

Pension changes update February 2014

A new pension scheme

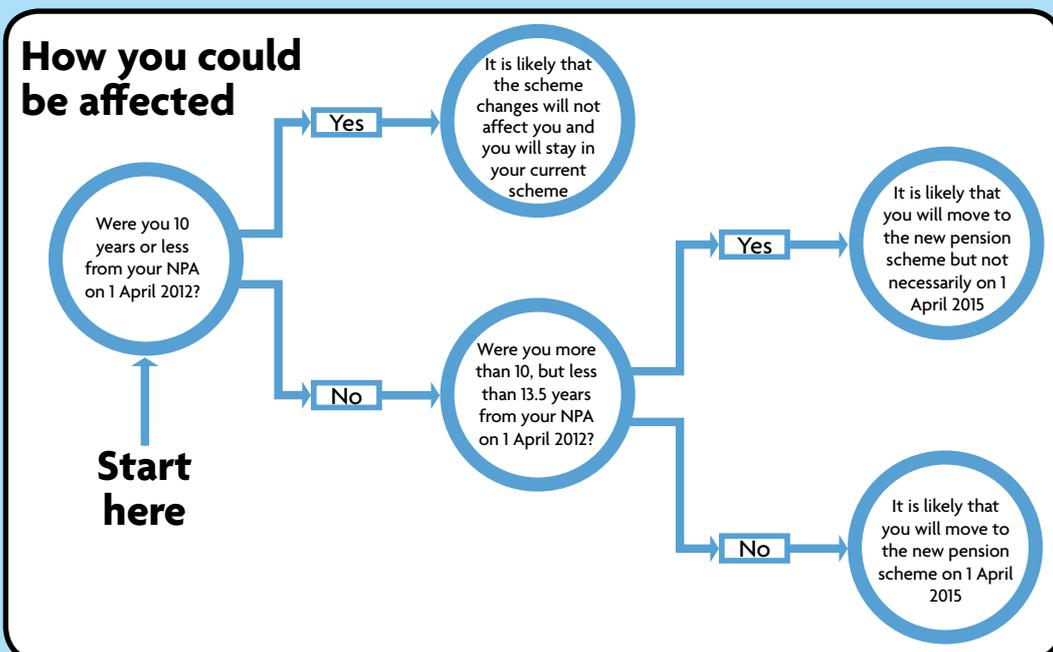
As part of the Government's reform of public service pensions, a new pension scheme will be introduced on 1 April 2015. This means that the majority of existing Principal Civil Service Pension Scheme (PCSPS) members (includes **classic**, **classic plus**, **premium** and **nuvos**), and most new members, will move to the new scheme.

How you are personally affected by the changes depends on how close you were to retirement on 1 April 2012. This is based on your Normal Pension Age (NPA) - this is the earliest age that you can usually take your pension benefits without reduction.

The section of the scheme you are currently in will determine your NPA;

- For **nuvos**, the NPA is 65.
- For **classic**, **classic plus** and **premium**, the NPA is 60.

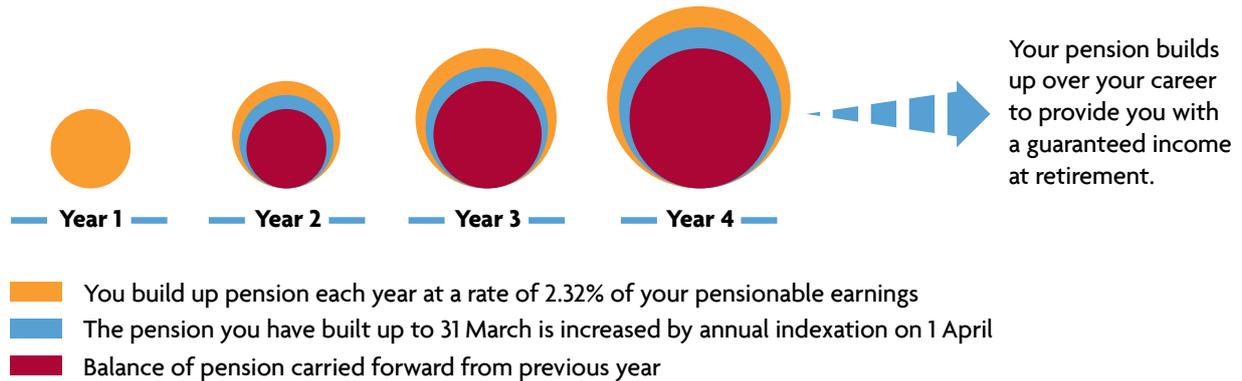
However, if you have been compulsorily moved into the PCSPS from another public service pension scheme you may have a different NPA. If you think this may apply to you, please check with your employer or MyCSP: www.civilservicepensionscheme.org.uk/contact-us



What will moving into the new scheme mean?

The new pension scheme will continue to provide 'defined benefits', which will give you a guaranteed income in retirement. You will build up pension each year in the new scheme at a rate of 2.32% of your pensionable earnings, until you leave or retire. Like the existing **nuvos** arrangement, this is known as a Career Average scheme.

How your pension builds up in the new scheme



An important change in the new scheme is the age at which you can take your pension benefits without reduction. Your Normal Pension Age (NPA) in the new scheme will be the later of age 65 or your State Pension Age at the time of your retirement. You can work out your current State Pension Age here. www.gov.uk/calculate-state-pension

You can take your pension before or after this age. If you do so your pension benefits will be adjusted to reflect the fact that you may be receiving your pension earlier or later.

Your pension benefits will be worked out in two parts when you retire or leave employment.

If you are currently a member of one of the final salary sections (**classic**, **classic plus** or **premium**), the service you build up until the date you move into the new scheme will be 'banked'. Your part 1 pension benefits will be based on your 'banked' service and your pensionable earnings, at or close to the point you leave or retire from the 2015 pension scheme.

For current **nuvos** members, your **part 1** pension benefits will be based on your 'banked' pension which you build up until the date you move into the new scheme.

Your **part 2** benefits will be based on the pension built up in the new scheme from 1 April 2015 or the date you join the new scheme if later.

Further information about the changes

More information, other guidance materials and a Q&A section will be published on the scheme website www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/2015-pension-changes-faq/ over the coming months.

The website already contains some information and guides to help you understand the scheme changes. These guides include an explanation of how you will be affected, depending on which scheme you are currently in (ie **classic**, **classic plus**, **premium** or **nuvos**). These items can be found here. www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/where-can-i-get-more-information/

If you are not already a member and you are thinking of joining the PCSPS, you can find out more about the current scheme here. www.civilservicepensionscheme.org.uk

The information contained in this bulletin is up-to-date at the time of publication (February 2014).

This bulletin does not cover every aspect of the existing scheme and the pension changes. Full details of your existing scheme are set out in the scheme rules, which are the legal basis of the scheme. You should note that nothing in this guide can override the rules, and in the event of any difference, the rules will apply.

Was this update helpful?

We want to make our pension communications as helpful as possible and give you what you need to understand your pension benefits and make informed decisions about your future. Please help us to do this by using this feedback form.

www.smartsurvey.co.uk/s/2015communications - Or scan the QR code. 

