

Section 04

Leaving

the

scheme

Not everybody stays in the pension scheme until they retire. When you leave, the benefits you have built up will depend on how much qualifying service you have in the alpha pension scheme, including service relating to a transfer in from another scheme.

Qualifying service is the length of time that you have been a member of alpha, and the amount that you build up qualifies you for certain benefits. In alpha you need to have at least two years' qualifying service to get a pension.

Section 04

Leaving the scheme



This guide uses as little jargon as possible but where it has to use specific pensions or other technical terms, they have been explained in plain English.

This section provides a guide to leaving alpha. It does not cover every aspect of alpha. Full details are set out in the regulations, which are the legal basis of the scheme.

Nothing in this guide can override the alpha regulations. Every effort has been made to make this guide as accurate as possible, but in the event of any difference, the regulations will apply. This guide is based on the alpha regulations current at the time of publication and there is no guarantee that any part of the regulations will not change in the future.

You should not take anything in this section as financial advice. You might want to consider contacting an Independent Financial Adviser (IFA) to discuss your retirement planning. You can find tips on finding an IFA by visiting the Financial Conduct Authority website: www.fca.org.uk

This section explains:

04A. Leaving with less than two years' service

A guide to what you can receive and the options you will get if you leave with less than two years' service.

04B. Leaving with more than two years' service

A guide to what you can receive and the options you will get if you leave with two or more years' qualifying service.

04C. Re-joining alpha after leaving

How your pension could be affected if you re-join alpha after leaving. Your pensions may be joined up, or remain separate.

04D. Transferring your pension out of alpha

A guide to transferring your alpha pension to another pension scheme.



Section 04A

Leaving with less than two years' service



I am leaving before I have built up two years' qualifying service, what do I get?

Because you have not built up enough qualifying service in the scheme to qualify for a pension you get to choose from two options.

You can receive:

- a refund of your contributions less deductions; or
- a cash transfer sum to transfer your fund to a new pension arrangement.

If you have a very short period of service (less than three months) you cannot transfer your alpha pension into another scheme but you will be entitled to a refund of your contributions which your employer will process through the normal payroll.

If you can transfer your pension into another scheme, you must apply within strict time limits; you will be advised of these when you get your transfer quote.

What is a refund of contributions?

This is a refund of the pension contributions that you have paid, less deductions for tax and an amount to buy back your State Second Pension (S2P).

It is only the money that you have paid in that will be refunded, not any contributions paid by your employer.

What is a cash transfer sum?

This is the value of the notional pension benefits you have built up. You can choose to transfer it into another pension scheme. There is more information about transferring your pension in Section 04D - Transferring your pension out of alpha.

Can I have a preserved pension instead?

No, unless you have two years' qualifying service you are not entitled to a preserved pension in alpha.

I transferred in a pension from another pension scheme. Does this affect anything?

The transfer in will have bought you some additional alpha pension.

A transfer in from a personal pension allows your pension to be preserved even if you have less than two years' service.

How is my refund / transfer worked out?

Your refund is the total amount of contributions that you have paid in, less deductions for tax and an amount to buy back your State Second Pension (S2P). The statement that you get on leaving will show your total contributions and the deductions made.

There is more detail on how the scheme administrator works out how much your pension is worth (the transfer value) in Section 04D - Transferring your pension out of alpha.

I was buying an EPA. Does this affect my refund or transfer?

Your refund will take into account the higher contributions you were paying. Your transfer will be worked out to reflect the value of the EPA portion of your pension.

I was buying added pension. Does this affect my refund or transfer?

Your refund will include your added pension contributions that you paid. Your transfer will include any added pension that you had bought.



When and how do I claim my refund?

Shortly after you leave you will get an estimate of your refund and cash transfer sum, and a form to return telling the scheme administrator your preferred option.

If you choose a refund it will be paid into your bank account. You should ensure that you return the option form as this will make sure that the money is paid to the correct account.

When and how do I start the transfer process?

When you get the estimate of your refund and cash transfer sum, you can advise the scheme administrator of your preferred option and the details of where you want to transfer your benefits.

You must return the form within three months stating that you would like a transfer. You and the receiving scheme will need to complete the relevant discharge papers to enable the transfer to be paid.

Section 04A

Leaving with less than two years' service, including the Principal Civil Service Pension Scheme (PCSPS)



This section only applies to members who were in the PCSPS (classic, classic plus, premium, or nuvos) before 01 April 2015, and then moved from that scheme into alpha.

It does not cover every aspect of the scheme; full details are set out in the scheme rules, which are the legal basis of the scheme. You can find copies of the PCSPS scheme rules on the Civil Service Pension Scheme website.

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If this section applies to you, please read it carefully to understand what happens to both parts of your pension if you leave.



I was in the PCSPS before moving into alpha. How does this affect me?

You will be offered a transfer or refund if you have less than two years' total qualifying service.

Section 04A Leaving with less than two years' service, including the PCSPS

This is the combined total time that you have been a member of alpha and any of the PCSPS schemes (classic, classic plus, premium, or nuvos) including any transfers in from other occupational pension schemes.

I am leaving before my alpha Normal Pension Age (NPA), but after my PCSPS NPA.

If you leave employment as well as the scheme, and you are over your PCSPS NPA (usually age 60, or age 65 for nuvos) you can get immediate payment of your PCSPS pension.

Your alpha pension contributions can be refunded or the value of your alpha pension can be transferred out.

I have less than two years' service and I am leaving before both my alpha NPA and PCSPS NPA.

You can get a refund of contributions or cash transfer sum transferred out from both schemes.

I am leaving after both my alpha NPA and PCSPS NPA.

You will get both parts of your pension paid immediately.

Section 04B

Leaving with two or more years' service



I am leaving after I have built up two years' qualifying service, what do I get?

With two years' qualifying service you will get a pension.

If you are leaving before you are old enough to claim your pension (the minimum pension age in alpha is currently age 55) or just do not want to claim it yet, you will get a preserved pension.

Do I have to leave my job?

No. Your pension will be preserved when you leave the pension scheme. This can happen when you resign from your current job, but also if you choose to opt out of the pension scheme.

What is a preserved pension?

This is the pension you have built up to the date you leave alpha. This pension is then adjusted in line with prices each year.

Can I have a refund of contributions or a transfer out instead?

You cannot have a refund of your contributions, because you have qualified for a pension; but you can transfer out your preserved pension (to a qualifying scheme) at a later date.

I transferred in a pension from another pension scheme. Does this affect anything?

The transfer in will have bought you some additional alpha pension, and this will make up part of your preserved pension.

A transfer in can allow your pension to be preserved even if you have less than two years' service. Generally if you bring in a transfer from a personal pension you will be eligible for a preserved pension.

How is the preserved award worked out?

Each year 2.32% of your pensionable earnings is added to your alpha pension, and at the start of every scheme year the total pension you have built up is adjusted in line with prices. Section 01B - Building up your benefits has more detail on this.

When your pension is preserved the amount that has been built up so far is added to 2.32% of your current year's earnings and this forms the basis of your preserved pension. From this point each year your preserved alpha pension is adjusted in line with prices.

I was buying an EPA. Does this affect anything?

Your preserved pension will include the EPA portion of your alpha pension that you were buying.

I was buying added pension. Does this affect anything?

Your preserved pension will include your added pension.

Does my preserved pension increase in value?

If you decide not to transfer out your pension into another pension scheme, it will remain preserved. Each year your pension is adjusted in line with prices.



When can I claim my preserved pension?

If you want to claim your alpha pension in full, without any early payment reduction, you must wait until your alpha Normal Pension Age (NPA).

Section 04B Leaving with two or more years' service

If you have bought an EPA portion of your alpha pension, it will be paid when you claim your alpha pension. The EPA portion of your alpha preserved pension will be adjusted differently to the main alpha pension, depending on which EPA option you chose.

Does claiming before my NPA affect my pension?

Yes. Your pension will be reduced for early payment if you claim it before your NPA because it is likely to be paid for a longer period of time.

The exact amount of reduction can vary, but in general the earlier you claim your pension, the greater the reduction will be.

This reduction is permanent. Your pension will not return to its full value once you reach your NPA.

EPA portions of your pension can be paid in full one, two or three years earlier than your alpha NPA depending on the EPA option you chose.

Does claiming it after my alpha NPA affect my pension?

Yes. Your pension will be increased for late payment if it is claimed after your NPA, because it is likely to be paid for a shorter period of time.

The exact amount of increase can vary. Every year after your NPA that you do not claim it, you get an additional increase added to your preserved pension.

These increases stop once you have claimed your pension.

How do I claim my preserved pension?

You will need to contact Civil Service Pensions to start the process of claiming your pension. You should give at least three months' notice to ensure that everything is in place in time for your first payment date.

You will get a quote and claim forms to complete and return to the scheme administrator confirming your chosen options and personal details.

Section 04B

Leaving with two or more years' service, including the Principal Civil Service Pension Scheme (PCSPS)



This section only applies to members who were in the PCSPS (classic, classic plus, premium, or nuvos) before 01 April 2015, and then moved from that scheme into alpha.

It does not cover every aspect of the scheme; full details are set out in the scheme rules, which are the legal basis of the scheme. You can find copies of the PCSPS scheme rules on the Civil Service Pension Scheme website.

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If this section applies to you, please read it carefully to understand what happens to both parts of your pension if you leave.



I was in the PCSPS before moving into alpha. How does this affect me?

You will get a preserved pension if you have more than two years' total qualifying service.

Section 04B Leaving with two or more years' service, including the PCSPS

This is the total amount of time that you have been a member of alpha and any of the PCSPS schemes (classic, classic plus, premium, or nuvos).

I was in alpha for less than two years. Do I get a refund of my contributions?

You are eligible for a refund only if your total service is under two years. If your combined service in the PCSPS and alpha is two or more years, you will get a preserved pension in each scheme.

I am leaving before my alpha NPA, but after my PCSPS NPA.

If you leave employment as well as alpha, and you are over your PCSPS NPA (usually age 60, or age 65 for nuvos), you can get your PCSPS pension paid immediately. Your alpha pension will still be preserved unless you are over the minimum pension age and you claim it early. The alpha pension will be reduced for early payment.

I am leaving before both my alpha NPA and PCSPS NPA.

You will get a preserved pension based on both schemes.

If you are over the scheme's minimum pension age you can look into claiming the pension on early payment terms. Each part of your pension could have a different minimum pension age and would be reduced for early payment.

I am leaving after both my alpha NPA and PCSPS NPA.

You will get both parts of your pension paid immediately.

I was in classic, classic plus, premium. Are there any special considerations?

You will still be able to claim the classic, classic plus or premium parts of your pension in full from that scheme's NPA. For most people this is age 60.

The final salary we will use to calculate this part of your pension will be your pensionable earnings worked out under the rules for that scheme at, or close to, your last day of service.

I was in nuvos. Are there any special considerations?

You will still be able to claim the nuvos part of your pension in full from the nuvos scheme's NPA, for most people this is age 65.

If you have any final salary elements to this pension, from a Club scheme or you have linked service from a previous classic, classic plus, or premium pension, we will use your pensionable earnings worked out under the nuvos rules at, or close to, your last day of service.



My classic or classic plus pension had an automatic lump sum. Will I still get this?

Yes. You will get the automatic lump sum from the classic or classic plus part of your pension when you claim your preserved pension.

Section 04C

Re-joining alpha after leaving



This information applies to anyone who has left the alpha scheme and then re-joined. This can be as a result of resigning and being re-employed, or opting out and then re-joining alpha at a later date.

Will everybody who re-joins alpha be treated in the same way?

No. How your pensions are treated will depend on:

- whether or not you have some pension benefits retained in alpha
- how long the break in your scheme membership was.

Do you have some pension benefits in alpha?

Yes - If you left with more than two years' service you will have been awarded a preserved pension. If you still have this preserved pension, you have pension benefits in alpha.

The length of your break in membership (see question 2) will also influence what will happen to your alpha pension on re-joining.

No – you will not have any benefits in alpha if:

- you left with less than two years' service and took a refund of your contributions
- you transferred your pension benefits into another scheme.

You will be treated as a new entrant when you join alpha.

Section 04C Re-joining alpha after leaving

How long was the break in your scheme membership?

- A break of five years or less is a qualifying break.

Re-joining alpha after a qualifying break will mean that your preserved pension will be automatically linked to your new period of service.

You will join alpha and your previous preserved pension will be cancelled. Some adjustments, based on prices, will be applied as if you had continued to be an active member during your time out of the scheme.

You will then start adding to your pension again as you earn pension benefits each year.

- A break of five or more years is a disqualifying break.

Re-joining alpha after a disqualifying break will mean that your preserved pension will continue.

You will join alpha as a new entrant and start building up a new and separate alpha pension.



Section 04C

Re-joining and the Principal Civil Service Pension Scheme (PCSPS)



This section only applies to members who were in the PCSPS (classic, classic plus, premium, or nuvos) before 01 April 2015, and then moved from that scheme into alpha.

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If this section applies to you, please read it carefully to understand what happens to both parts of your pension if you re-join the scheme.



What happens if I re-join alpha?

If you re-join alpha after leaving, and also have some service in the PCSPS (classic, classic plus, premium, or nuvos), how your pension is treated will depend on:

- whether or not you have preserved benefits
- how long your break was.

Section 04C Re-joining and the Principal Civil Service Pension Scheme (PCSPS)

Just like members who only have alpha benefits, you will need to have a preserved pension retained in alpha or in PCSPS, otherwise you will be treated as a new entrant when you re-join.

I have a preserved pension and have re-joined more than five years later. What happens to my pension?

Re-joining alpha after a disqualifying break will mean that your preserved pension will not be changed, and will stay as it is.

You will join alpha as a new entrant and build up a new and separate alpha pension.

Your PCSPS benefits will stay preserved too.

If during the period that you were not a member of alpha or PCSPS you worked for and joined the pension arrangement of another public service employer, special conditions may apply. Your employer will be able to tell you more about this.

I have a preserved pension and have re-joined in five years or less. What happens to my pension?

Re-joining alpha after a qualifying break will mean that your preserved pension will be automatically linked to your new period of service.

You will join alpha and your previous preserved alpha pension will be cancelled and re-calculated to include any price changes; it will be as if you had continued to be an active member during your time out of the scheme.

You will then start adding to your pension again.

Your PCSPS pension, immediately before you moved to alpha, will be cancelled too. The service (or benefits if you were in nuvos) will be banked again. Your pension benefits will be worked out again the next time you leave.

Any benefits based on a final salary related to a classic, classic plus, or premium pension, or a nuvos pension with final salary elements will be worked out using your final pensionable earnings at, or close to, the date you next leave service.



Section 04D

Transferring your pension out of alpha



Can I transfer my pension out into another scheme?

In almost all cases, you can apply to transfer out your pension benefits when you leave alpha.

You can apply to transfer your pension benefits to an eligible scheme, whether you have a preserved pension, or whether you are leaving with less than two years' service.

Why was I given a transfer out quote when I left alpha?

If you leave with less than two years' service you will get a quote showing your refund amount and the cash transfer sum in respect of the pension you have built up so far.

You have a limited time period to apply to transfer your pension. The deadline will be shown on the letter that you get.

How do I ask for a transfer quote?

If you leave with two or more years' service, you will not get a transfer quote automatically when you leave alpha.

You can request a transfer value quote from your scheme administrator in writing, by post or email.

The scheme administrator will send you a quote and the application forms to use if you choose to go ahead and arrange a transfer out to another pension scheme. If you want to proceed with the transfer you and your new pension scheme will need to sign the appropriate discharge papers.

How many transfer quotes can I have?

You can have one quote free of charge each year.

What if I need more quotes?

You can get additional quotes but you may be charged for this.

How long is my transfer quote guaranteed for?

The transfer quote is guaranteed for three months. If you do not confirm your intention to transfer within this three month period, the transfer value will be re-calculated and it may be higher or lower than the original amount.

How do I accept the quote and get the transfer to go ahead?

When you get a transfer quote, you will need to provide the details to your new scheme. Once you decide that you want to go ahead you should confirm to CSP using the form that will be included with your quote. You and your new scheme will need to complete the appropriate discharge papers.

Once you have returned your forms, both schemes will work together to transfer your benefits.

Is there any reason why I cannot transfer my pension?

If you left with less than two years' service, you must have started the transfer process within the deadline set out in the letters you get, or you will receive a refund of contributions.

You usually cannot transfer your alpha pension to a defined contribution or money purchase scheme. There are a small number of exceptions when a transfer may be possible, including after leaving with less than two years' service (a short-service transfer).

The pension scheme you are transferring to may have its own timescales and requirements that you must meet.

Your new scheme must be UK tax registered, and be able to accept the transfer under the Occupational Pension Schemes (Transfer Values) regulations.

Is there anywhere that I cannot transfer my pension into?

You can usually only transfer your pension into a UK pension scheme, which is registered by HM Revenue & Customs, or a qualifying recognised overseas pension scheme (the QROPS list).

Your new pension scheme must be both appropriately registered and willing to accept the transfer.

If I do transfer out, what benefits will I have left in alpha?

A transfer out removes all of your pension rights in alpha and you will have no benefits left in alpha or PCSPS if you choose to transfer out.



I was buying an EPA / added pension, is this included?

Any added pension or any EPA portion of your pension that you were buying will be included when your transfer value is worked out. If you decide to proceed with the transfer it will include the value of the added pension and EPA portion of your pension you have purchased.

If you make additional contributions to the Civil Service Additional Voluntary Contribution Scheme (CSAVCS), these funds are not included in your transfer value. This is a different scheme and you will have to request a separate transfer from your CSAVCS provider.