

Civil Service pension reform: newsletter 3

This newsletter tells you about the introduction of **partial retirement**. This facility will be introduced from 1 March 2008 for members of **classic**, **classic plus** and **premium** and is already available to members of **nuvos**. People with a **partnership** pension account are not affected.

Is this likely to interest me?

Increasingly, people are tending to work on beyond their scheme pension age (60 for most members of **classic**, **classic plus** and **premium**) and then move gradually into retirement rather than moving overnight from full-time work to full-time retirement. A gradual transition can work well for the individual as it allows them (and their families) to adjust to a new lifestyle; if it can be achieved by staying with the same employer in a reduced capacity it can also help the employer retain skills while making space to bring on other people. A gradual move into retirement may sound like a good idea but it may not be affordable for many people because, at present, you generally cannot draw your Civil Service pension and carry on working.

Partial retirement will allow people who agree with their employer to “reshape” their job, so that their earnings reduce by at least 20%, to draw some or all of their Civil Service pension and remain in work.

What is involved in “reshaping” a job?

It's up to you to have the conversation with your employer. It could be reducing your hours, changing your job content or moving to another role in the organisation. But your pensionable earnings must reduce by at least 20% and the change must be permanent.

Please note that your employer may not be able to agree your request to reshape your job; this may not be feasible in your organisation at present. Also, where your employer can agree to reshape your job they may require you give a minimum period of notice before the change takes effect.

How does partial retirement work?

When you have agreed with your employer how and when your job will be reshaped, you decide how much pension (and related lump sum) to take. If you are in **classic**, **classic plus** or **premium**, your reckonable service is then reduced to reflect this. You carry on working and build up further pension in your current pension scheme before you retire. During the period between partial and final retirement you will be treated partly as an active scheme member and partly as a pensioner member.

I have reserved rights to formal retirement – how am I affected?

From 1 March 2008, formal retirement will be possible only for pre-Fresh Start prison officers.

Where do I find out more?

If you are interested in taking matters further you must read the booklet “**Partial Retirement – a guide for scheme members**”. This provides a lot of detail and explains the things you must think about. It is important that you do not commit to partial retirement without understanding the implications for your pension on final retirement. You can download the booklet from the Pension Reform pages of the website or ask your administrator for a copy. You can also access a calculator on the website; this may help you understand what effect partial retirement may have on your income now and in the future.

We will issue further newsletters to keep you informed about pension reform.