premium.

To do so, you must apply in writing to the Scheme Administrator (**MyCSP**). The **transfer value** will buy a credit of **reckonable service** and will be used to provide the equivalent of **premium** benefits. You should note that the Scheme may refuse the transfer if it does not cover the cost of your **Guaranteed Minimum Pension (GMP)**. Similarly, the Scheme may refuse a transfer where the sending scheme does not meet certain requirements. The transfer must be completed before you leave pensionable service.

You can also bring a transfer in from a non-occupational pension scheme (for example, a personal pension or a deferred annuity contract). Most **premium** members are no longer able to do this as you have to apply within 12 months of being eligible to join premium.

My previous employer's scheme is in the Public Sector Transfer Club. What does this mean?

The Public Sector Transfer Club offers employees who move between Club employers the opportunity to transfer their pension benefits on special terms. Club terms are only applied when someone moves employment on a voluntary basis. Most **premium** members are no longer able to transfer in pension benefits under the Public Sector

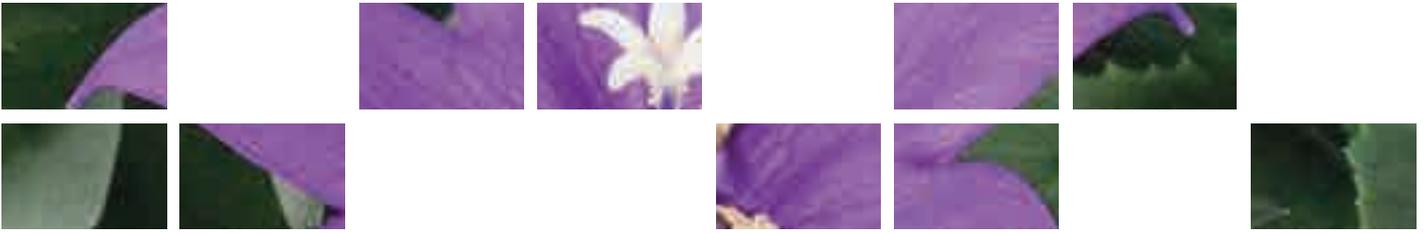
Transfer Club arrangements because you have to apply within 12 months of becoming eligible to join **premium**. Further information about the Club can be found on:

www.civilservicepensionscheme.org.uk

I have a preserved pension from when I previously worked in the Civil Service. What happens to that?

If you have **preserved benefits** in **classic**, **classic plus** or **premium** from a previous period of employment, you can either leave your earlier pension **preserved** or you can aggregate (join up) your earlier period of service with your current service for a single pension based on your **final pensionable earnings** when you next leave the scheme.

Most **premium** members are no longer able to aggregate because you must make your choice within 12 months of becoming eligible to join (or rejoin) **premium**. To do so, you must apply in writing to the Scheme Administrator (**MyCSP**).



Boosting your pension

Can I pay more for a bigger pension?

You have a range of options:

- Added pension is an additional amount of pension that you can choose to buy. It increases in line with rises in the cost of living every year both before and after it comes into payment. When you retire you can choose to give up some of your added pension to take a lump sum. You can find an added pension calculator, which will give you an idea of the cost of buying added pension, on:
www.civilservicepensionscheme.org.uk.

- You can pay Additional Voluntary Contributions (AVCs) to the Civil Service Additional Voluntary Contribution Scheme (CSAVCS). The provider is Legal & General.

AVCs can help you to build up an additional pension pot which you can use to take an income and/or lump sum from age 55 (or 50 if you had a CSAVCS before 6 April 2006).

You can take up to 25% of your fund as a tax-free lump sum subject to the **Lifetime Allowance**. You do not have to take your CSAVCS benefits at the same time as your Civil Service pension.

Visit: www.civilservicepensionscheme.org.uk for more information.

It was possible, up to 29 February 2008, to buy 'added years' of service. If you have an existing added years contract and want to know more about it, please contact the Scheme Administrator (**MyCSP**).

Leaving the scheme (before retiring)

What if I resign?

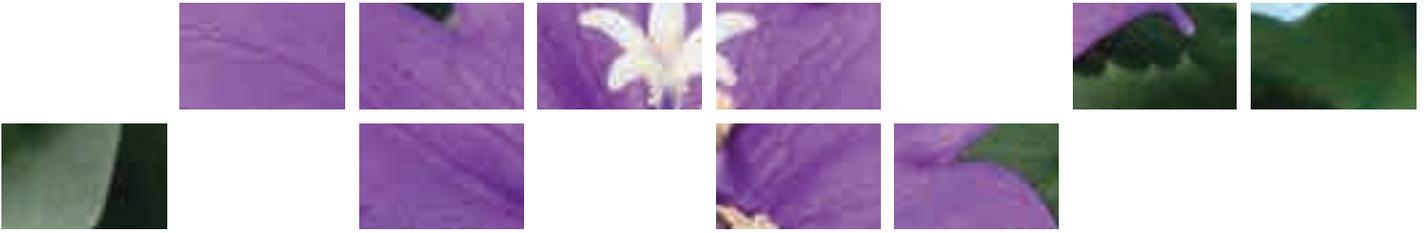
If you have at least two years' **qualifying service** we will preserve your pension for payment at the **pension age**. When you claim your pension, we will pay it with increases in line with the cost of living. Please note that if you have transferred a personal pension into the scheme, you will be treated as if you have two years' service, so you will immediately become entitled to a preserved pension or a transfer. The same also applies if you have preserved benefits from a previous period of Civil Service employment.

You can claim your pension from age 50 if you joined premium before 6 April 2006, or from age 55 if you joined after that date. However, if you claim your pension before age 60 we will permanently reduce your pension for early payment.

You can also ask for a **transfer value** to be made to another **Defined Benefit** pension scheme. The **transfer value** will be equal to the cash value of your benefits.

If you leave within one month of joining, or you leave after one month but within three months and you do not already have a preserved award, you will receive a refund of the contributions you have made which your employer will refund with your salary, less tax.

If you leave before pension age with more than three months' but less than two years' service (including any service you have transferred in) and do not already have a preserved award, the



Scheme Administrator (**MyCSP**) will give you the choice to either:

- have a refund of your contributions, less tax and your share of the cost of reinstating you in the State Second Pension (where appropriate) for any service prior to 6 April 2016;

Or,

- transfer the value of the benefits you have built up to another pension scheme. You must tell the Scheme Administrator (**MyCSP**) if you want this to happen. Be aware that time limits and other restrictions may apply.

What happens if I become too ill to work?

If you have to leave the Civil Service before scheme **pension age**, and our Scheme Medical Adviser (SMA) agrees that you cannot do your job because your health has broken down permanently, we may pay you your pension early without reduction. If you have less than ten years' service we may give you extra years of service, subject to limitations.

If our SMA agrees that your ill health is so severe that you cannot do your own or a similar job, we may also give you all the extra years of service you would have expected to have had if you had worked to the scheme **pension age**.

You must have at least two years' **qualifying service**.

What happens if I am made redundant?

Your employer may pay you compensation for loss of employment under the Civil Service Compensation Scheme if you have at least two years' service. Further information about the Civil Service Compensation Scheme can be found on: www.civilservicepensionscheme.org.uk

I no longer want to be a member of premium

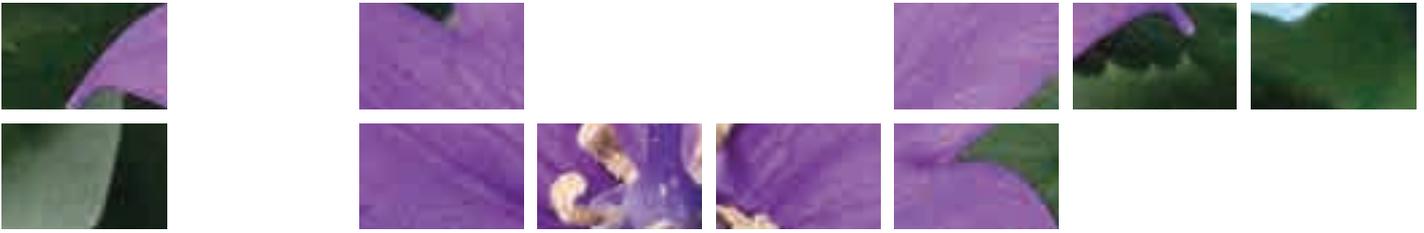
If, having joined **premium**, you wish to 'opt out', you can do so at the next available pay period. We advise you to think very carefully about what you are giving up. Before you make a decision, please look at our 'Opting out' fact sheet on: www.civilservicepensionscheme.org.uk

You may also wish to consult an Independent Financial Adviser (IFA).

If you decide to opt out you can download the latest version of the Opt Out form from: www.civilservicepensionscheme.org.uk or you can ask the Scheme Administrator (**MyCSP**) for a copy.

You should send the completed Opt Out form to your employer.

Once you have opted out, you can rejoin at a later date in your service if you wish but you will only have one opportunity to opt back in.



Please note: The Pensions Act 2011 requires all employers to automatically re-enrol most workers who are not in a qualifying pension scheme periodically (usually every three years), from the employer's **automatic enrolment** staging date. The Civil Service applies this to all workers who are not currently in a qualifying pension scheme. Your employer will be able to tell you when this is.

I would like to change my pension arrangements

You can switch to **partnership**, a **defined contribution** pension at any time. If you want to do this you will need to complete a Pension Switch form and return it to your employer at least two months before the date you want to switch. You can find out more about **partnership** on the Civil Service Pensions website: www.civilservicepensionscheme.org.uk

Retiring

When can I get my pension?

The normal **pension age** for most members of **premium** is 60. This is the earliest that you can usually get your pension without it being reduced for early payment. You can apply to retire at any time from the age of 50 if you joined **premium** before 6 April 2006, or after 55 if you joined on or after that date. However, because your pension will be paid for more years, we will reduce it. This reduction to your pension is permanent.

It will help if you agree your last day of service with your employer as far in advance as you can. Your employer will notify the Scheme Administrator (**MyCSP**) who will send you an estimate of your pension benefits, plus a Personal Details Form – this is, your pension claim form. You should check the details, complete and sign the form, and return it as quickly as possible.

Will you increase my pension?

Once your pension is in payment we will usually increase it every April in line with rises in the cost of living.

Can I continue to work and get my pension?

Partial retirement allows you, with the agreement of your employer, to draw some or all of your premium pension and remain in work. You must reduce your earnings by at least 20% to be eligible.

You must apply to take partial retirement no later than three months after your employer has agreed to reshape your job.



If your new salary and pension together exceed your salary before partial retirement, your pension may be reduced while you remain in employment. This is known as **abatement**.

You can find out more about partial retirement on: www.civilservicepensionscheme.org.uk

Can I give some of my pension benefits to someone else?

Yes, you have the option to give up part of your pension to provide benefits for another person. This is known as 'allocation' of pension. You may choose to add to the benefits you have already provided for your husband, wife or civil partner, or to provide for another person who is dependent on you.

You need to remember a number of points about allocating part of your pension.

- You must be eligible.
- You give up part of your pension permanently.
- You can only allocate at final retirement; it is not possible to allocate when you take partial retirement.
- You must make your allocation decision before we start to pay your final pension.
- You cannot change or cancel the allocation, even if the person who would have received the benefits dies first.

- The pension you allocate is payable for life and is not affected if you get married again or enter into a civil partnership.

If you are interested in allocating your pension, contact the Scheme Administrator (**MyCSP**) for more information.



Benefits for your dependants

What happens if I die in service?

We may pay a lump sum of three times your **final pensionable earnings** to:

- a person (or people) or organisation you have named on your death benefit nomination form; or
- your personal representative.

If you are receiving a Civil Service pension (for example, following partial retirement or re-employment), your death in service lump sum will be lower to take account of the pension and lump sum you have received.

If you have at least two years' **qualifying service** your widow, widower, surviving civil partner or partner may also receive a pension. We will work this out as 37.5% of your pension, increased to take account of an **enhancement** to your **reckonable service** (up to a maximum of ten years).

A pension may also be payable in respect of any eligible dependent children.

Example

Sandra dies in service, aged 45. She has 20 years' service and **final pensionable earnings** of £20,000 a year. Sandra leaves a civil partner, Nicola.

We base Nicola's pension on 30 years' service – that is, Sandra's 20 years' service plus an **enhancement** of an extra 10 years.

Nicola's pension:

$$1/60 \times £20,000 \times 30 \times 37.5\% = £3,750 \text{ per year.}$$

The death benefit lump sum is:

$$3 \times £20,000 = £60,000.$$

What if I die after I leave the scheme but before I start getting my pension?

If you leave the scheme and then die before receiving your pension, we may pay a lump sum of the lesser of:

- five times your annual pension; or
- two times your **final pensionable earnings**; increased in line with the cost of living.

We may pay the lump sum to:

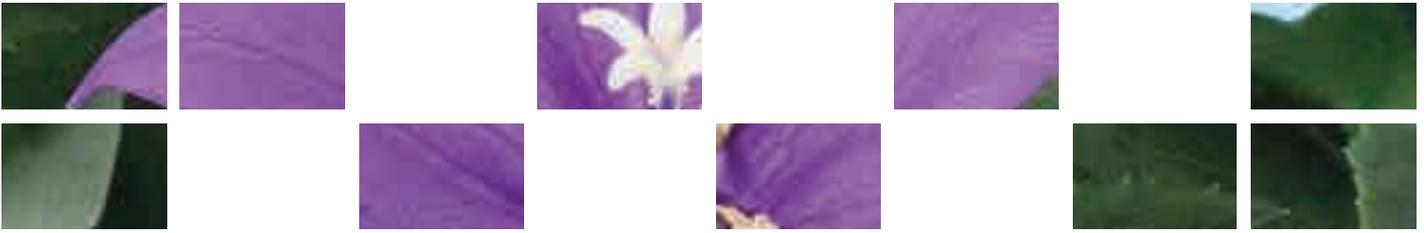
- a person (or people) or organisation you have named on your death benefit nomination form; or
- your personal representative.

We may also pay a pension to your spouse, civil partner or other adult dependant based on 37.5% of your **preserved** pension; increased in line with the cost of living.

What happens when I die in retirement?

If you die within five years of starting to receive your pension, we may pay a lump sum to:

- a person (or people) or organisation you have named on your death benefit nomination form; or
- your personal representative.



The amount we pay is equal to the amount of pension (including any added pension you had bought) that would have been payable to you during the remainder of the five years if it had continued at the annual rate in payment on the date you died.

If you are over age 75 when you die, we may pay any outstanding balance annually, in arrears, to your nominee(s) as a pension until the five-year period has expired.

If you die more than five years after you start getting your pension we do not pay a lump sum.

We may also pay a pension to your spouse, civil partner or other adult dependant based on 37.5% of your pension (before you gave any up for a lump sum) with increases in line with the cost of living. If you retired with an ill health pension, the pension may be less, as we do not take account of the full **enhancement** to your service you may have received.

I'm not married or in a civil partnership, but I have a partner

If neither you nor your partner is married to anyone else or in a civil partnership, we may pay your partner a pension, depending on the circumstances. We work them out in the same way as we would for a husband, wife or civil partner. More information can be found in the booklet 'Pensions for partners: a guide'. The booklet is available on:

www.civilservicepensionscheme.org.uk

How do I nominate someone to receive benefits?

You can nominate any person, including a child, and/or an organisation (such as a bank, a trust, a firm of solicitors or accountants) to receive the death benefit lump sum.

You must complete a Death Benefit Nomination form to make your nominations, which you can download from:

www.civilservicepensionscheme.org.uk

or request from the Scheme Administrator (**MyCSP**).

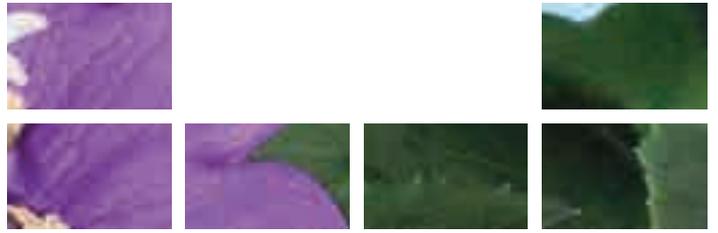
You will have to send the Scheme Administrator (**MyCSP**) a new nomination form if your wishes or circumstances change.

You should be aware that if you have nominated your husband, wife or civil partner and the marriage/civil partnership comes to an end, through divorce or dissolution (but not separation), the nomination will no longer be valid and you will have to make a new nomination.

Note

At the time of a divorce or dissolution, a court may order that when a scheme member, or a previous member, dies, all or part of the death benefit must be paid to the ex-husband, ex-wife or ex-civil partner. If this is the case, we may pay any balance to the person(s) or organisation you nominated (nominee) or to the personal representative.

You should keep your nominations under review. Your **Annual Benefit Statement** shows your nominations.



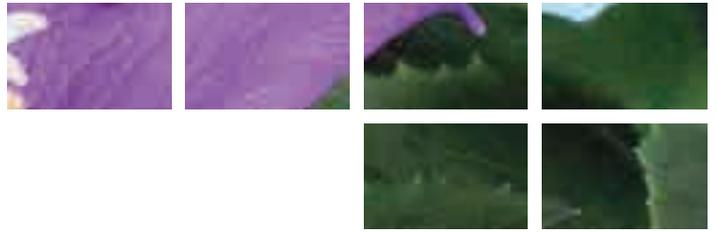
Will my children get a pension?

We may pay a pension to your children (and to any other children who rely on you financially) when you die.

We pay children's pensions for children up to the age of 18, or up to 23 if they are in full-time education. We may pay a pension after age 23 dependent on circumstances.

A pension may be paid for life to any child who was dependent on you because of physical or mental impairment, and in the opinion of the Scheme Medical Adviser (SMA) is unlikely to ever be able to work. They will no longer be eligible for a pension should they marry or enter in to a civil partnership.

We work out children's pensions based on 30% of your pension entitlement if we pay a pension to your surviving spouse, civil partner or adult dependant, or 50% if you did not leave an adult dependant. If you leave more than two children who qualify for a pension we will reduce each child's pension so they each get an equal share.



Other information

What if I am re-employed in the future?

If you leave and, at some point in the future, are re-employed in service covered by the Civil Service pension arrangements, you will only be able to rejoin **premium** in limited circumstances. Your prospective employer will be able to tell you more about this.

If you are re-employed after you have started taking your **premium** benefits, in service covered by the Civil Service pension arrangements, your pension may be reduced while you remain in that employment.

What if I am injured at work?

You may be entitled to benefits under the Civil Service Injury Benefits Scheme if you are injured on duty. Eligibility depends on individuals' circumstances and the nature of the accident or incident.

The injury benefit arrangements provide a guaranteed income for you if you suffer a qualifying injury that will affect your earnings in the future. The level of benefit depends on how much the qualifying injury affects your future earnings and on the length of your service.

If you are killed on duty, your spouse, civil partner or other adult dependant may qualify for an income. We may also provide an income for dependent children.

Please note that we do not normally pay injury benefits if you are injured or killed while traveling to or from work or if you are involved in activities which are not related to your duties.

You or your family may receive personal injury compensation if you have to stay away from home overnight as part of your job and you are then seriously injured or killed while off duty.

How do I complain?

If you have any concerns you should raise them with the Scheme Administrator (**MyCSP**). Often, a phone call or an email will be enough. If you are dissatisfied with the way your concerns have been handled you may decide to complain to the Scheme Administrator (**MyCSP**). There is further information available on:

www.civilservicepensionscheme.org.uk

If the problem is not sorted out to your satisfaction, you can raise your concerns under the Internal Dispute Resolution (IDR) procedure. This is a statutory process that all occupational pension schemes must have in place. The Scheme Administrator (**MyCSP**) will investigate under Stage 1, and if you remain dissatisfied you can raise your concerns to the Scheme Manager (Cabinet Office), under Stage 2.

You can contact The Pensions Advisory Service (TPAS) at any stage during the IDR procedure. 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

For further information see their website:
www.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

You can write to the Pensions Ombudsman at:
10 South Colonnade
Canary Wharf
E14 4PU

Who is the Pensions Regulator?

The Pensions Regulator 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.

For further information visit the Pensions Regulator's website:
www.thepensionsregulator.gov.uk

Email:
customersupport@thepensionsregulator.gov.uk

Transferring your rights to benefits (assignment)

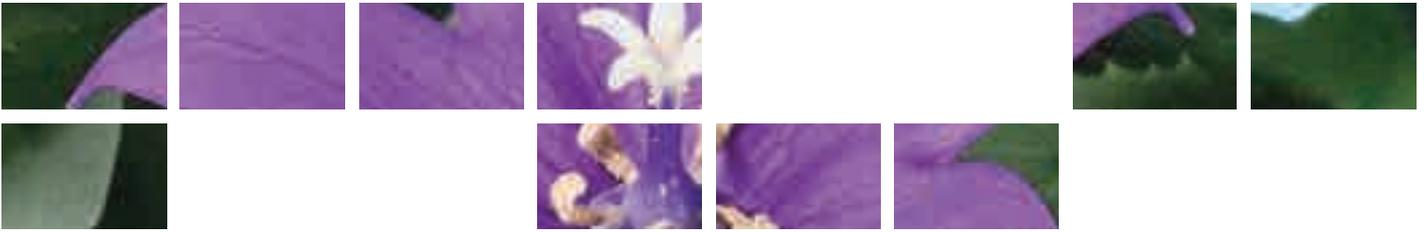
You are not allowed to assign any of your benefits. This means you cannot give anyone else the right to your entitlement from the scheme.

Rules

The Principal Civil Service Pension Scheme is a statutory scheme made under the Superannuation Act 1972. The rules applicable to **premium** are set out under section I of the PCSPS rules, which can be found on:
www.civilservicepensionscheme.org.uk

This booklet is based on the rules current at the time of writing and there is no guarantee that any part of the rules will not change in the future.

Before we make changes to the rules, we consult with the Civil Service unions. Under the Superannuation Act we must get the agreement of the unions for any changes to the rules that affect benefits that members have already earned. Any changes we make to the rules are laid before Parliament.



General information

Pension tracing service

The Department for Work and Pensions (DWP) operates a central tracing agency to help people keep track of any pension arrangements they had in the past.

You can contact 'The Pensions Tracing Service' by writing to them at:

The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

www.gov.uk/find-pension-contact-details

Loss of benefits

If you become bankrupt, your pension will be paid in line with relevant legislation.

What about State benefits?

You will receive a State Pension based on your National Insurance record.

How do I find out more about State pensions?

Visit www.gov.uk/new-state-pension or contact your Pension Centre.

The Scheme Administrator (**MyCSP**) holds your pension records and administers your benefits on your employer's behalf, including working out and arranging pension payments. They can only give you information about **premium** and other associated information about the Civil Service pension arrangements.

They do not have the authority to advise you on financial matters relating to pension decisions you may have to make. If you want help in making such decisions, we suggest you contact an Independent Financial Adviser.

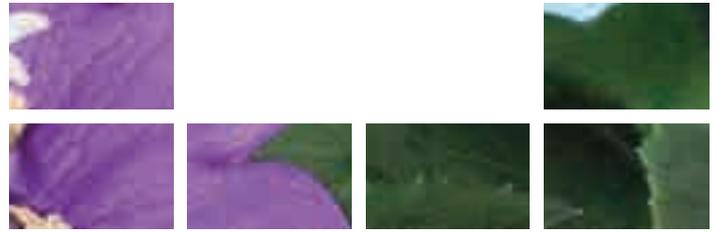
To find out how to contact The Scheme Administrator (**MyCSP**),

- ask your employer, or;
- visit: www.civilservicepensionscheme.org.uk

Publications

We have a range of booklets and leaflets covering all aspects of the Civil Service pension arrangements and associated benefits, which are available on:

www.civilservicepensionscheme.org.uk



Technical terms

Abatement

If you are re-employed by an organisation covered by Civil Service Pensions, after you have taken your **premium** pension, your pension may be reduced or stopped. This is known as **abatement**. This is because the Scheme rules require that your new salary and your pension, when added together, may not normally be more than your salary when you retired.

Annual benefit statements (ABS)

ABSs provide you with a summary of your Civil Service pension benefits, up to the date of the statement each year.

Automatic Enrolment

If you are opted 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 fact-sheet on **automatic enrolment** can be found on the Civil Service Pensions web site at: www.civilservicepensionscheme.org.uk

classic

A **defined benefit** occupational pension scheme based on final salary. The old Principal Civil Service Pension Scheme became known as **classic** on 1 October 2002. It was closed to new members from this date.

Contracting out

If you were a member of premium before 6 April 2016, you were opted out or 'contracted-out' of the **State Second Pension (S2P)** up to that date. You and your employer will have paid the lower rate of National Insurance contributions.

Defined benefit

A **defined benefit** pension scheme provides benefits based on set criteria. In **premium**, your benefits are worked out using your **final pensionable earnings** and **reckonable service**.

Defined contribution

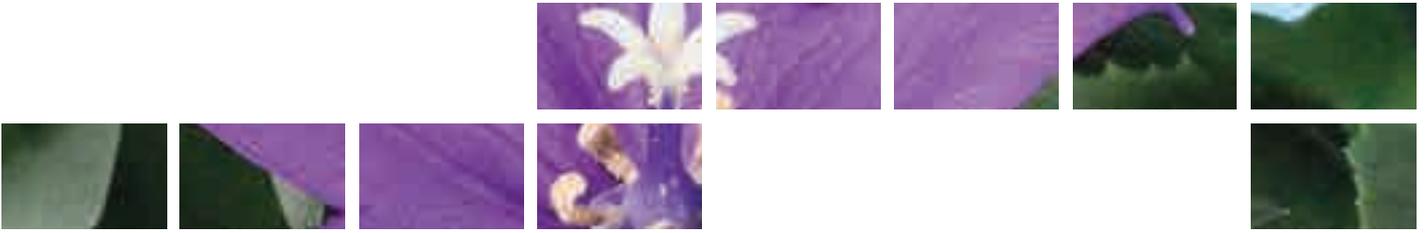
A **defined contribution** pension scheme provides benefits on retirement based on the amount of money that has been paid in to the scheme and investment returns. Benefits at retirement may be provided as an income and/or a lump sum payment.

Earnings cap

The maximum level of pay we will use when working out pension benefits and contributions. It applies to premium members who joined the scheme on or after 1 June 1989.

Enhancement/enhanced

If you retire early because of ill health or die in service we may increase the number of years you have in the scheme when we work out your (or your dependants') pension benefits.



Technical terms

Final pensionable earnings

These are the earnings on which we base your **premium pension**. Your **final pensionable earnings** will be whichever is the best of:

- your last 12 months' **pensionable earnings**; or
- your highest **pensionable earnings** in any of the last four complete scheme years; or
- your highest average **pensionable earnings** in any period of three complete scheme years during the last 13 years ending on your last day of service.

A scheme year is the period from 1 April to 31 March.

We will take account of rises in the cost of living in making the comparison.

The death in service lump sum is based on the best of your permanent **pensionable earnings** in the last 12 months and the best of one of the last two scheme years. We will not make any adjustment for inflation when making the comparison.

Lifetime Allowance

This is the limit to the amount of tax privileged pension benefits a member can draw over their lifetime before they incur a tax charge.

The Scheme Administrator (MyCSP)

This is the organisation that holds your pension records and administers your pension on your employer's behalf, including working out and arranging pension payments.

partnership

The **partnership** pension account is a **defined contribution** pension arrangement. Members of the **partnership** scheme do not have to contribute but their employer will.

Pension age

This is the earliest age at which you can choose to receive immediate payment of your premium pension without reduction (in most cases, this is 60).

Pensionable bonuses

Bonus payments do not usually count towards your pension unless your employer has agreed that they can.

Pensionable earnings

These are all earnings which could count towards your pension. They can include non-cash items, for example, uniforms or accommodation.

Preserved benefits

We will hold (preserve) the pension benefits you have built up if you leave the scheme before **pension age** and have decided not to transfer them to another pension scheme. (We will only do this if you have built up more than two years' **qualifying service**.)



Qualifying service

Generally, this is the number of years and days you have been a member of the Scheme, and it qualifies you for certain benefits.

Reckonable service

The service that counts towards a pension. Part-time service counts on the basis of the hours you have worked. Unpaid absences such as strike days or career breaks do not count towards your pension.

Scheme actuary

The **scheme actuary** provides actuarial advice to the scheme.

State Second Pension (S2P)

The additional State pension (on top of the basic State Retirement Pension) that used to be called State Earnings-Related Pension (SERPS). The amount you receive depends on your National Insurance contributions. **Please note – this ended on 5 April 2016.**

Transfer value

The value of accumulated pension rights within a pension scheme that may be used to transfer benefits from that scheme to another pension scheme.

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



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