

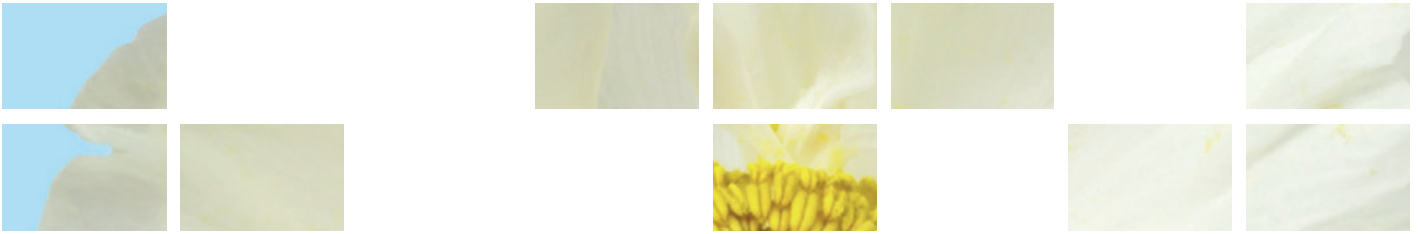


Civil Service Pensions

Pension Choices – premium or partnership

A guide to available benefits





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Note: This booklet provides a guide to enable you to make your choice of pension. It may 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 booklet can override the rules, and in the event of any unintentional difference, the rules will apply. Text in bold in this booklet has an entry in the Technical terms section at the end of this booklet.



Welcome to Civil Service pensions

Firstly, congratulations on your new job. We hope your new Civil Service career is happy, fulfilling and successful.

We have a long history of providing staff with a pension when they retire from work. Your pension is a valuable part of your pay package. In addition, Civil Service pension arrangements provide a wide range of benefits for you and your family both whilst you are working and when you leave the Civil Service.

Your employer will automatically enrol you in **premium** on your first day of service.

You will pay a percentage of your **pensionable earnings**, and your employer will also make their contribution. See the Civil Service Pensions website for current contribution rates.

However, we are also giving you the option of a **partnership pension account**. It is important that you read the contents of this booklet before you decide.

Even if you want to stay in **premium** it is important that you complete and return your **PensionChoices** form. This gives us your death benefit nomination and lets us know if you wish to transfer in any previous service.

If you want to have a **partnership pension account**, it is important that you complete and return your **PensionChoices** form within 3 months of joining so that your contributions to **premium** can be refunded or paid into your **partnership pension account**. You must also complete the partnership pension application form on the Civil Service Pensions website.

Both choices offer valuable benefits but their suitability for you depends upon your personal circumstances and how you see your career progressing.

We recommend that you read this booklet carefully and keep it for future reference. It gives you a summary of your pension choices. It offers you some pointers on:

Making up your mind - page 22;

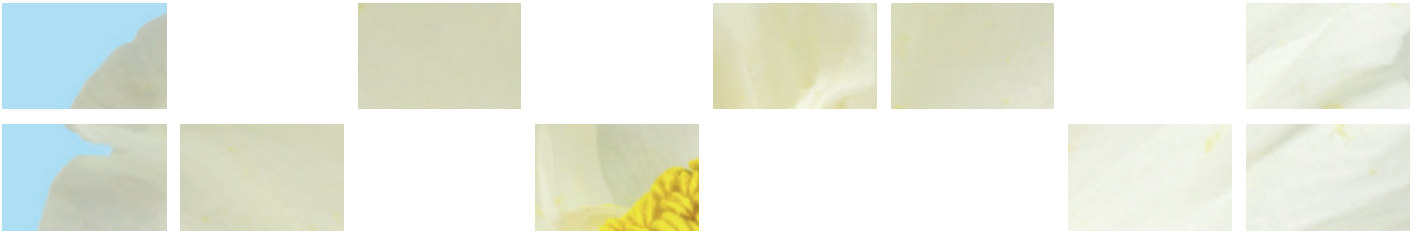
Things to consider, page 23; and

Making your choice - page 27.

IMPORTANT NOTE:

time limits:-

- 3 months to backdate your choice from **premium to partnership**
- 12 months for **transfers in to premium**



Your pension choices for future service

What options do I have?

You may choose between two pension arrangements:

- **premium** or
- the **partnership pension account**.

premium is an occupational Defined Benefit pension scheme. Your pension is based on your years of service and your salary when you leave. Pensions paid from **premium** increase in line with rises in the cost of living. **premium** also provides a pension for your **dependants** after you die.

The **partnership pension account** is a Defined Contribution scheme. You do not have to pay any contributions but your employer will pay contributions into your pension fund whether you wish to contribute or not. These contributions are invested for you by Legal and General. Over the years your pension fund may grow with investment returns (the money earned by your invested pension contributions). However the value of your investments may fall as well as rise.

Opting out of Civil Service pension arrangements

You can choose to opt out of the Civil Service pension arrangements. You should be aware that both schemes provide other benefits as well as providing possible income in retirement.

Please note: The Pensions Act 2011 requires all employers to automatically re-enrol all workers, who are not in a qualifying pension scheme, periodically.

Your employer will be able to tell you their staging date. More information can be found in the **Automatic Enrolment** fact sheet available on the Civil Service pensions web site.

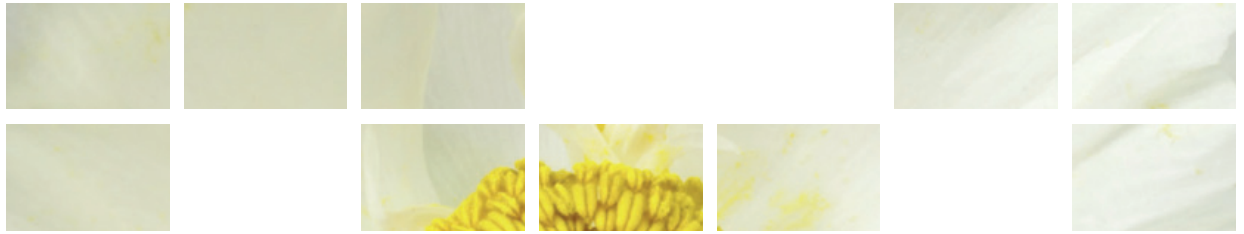
What benefits might I expect?

This will depend upon whether you choose **premium** or **partnership** but you may expect:

- A range of benefits for you and your family whilst in work and when you retire; (see summary table on page 5).
- A death-in-service lump sum paid to whomever you have nominated should you die in service;
- The opportunity to have a pension from a **partnership pension account** without you paying a penny;
- Your employer will contribute towards your pension and other benefits;
- Tax relief on your pension contributions.

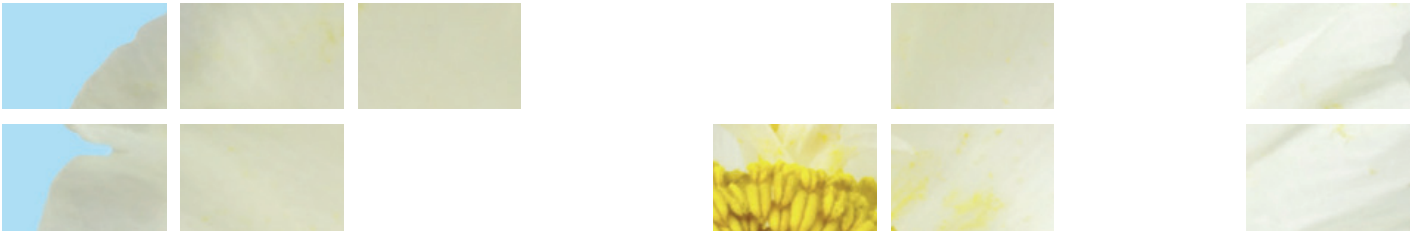
How do these options compare?

The following section should help you by answering some of the questions you may have.



Summary of scheme benefits

defined benefit scheme	defined contribution arrangement
premium	partnership
Employer contributions	
Relatively low employee contributions – See the Civil Service Pensions website for current rates.	No employee contributions required. You can contribute up to 100% of your taxable income or £3,600, whichever is higher, and receive full tax relief, subject to the Annual Allowance .
Retirement pension for the member based on final pensionable earnings and length of service x accrual rate of 1/60.	You have different choices when you start drawing retirement benefits – one of these is to buy an annuity to provide a lifetime income.
Benefits payable on retirement at pension age (currently 60). Benefits may also be taken earlier (from age 55) but will normally be reduced for early payment. If re-employed in an organisation covered by the Civil Service pension arrangements, pension may be reduced whilst working.	Benefits may be taken from age 55. Do not have to retire in order to take benefits and salary is not affected.
Lump sum – available by giving up some pension.	Lump sum possible from pension pot, 25% of the pot's value can usually be taken tax free.
Death-in-service lump sum – 3 x your pay.	Death-in-service lump sum – 3 x your pay.
Death-in-service pension for dependants .	If you die in service your beneficiaries will receive the benefits you have built up in partnership. The provider will choose how these benefits are paid depending on the circumstances of your dependants .
Pension for: widow/widower, civil partner or partner and eligible children.	On death before retirement, the nominated beneficiary will receive the pension pot. On retirement, the member can choose to purchase an annuity that provides an income for themselves and their dependants .
Ill-health retirement pension.	Ill-health retirement lump sum.



Summary of scheme benefits

defined benefit scheme	defined contribution arrangement
premium	partnership
<p>Opportunity to increase pension benefits by buying added pension, or by contributing to a separate money-purchase scheme. You may also be able to transfer in benefits from a previous pension arrangement.</p>	<p>Flexibility to increase pension pot and eventual benefits within HMRC employee contribution limits.</p>



Your questions answered

you ask...	premium	partnership
How does my pension work?		
<p>Are there any conditions for receiving a pension?</p>	<p>You must have 2 years' qualifying service unless you have service bought by transferring in a personal pension.</p> <p>Service transferred in or preserved counts as qualifying service.</p> <p>The earliest you can take your pensions benefits without them being reduced for early payment is 60.</p>	<p>You must be eligible to join the scheme.</p>
<p>How is my pension worked out?</p>	<p>One-sixtieth of your final pensionable earnings for each year which counts for a pension.</p> <p>If you work part-time please see the section on page 8.</p>	<p>You will have a number of different choices when you decide to start drawing retirement benefits. One of these is to buy an annuity to provide you with an income.</p>
<p>Can I have a lump sum as well as a pension?</p>	<p>Yes. You have to give up £1 of pension for each £12 of lump sum.</p> <p>Under current tax law, the lump sum will usually be tax free, subject to the Lifetime Allowance.</p>	<p>Under current tax law you can usually take up to 25% of your fund as a tax free lump sum at any time from age 55 subject to the Lifetime Allowance.</p>
<p>What might my pension look like?</p>	<p>Derek retires with 32 years' reckonable service. His final pensionable earnings are £18,000. Derek chooses to take £12,000 lump sum.</p> <p>Pension is: $32 \text{ years} \times \frac{1}{60} \times £18,000 = £9,600$ a year</p> <p>Pension exchanged for lump sum is: $£12,000 / 12 = £1,000$</p> <p>Derek's pension = $£9,600 - £1,000 = £8,600$ a year</p> <p>Derek's lump sum = £12,000</p>	<p>The amount of your pension 'pot' will be the value of the funds and will depend on the level of contributions, the performance of your chosen fund(s) and the charges applicable to each fund.</p>



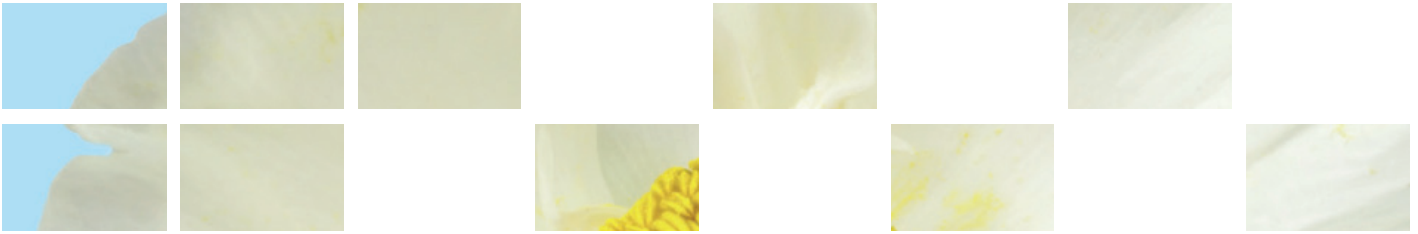
Your questions answered

you ask...	premium	partnership
How does my pension work?		
<p>I work part-time. How does this affect my pension?</p>	<p>Your pension is worked out based on the years' and days' reckonable service you actually work and your final pensionable earnings. So if you work part-time your reckonable service will reduce, but your pensionable earnings will not. Your pension is NOT worked out on your part-time pay. So if you worked 2.5 days a week you would build up 0.5 years of reckonable service in a calendar year.</p> <p>Your pensionable earnings is the pay you would have received if you'd worked full-time.</p> <p>Example:</p> <p>Jo has been working 18 hours a week for 10 years in a job where the full-time hours are 36 a week. She received a part-time salary of £9,000 in her last year.</p> <p>Jo's reckonable service is: $18/36 \times 10 = 5$ years</p> <p>Her final pensionable earnings are: $36/18 \times £9,000 = £18,000$</p> <p>Jo's pension is: $5 \times 1/60 \times £18,000 = £1,500$ a year</p> <p>Jo chooses a lump sum of £2,400</p> <p>Pension exchanged for lump sum is: $£2,400/12 = £200$</p> <p>Jo's pension is: $£1,500 - £200 = £1,300$ a year</p> <p>Jo's lump sum is: £2,400</p>	<p>Your pension fund is made up of contributions. Your employer's contributions are based on your actual part-time pay. You can choose how much, if any, contributions you want to make.</p>
<p>When do I get my pension?</p>	<p>In premium you have a pension age of 60. Pension age is the earliest age at which you can retire and take your pension without it being reduced.</p>	<p>You can choose to access your pension pot from age 55.</p>
<p>Will you increase my pension when I am a pensioner?</p>	<p>We will increase your pension in April every year in line with the percentage increase in line with the cost of living in the 12 months to the previous September. We call this 'pensions increase'.</p>	<p>Over the years your pension fund may grow with investment returns (the money earned by the invested pension contributions). However, the value of your investments can fall as well as rise.</p>



Your questions answered

you ask...	premium	partnership
How does my pension work?		
Do I get a State pension as well?	Qualification for the State pension will be dependent on your qualifying National Insurance contributions prior to state retirement age. Information about the new State pension can be found here: www.gov.uk/new-state-pension	Qualification for the State pension will be dependent on your qualifying National Insurance contributions prior to state retirement age. Information about the new State pension can be found here: www.gov.uk/new-state-pension
How much will I pay?	You will pay a percentage of your pensionable earnings . See the Civil Service Pension website for current rates.	You don't have to pay anything. But if you do contribute, your employer will match this up to 3% of your pay in addition to the employer age-related contributions. You can pay up to 100% of your taxable income or £3,600, whichever is the higher, and receive full tax relief, subject to the Annual Allowance .
Do I pay contributions on all my pensionable earnings?	Yes, although high earners are subject to an earnings cap. Please ask your Scheme Administrator (MyCSP) for details.	You can contribute up to 100% of your taxable income or £3,600, whichever is the higher, and receive full tax relief, subject to the Annual Allowance .
Are my contributions fixed?	The contribution rates have been set taking into account the scheme valuation, and the current higher rate tax threshold. If the scheme valuation changes, contribution rates may change. Current contribution rates can be found on the Civil Service Pensions website: www.civilservicepensionscheme.org.uk	You can vary your contribution rate but you have to give notice.



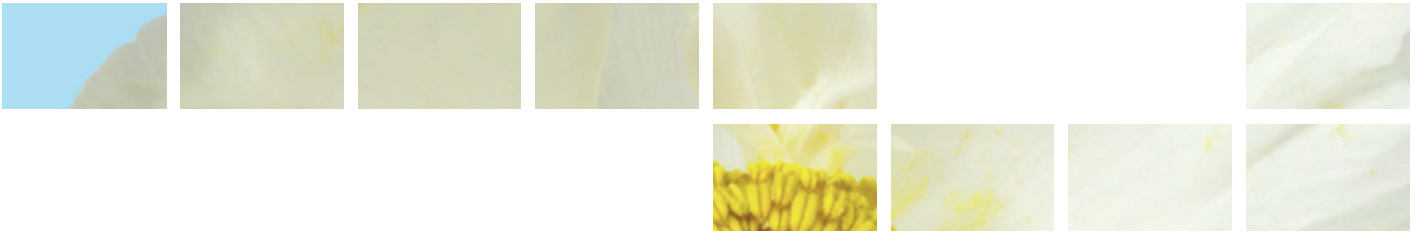
Your questions answered

you ask...	premium	partnership
How does my pension work?		
<p>How much does my employer pay?</p>	<p>Your employer pays enough contributions to provide all benefits – not just a pension for you but also benefits for your dependants when you die.</p>	<p>Your employer will pay:</p> <ul style="list-style-type: none"> • a contribution of between 8% and 14.75% based on your age; • plus extra contributions matching yours up to 3% of your pensionable earnings; • the cost of benefits on death-in-service • the cost of benefits on ill-health retirement.
<p>Is there a limit to my pension benefits?</p>	<p>You are not allowed to have more than 45 years' reckonable service counting towards a pension</p>	<p>No, however you need to be aware of HMRC limits on pensions. See the HMRC website for more information.</p> <p>www.gov.uk/tax-on-your-private-pension</p>
<p>What if I have more than 45 years' service?</p>	<p>You stop paying contributions after you have built up 45 years in premium.</p>	<p>This does not affect your partnership pension. Your pension is not based on your reckonable service.</p>
<p>I have a preserved pension from earlier service - what choices do I have ?</p>	<p>If you have a frozen or preserved pension from an earlier period of service in the Civil Service scheme (PCSPS before October 2002, classic, classic plus or premium), you may be able to link that service with your current service for a single pension. You have 12 months beginning with the day on which your current employment begins to exercise this option.</p>	<p>No longer applicable.</p>



Your questions answered

you ask...	premium	partnership
How does my pension work?		
<p>I have a pension from another employer. Can I bring this into the scheme?</p>	<p>You should tick the box in Section 2 of your PensionChoices form. Your Scheme Administrator (MyCSP) will then write to you with full information.</p>	<p>Before transferring in to a DC scheme, the Pensions Regulator recommends that you should obtain financial advice to ensure you understand the risks involved. Some types of pensions cannot be transferred to this type of scheme. For more information contact Legal and General: www.legalandgeneral.com/csp</p>
<p>Are there time limits on transferring my pension?</p>	<p>Yes.</p> <p>You can apply at any time before you make arrangements to start drawing your pension, to bring in a transfer value from an occupational pension scheme on standard (non-Club) terms.</p> <p>If you are applying for a transfer to be handled under the Public Sector Transfer Club arrangements, you must apply within 12 months of being eligible to join premium and before you make arrangements to draw your pension.</p> <p>If you wish to apply to bring in a transfer from a non-occupational pension scheme (eg. a personal pension), you must apply within 12 months of joining premium and before you make arrangements to draw your pension.</p>	<p>Your pension provider will tell you about the transfer arrangements.</p>



Your questions answered

you ask...	premium	partnership
Transferring in pensions from another scheme		
<p>What is the Public Sector Transfer Club?</p>	<p>This is a club for pension schemes that offers special terms for transferring benefits into premium.</p> <p>Members include schemes run for the NHS, local government and teachers. Club terms only apply when an individual moves employer on a voluntary basis.</p> <p>You can access a leaflet about the Club from our website or ask your Scheme Administrator (MyCSP) for a copy.</p>	<p>This is not applicable.</p>
<p>How does a transfer work?</p>	<p>Club schemes work out their pensions on the basis of years of service and final salary. If you transfer a pension into premium from a Club scheme you will be credited with a number of years' service.</p> <p>For example: You may have worked for 10 years in your old scheme but your transfer value may only buy 8 years in the Civil Service pension scheme. This reflects the difference in the value of the benefits provided.</p>	<p>This is not applicable.</p>
<p>What do I do first?</p>	<p>Fill in the PensionChoices form and tick the box in section 2.1. (a)</p>	<p>Contact your partnership pension provider.</p>
<p>What happens next?</p>	<p>Your Scheme Administrator (MyCSP) will contact your previous scheme for a transfer value. They will send you an estimate of how much service the value of your old scheme benefits will buy in to the Civil Service scheme. You can then choose whether to go ahead with the transfer.</p>	<p>Your partnership pension provider will tell you.</p>



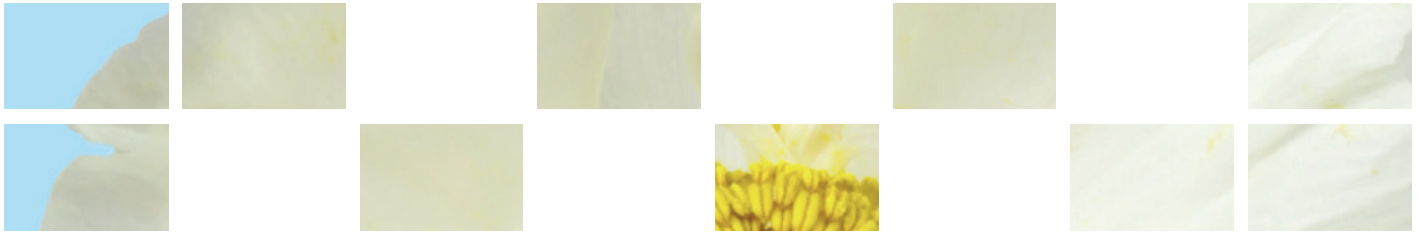
Your questions answered

you ask...	premium	partnership
Pension boosting		
<p>What options do I have for topping up my pension?</p>	<p>You can:</p> <ul style="list-style-type: none"> • buy 'added pension' in premium; or • invest in the Civil Service Additional Voluntary Contribution (AVC) scheme. <p>You can also contribute to other pension arrangements (see page 14).</p>	<p>You can increase your contributions and make extra contributions.</p> <p>As a partnership account holder you will not be able to invest in the Civil Service AVC scheme or to buy added pension.</p>
<p>I am on a fixed-term appointment (FTA). Do I have the same choices?</p>	<p>Yes.</p>	<p>Yes.</p>
<p>How do Civil Service AVCs work?</p>	<p>You choose to invest with our provider – Legal & General.</p> <p>Additional Voluntary Contributions (AVCs) are additional contributions to a pension provider, which should then build up to a fund. When you retire you may use your fund to buy an annuity.</p>	<p>As a partnership account holder you will not be able to invest in the Civil Service AVC scheme. But you can invest in other pension arrangements and contribute up to 100% of your taxable income or £3,600 whichever is the higher and receive full tax relief, subject to the Annual Allowance.</p>



Your questions answered

you ask...	premium	partnership
Pension Boosting		
<p>How does added pension work?</p>	<p>You can buy added pension in premium and/or build up a money purchase pension pot to sit alongside your premium pension or you can make your own arrangements.</p> <p>You can buy added pension by monthly contributions or lump sum. Monthly contributions will only be allowed for a full scheme year, although on joining the scheme you will be allowed to begin monthly payments during the first 3 months of service.</p> <p>You will be limited to a maximum of one lump sum purchase per scheme year. Lump sum purchases will not be allowed during the first 12 months of scheme membership. For further information see our website: www.civilservicepension.org.uk</p> <p>If you increase your pension savings in any year over the Annual Allowance set by HM Revenue and Customs, you may incur a tax charge. This will mainly affect high earners and people paying by lump sum, but will depend on your circumstances. For more information, including examples, see the HMRC website: www.hmrc.gov.uk</p>	<p>As a partnership account holder you are not able to buy added pension, but you can choose to increase your contributions to your partnership pension account. You can get tax relief on contributions up to the higher of 100% of your earnings or £3,600.</p>



Your questions answered

you ask...	premium	partnership
Ill-health		
<p>What about ill-health pensions?</p>	<p>There are two levels of pension depending on whether:</p> <ul style="list-style-type: none"> • your illness is so severe that there is no chance of you ever working again (upper tier top up); or • there is a chance of you taking up some employment in the future (lower tier). <p>Upper tier top up</p> <p>The scheme's medical adviser must be satisfied that:</p> <ul style="list-style-type: none"> • because of your health you cannot undertake any gainful employment; and • this situation is likely to continue until you reach pension age. <p>Lower tier</p> <p>The scheme's medical adviser must be satisfied that:</p> <ul style="list-style-type: none"> • because of your health you cannot do your own job or a similar job; and • this situation is likely to continue until you reach pension age. You usually need to have worked for us for at least two years to qualify for an ill-health pension. 	<p>If you have to leave the Civil Service before you are 60, and our medical adviser agrees that you cannot do your own or a similar job because your health has broken down permanently, we may pay you a lump sum when you leave.</p> <p>We will only pay the lump sum if you have worked for us for at least two years.</p>



Your questions answered

you ask...	premium	partnership
Ill-health		
<p>What pension will I get if I have to retire through ill-health?</p>	<p>Upper tier top up</p> <p>You will get your pension from the day you have to retire. We will not reduce it if we pay it early. We will increase it to the amount you would have had if you had continued with your current working pattern up to pension age. You do not have to pay contributions for this extra service.</p> <p>Example – upper tier top up</p> <p>David is retired through ill-health. He has 12 years' service. When David is retired he is 50 and his final pensionable earnings are £18,000 a year. His normal pension age is 60.</p> <p>David's pension is: $22/60 \times £18,000 = £6,600$ a year (12 years earned + top-up 10)</p> <p>Maximum lump sum is: $£6,600 \times 30/7 = £28,285.71$</p> <p>If David takes his maximum lump sum his pension will be reduced by: $£28,285.71/12 = £2,357.14$ a year</p> <p>David's net pension is: $£6,600 - £2,357.14 = £4,242.86$ a year</p> <p>David's lump sum is: £28,285.71</p>	<p>We may pay you a lump sum when you leave. We will work this out as 20% of your pensionable earnings for every year of service, up to a limit of three years' pay. This lump sum cannot be more than the pay you would have had if you had continued in work until you were 60.</p> <p>You may be able to claim your pension pot before age 55 if you are terminally ill (with a life expectancy of less than 12 months). You should contact the pension provider for more details.</p>



Your questions answered

you ask...	premium	partnership
Ill-health		
<p>What pension will I get if I have to retire through ill-health?</p>	<p>Lower tier</p> <p>You will get your pension from the day you retire. We will not reduce it if we pay it early. We will not normally increase your service. But if you have less than 10 years' service we will increase it to the lesser of:</p> <ul style="list-style-type: none"> • 10 years; or • twice your service. <p>This applies as long as the increase is not more than half the service you had left to serve until pension age. If we give you extra service you do not have to pay contributions for it.</p> <p>Example – lower tier</p> <p>David is retired through ill-health. He has 12 years' service. When David is retired he is aged 50 and his final pensionable earnings are £18,000 a year. His normal pension age is 60. David opts to take the full lump sum.</p> <p>We will not increase David's service as he has more than 10 years' service earned.</p> <p>David's pension is: $12/60 \times £18,000 = £3,600$ a year</p> <p>His maximum lump sum is: $£3,600 \times 30/7 = £15,428.57$</p> <p>His pension will be reduced by: $£15,428.57/12 = £1,285.71$ a year</p> <p>David's net annual pension is: $£3,600 - £1,285.71 = £2,314.29$ a year</p> <p>David's lump sum is: £15,428.57</p>	



Your questions answered

you ask...	premium	partnership
Ill-health		
<p>Will my husband/ wife/ civil partner or partner get a pension if I die whilst in receipt of an ill-health pension?</p>	<p>Upper tier top up We will work out your husband/wife/civil partner's pension in the same way as for the lower tier, except that any enhancement will be that which we would have given if you had died in service on the day you retired.</p> <p>If you are neither married nor in a civil partnership, but have a partner, your partner may qualify for a pension. This will be the same as the pension for a husband/wife or civil partner.</p> <p>Lower tier Your husband/wife/civil partner or partner will receive a pension based on three-eighths of your ill-health pension. This is the equivalent of a pension based on $1/160 \times \text{final pensionable earnings} \times \text{service}$ (including any enhancement).</p>	<p>This will depend on the pension that you have bought using your fund.</p>
<p>What if I become ill after I leave the scheme?</p>	<p>If you are seriously ill and are expected to live less than 12 months, you can apply to have your pension commuted. This means that we will convert all of your pension into a lump sum using a conversion rate advised by our actuary. This will not affect benefits for your widow, widower, civil partner or partner.</p>	<p>You should approach the partnership pension provider for details of any arrangements they may have.</p>



Your questions answered

you ask...	premium	partnership
Leaving before pension age		
<p>What options do I have if I resign?</p>	<p>If you have at least two years' service we will give you the choice of preserving your pension or of taking a 'transfer value' to another pension scheme. If you preserve your pension it will increase every year in line with inflation and is payable without reduction from age 60.</p> <p>If you have less than 2 years' service when you leave we will normally refund your contributions less tax. Alternatively, you can ask to take a transfer value to another pension scheme, but you must return your completed transfer application form to your Scheme Administrator (MyCSP) within 3 months of them writing to you.</p>	<p>Your employer contributions will stop, you keep your pension fund. You should discuss your options with your provider.</p>
<p>Can I draw my pension early?</p>	<p>You can apply to leave and take your pension at any time after age 55. But if you take your pension before age 60 your pension will be reduced to take account of the fact that it will be paid for longer. This is called 'actuarial reduction'.</p>	<p>You can access your pension from age 55 and you do not have to retire to do so.</p>



Your questions answered

you ask...	premium	partnership
Death benefits		
<p>What happens if I die in service?</p>	<p>We will pay a sum of three times your pensionable earnings to the person (or people) you have named – your 'beneficiaries'. This sum will normally be tax-free.</p>	<p>We will pay a sum of three times your pensionable earnings to the person (or people) you have named – your 'beneficiaries'. This sum will normally be tax-free.</p> <p>Your pension provider will be guided by your nomination on the 'Nomination of Beneficiary' form.</p>
<p>What is a 'beneficiary' and how do I nominate one?</p>	<p>Beneficiaries are the people you want to receive any lump sum when you die. You may want to nominate a single beneficiary – for example your husband, wife, civil partner or partner. Or you may prefer us to divide up your lump sum – for example among your children. Alternatively, you may nominate an organisation to receive a lump sum – for example a charity.</p> <p>You nominate your beneficiary on your PensionChoices form. You can change your nomination at any time, using the form from the Civil Service Pensions website, or you can ask your Scheme Administrator (MyCSP) for a form.</p> <p>If you die without nominating a beneficiary, or if your nomination has ended or turns out to be invalid, we may pay any lump sum into your estate.</p>	<p>The partnership provider will provide a separate nomination form.</p>
<p>What if I die shortly after I retire?</p>	<p>We will make a lump sum payment to your beneficiaries if you die within 5 years of drawing your pension. This is worked out as the balance of 5 years of pension.</p>	<p>If the partnership pension account remains, the balance will be paid to the beneficiaries. If an annuity has been purchased the annuity provider will provide further information as the annuity can be set up on a joint life basis.</p>



Your questions answered

you ask...	premium	partnership
Death benefits		
<p>What will my dependants get?</p>	<p>As long as you have been in the scheme for at least two years we will give your surviving husband/wife or civil partner a pension but this may be withheld if the marriage/civil partnership took place less than 6 months before your death. We will work this out as three-eighths of your pension. This is the same as 1/160 of your final pensionable earnings for each year of reckonable service.</p> <p>If you die in service, we will grant some extra years of reckonable service up to 10 years. If you die after you have left the scheme, your husband/wife or civil partner will usually get a pension of three eighths your pension (before any reduction for using part of your pension to buy a lump sum). However, we may reduce this if you left with an ill-health pension.</p> <p>Once your husband/wife or civil partner is receiving a pension, it will continue for the rest of their life, and we will increase it every year in line with rises in the cost of living.</p>	<p>If the partnership pension account remains, the balance will be paid to the beneficiaries. If an annuity has been purchased the annuity provider will provide further information.</p>
<p>Will my children get a pension?</p>	<p>We will pay a pension to your eligible children (and any other children who rely on you financially) when you die. We pay children's pensions to children up to the age of 18, and older under certain circumstances.</p> <p>We work out a child's pension as 30% of your pension entitlement if we pay a pension to your surviving husband/wife, civil partner or partner. The child's pension is 50% of your entitlement if you did not leave an adult dependant. If you leave more than 2 children who qualify for a pension, we will reduce each child's pension so they get an equal share.</p>	<p>If there is any remaining balance, this can be paid to the beneficiaries, which can include children. If an annuity has been purchased, the annuity provider will provide further information.</p>



Making up your mind

You have other sources of information to help you make up your mind.

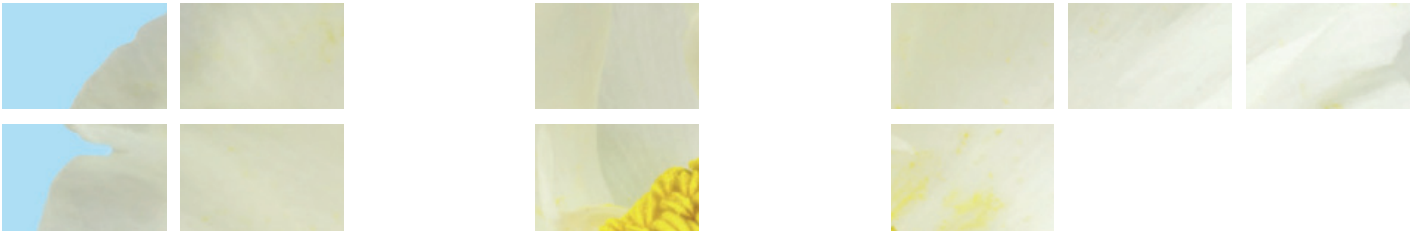
www.civilservicepensionsscheme.gov.uk

www.legalandgeneral.com/csp

www.thepensionsadvisoryservice.org.uk

www.Pensionwise.gov.uk

You may also wish to speak to an Independent Financial Adviser.



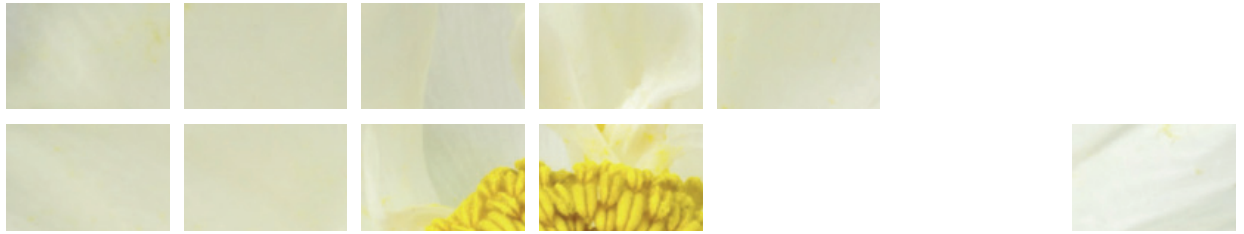
Things to consider

	premium	partnership	Your comments and thoughts
How long you expect to stay in the Civil Service.	If you leave within your first two years of membership, you will generally get a refund of your contributions (less tax after contributions) or you can apply for a transfer of the notional value of your pension benefits into another pension scheme or arrangement.	You begin accruing benefits from day one	
How much you are prepared to pay for your pension.	See the Civil Service Pensions website for current contribution rates.	You do not have to pay if you don't want to.	
How much certainty you want.	Your pension is based on your years of service and your final pensionable earnings . Your pension will increase in line with rises in the cost of living.	As well as your own contributions, your employer will contribute a percentage of your pensionable earnings to your partnership pension account . Your final pension pot will depend on the return from your investments.	



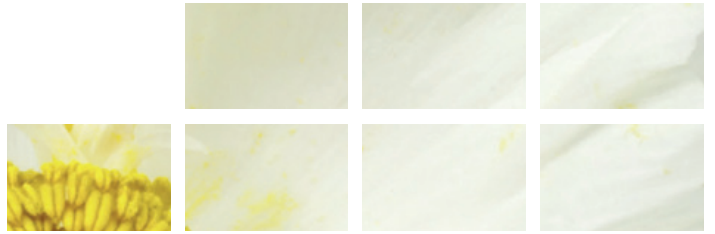
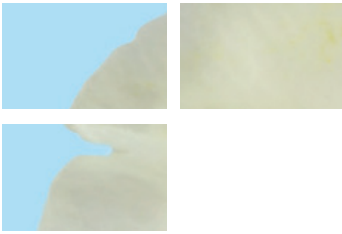
Things to consider

	premium	partnership	Your comments and thoughts
Who you want a pension for.	This arrangement will provide a pension for your husband, wife, civil partner or partner and for your eligible children when you die – you pay for these benefits whether you want them or not.	You and your employer's contributions pay towards these benefits.	
Benefits for your family if you die in service.	Pays a lump sum of three times your pay if you die in service. Provides your husband/wife or civil partner and eligible children with a pension. This will be based on your years of service plus up to 10 extra years. If you are neither married, nor in a civil partnership , but have a partner, your partner may receive the pension if he or she is eligible.	Pays a lump sum of three times your pay if you die in service. Does not provide a pension for your dependants , but they will receive your pension 'pot' as a lump sum using your named beneficiaries as a guide.	
Support for you if you have to give up work because of ill-health.	May pay you a pension based on your years of service. If your ill-health is severe, your pension may be based on all the years you could have earned up to pension age.	You could receive a lump sum payment up to three times your pay from your death-in-service scheme. Your pension pot will remain, the provider may allow early release depending on your diagnosis.	
The State pension.	Qualification for the State pension will be dependent on your qualifying National Insurance contributions prior to state retirement age. Information about the new State pension can be found here: www.gov.uk/new-state-pension	Qualification for the State pension will be dependent on your qualifying National Insurance contributions prior to state retirement age. Information about the new State pension can be found here: www.gov.uk/new-state-pension	



Things to consider

	premium	partnership	Your comments and thoughts
Pension rights in a scheme in the Public Sector Transfer Club ('the Club').	If you have pension rights in a Club scheme, you can usually bring these into premium on special terms. (Note: You must apply for a 'Club' transfer within 12 months of being eligible to join premium .)	You are unable to transfer defined benefits to a defined contribution scheme.	
Pension rights preserved (frozen) in the Civil Service scheme.	If you have a frozen or preserved pension from an earlier period of service in the Civil Service scheme (classic, classic plus or premium), you can usually choose to combine your earlier service with your current service for a single pension. Depending on your current salary and when you were previously employed, this could be of benefit to you. (Note: You must apply for an earlier preserved pension to be 'linked' with your current service within 12 months of your current employment beginning).	No longer applicable.	



Considering partnership

How do I find out more about partnership?

- Look at the leaflet enclosed in your pack for information about the provider. You can also look for more information on the Civil Service Pensions website:
www.civilservicepensionscheme.org.uk
- Legal & General are the dedicated provider of the **partnership pension account**. For more information about opening an account, visit Legal & General's website:
www.legalandgeneral.com/csp
- Making your choice - see '**partnership pension account**' booklet if you want more information about where to start and how to choose.

The '**partnership pension account**' booklet is available from our website at www.civilservice.gov.uk/pensions or from your Scheme Administrator (**MyCSP**).

For other sources of information see:
Financial Conduct Authority (FCA) website:
www.fca.gov.uk

The Pension Service website:
www.thepensionservice.gov.uk

Or consult an **Independent Financial Adviser**.

How do I apply for a partnership pension account?

- Complete the **PensionChoices** form. This form also asks you to name someone to receive any lump sum that we will pay if you die in service.
- Send the completed application form and **PensionChoices** form in the envelope provided.

The Partnership Pension Application Form can be found in the Member Forms section on the Civil Service website:

www.civilservicepensionscheme.org.uk



Making your choice about your future service

When do I have to decide?

You need to decide within three months of joining.

We will automatically enter you into **premium** on your first day of service, and you will pay a percentage of your **pensionable earnings** as pension contributions. See the Civil Service Pensions website for current rates.

If you want to join **partnership**, you need to fill in your **PensionChoices** form and send it to your employer within your first three months. Your employer will then sort things out by paying backdated contributions to the partnership pension provider. You will receive a refund of your **premium** contributions (less any contributions you have chosen to make to **partnership**).

If you don't send your **PensionChoices** form back within your first three months, you will stay in **premium**. Please send your **PensionChoices** form back. It doesn't just record your pension choice but also gives you the chance to ask for more information and to choose someone to receive any benefits when you die.

Transfers

If you are interested in things like **transfers** from a Club scheme (see pages 11 & 12), you must act soon.

Do I have to have a pension?

If you choose not to have a Civil Service pension at all you may still receive State benefits. It will be up to you, at your cost, to make any other pension arrangements. If you want to opt out of (leave) our pension arrangements, you will need to complete an opt out form.

Read the booklet '**partnership pension account**' for more information. This booklet is available on our website or from your Scheme Administrator (**MyCSP**).

Also if you opt out you may be missing out on a range of important benefits. Look again at the comparisons between your available options. Please note that your employer must re-enrol you in the pension scheme every three years from their staging date under **Automatic Enrolment** legislation.



Making your choice about your future service

Am I committing myself forever?

No. You can change schemes in the future. Information about switching can be found here: www.civilservicepensionscheme.org.uk/members/quick-start/

You may want to consider giving your pension arrangements a ‘health check’ every year when you receive your Annual Benefit Statement and satisfy yourself that you are on target for the sort of pension you want. As well as making sure you are still in the right scheme for you, you should also consider whether your contribution level (in **partnership**) is sufficient or if you want to top up your benefits (in **premium**).

The conditions attached to switching between schemes are:

- you can move once every 12 months; and you must give your Scheme Administrator (**MyCSP**) 2 months’ notice of your intention to switch.

How do I find out more?

This booklet is designed to help you make your choice. The information in this guide regarding **premium** should be enough to help with your decision. If you are considering the partnership option you will need to refer to the partnership provider’s guidelines before making your final decision.

The partnership account is a regulated financial investment, because of this Legal and General will provide you with further financial details including the level of risk for each available fund, charges and other important considerations.

The FCA requires you to have access to the pension Key Features Document which you are advised to read prior to finalising any decision. This will explain how investments work and facts about putting your capital at risk in more detail.

Read on if you think you may need extra help or advice.

If you have access to the Internet, you may want to visit our website at:

www.civilservicepensionscheme.org.uk

Look at ‘**PensionChoices** – new entrants’. This includes answers to frequently asked questions.

You may want to consult an **Independent Financial Adviser (IFA)** but you will have to pay for any advice you get. If you do contact an **IFA**, we suggest that you take all this information with you.

Please remember that while your employer and your Scheme Administrator (**MyCSP**) will do everything they can to help you, they are not allowed to give you financial advice.

More detailed information can be found in the booklets ‘**premium pension scheme**’ and ‘**partnership pension account**’. These are available on our website, or you can ask your Scheme Administrator (**MyCSP**) for a copy.



How to complete your PensionChoices form

Once you have decided on your pension choice, please fill in the **PensionChoices** form attached to the introductory letter. Tear it off and send it to the address shown. If you choose partnership, you must also fill in the partnership pension provider's application form found here:

www.civilservicepensionscheme.org.uk/members/member-forms

If you make your decision before you start work, we suggest that you bring your **PensionChoices** form and, if relevant, the partnership application form with you on your first day.

The form

Section 1 – Details about you

Please complete all the details giving your marital status eg. married, divorced, **civil partnership** or single.

Please provide the name and address of your employer together with contact details.

Section 2 – Your pension choice

1) Tick if you wish to remain in **premium**

a) **Transfers in** – please note time limits for Club scheme and personal pensions. See 'Transferring in pensions from another scheme' on page 11 & 12.

b) You can also ask for information if you are interested in topping up your pension.

2) **partnership** – please note that you must also complete the Partnership Pension Account application form. The form can be found in the Member Forms section on the Civil Service website:

www.civilservicepensionscheme.org.uk

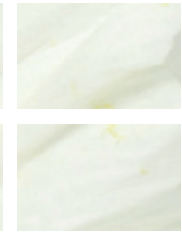
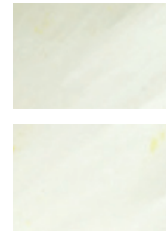
Section 3 – Your partnership pension account

If you choose to open a **partnership pension account** the **PensionChoices** form also asks you to:

- Say how much you want to contribute each month (as a percentage of your pay).

Section 4 – Benefit statements

Please see page 31.



How to complete your **PensionChoices** form

Section 5 – Your Civil Service pension scheme history

If you have belonged to the Civil Service scheme before, please indicate what happened to your Civil Service pension benefits. Your Scheme Administrator (**MyCSP**) will contact you with more information. See page 10.

Section 6 – Nomination for death benefit

For more information see page 20. Your **PensionChoices** form also asks you to name someone to receive any lump sum that we will pay if you die in service. It is important to complete the nomination for death benefit to ensure the lump sum is paid quickly. If you don't nominate someone to receive your lump sum it will be included in your estate; this may delay payment.

- If you wish to leave your death benefit to more than one person the total percentage must add up to 100%.
- The person witnessing this form must not be anyone who benefits from your death benefit nomination.
- This is a nomination for your death-in-service lump sum and should not be confused with the lump sum you may receive when your pension comes into payment.

Section 7 – Your authorisation

Please remember to sign and date the form and send it to the address shown.



Annual Benefit Statement

While you are a member of **premium** your Scheme Administrator (**MyCSP**) will send you an Annual Benefit Statement telling you how much pension you have earned to date.



Further information

How do I complain?

If you have a problem with any part of your pension benefits, you should try to sort it out with your Scheme Administrator (**MyCSP**).

Often, a phone call or an email will be enough. If you cannot sort out the problem to your satisfaction, we operate the statutory complaints procedure known as internal dispute resolution (IDR). This entitles you to a written explanation from your Scheme Administrator (**MyCSP**) and then, if you are still not satisfied, to have your complaint investigated by Cabinet Office, Scheme Management Executive.

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

Their email address is:

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.

To find out more about IDR contact your Scheme Administrator (**MyCSP**) or visit our website at:

www.civilservicepensionscheme.org.uk

The Pensions Regulator

This organisation 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.

You can contact The Pensions Regulator by writing to them at:

The Pensions Regulator, Napier House,
Trafalgar Place, Brighton BN1 4DW.

Email: customersupport@tpr.gov.uk

Website: www.thepensionsregulator.gov.uk

DWP operates a central tracing agency to help people keep track of any pension arrangements they had in the past.

You can contact them through The Pensions

Tracing Service website or write to them at:

Pensions Tracing Service, Whitley Road,
Newcastle-upon-Tyne NE98 1BA.

Tel: 0845 6002 537

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

If you have a question about the **partnership pension account**, you can contact Legal & General.

Visit: www.legalandgeneral.com/csp

Financial Conduct Authority (FCA)

www.fca.org.uk



Technical terms

Annual allowance

The amount by which the value of your pension savings can go up in any year before you may have to pay tax on the amount saved over the **Annual Allowance** limit.

Annuity (this only applies to partnership)

When you want to draw your pension, you can use your pension 'pot' to buy an **annuity** which can provide you with a lifetime income during retirement.

Automatic Enrolment

This is a Government initiative to help more people save for later life through a pension scheme at work.

It makes it compulsory for employers to automatically enrol their eligible workers into a pension scheme. The employer must also pay money into the scheme.

AVCs (this only applies to premium)

Additional Voluntary Contributions (**AVCs**) are additional contributions to a pension provider, which should then build up to a fund. When you retire you use your fund to buy an **annuity** – a pension for life – which is on top of your Civil Service pension.

Beneficiary/Beneficiaries

A **beneficiary** is the person or people who you decide should receive benefits when you die.

Civil partnership/Civil partner

A **civil partnership** is a relationship between two people of the same sex that has been registered under the provisions of the **Civil Partnership Act 2004**. **Civil partnership** gives the couple many of the same legal and financial rights and responsibilities as marriage.

Dependant

A **dependant** can be your husband, wife, **civil partner**, partner, children or anyone else who relies on you financially. Read the booklets 'premium pension scheme' and 'partnership pension account' to find out what benefits they may get when you die.

Final pensionable earnings (this only applies to premium)

We use this to calculate your benefits when you retire.

Guaranteed minimum pension (GMP)

This is the minimum amount of pension a pension scheme must provide for members for the period contracted out of the Additional State pension.

Her Majesty's Revenue and Customs (HMRC)

This is the UK's tax, payments and customs authority. It provides guidance and legislation that pension administrators must adhere to.



Independent Financial Adviser (IFA)

An **Independent Financial Adviser (IFA)** provides independent advice on financial matters e.g. life assurance and pensions. **IFAs** are regulated by the Financial Conduct Authority.

Lifetime Allowance (LTA)

Lifetime Allowance is the limit on the amount of pension benefit(s) that you can take from all of your registered pension arrangements before you incur a tax charge. These benefits include: lump sums and retirement income.

MyCSP

MyCSP administers the Civil Service pension scheme.

Normal Pension Age (NPA)

NPA is the earliest age a member can take their pension benefits without reduction.

partnership pension account

This is a defined contribution pension with employer contributions. Members of the partnership scheme do not have to make any payments but their employer will.

Pension Choices

This is the form attached to the introduction letter and can be found in your Starter Pack.

Partnership provider contact details

Legal and General:

www.legalandgeneral.com/csp

Pensionable earnings

Pensionable earnings are all earnings which could count towards your pension. They can include non-cash items, for example, uniforms or accommodation. Contributions in **premium** and **partnership** are based on your **pensionable earnings**.

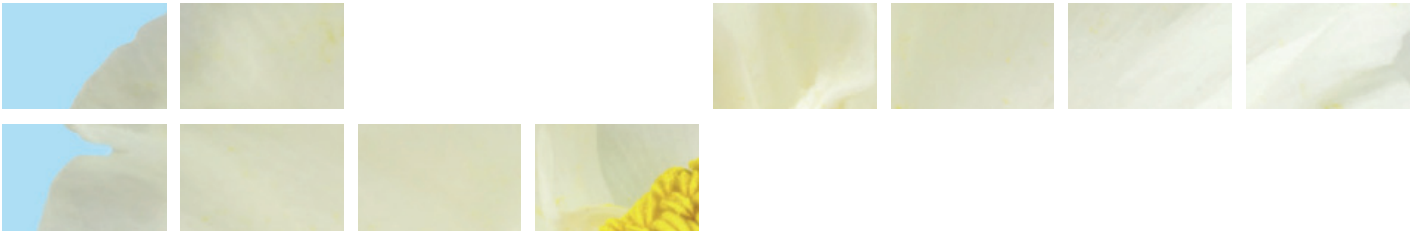
premium pension scheme

In this section of the PCSPS, your pension is based on your years of service and **final pensionable earnings**. You will pay a percentage of your **pensionable earnings**. See the Civil Service Pensions website for the current contribution rates.

Preserve, preservation and preserved

(this only applies to **premium**)

If a member leaves Civil Service Pensions before **Normal Pension Age** and does not transfer their benefits to another scheme, the benefits are **preserved**, also known as deferred.



Reckonable service

Reckonable service is the years and days that count towards your pension. Generally, the days that you are a member of the scheme count towards your pension. Things like strike days and career breaks do not count towards your pension.

Taxable income

The income on which you pay income tax. This may not always be the same as your **pensionable earnings**.

Transferring in

You may be able to **transfer in** benefits from an existing pension scheme into either **premium** or **partnership**.

If you have benefits from an existing pension scheme that you think you may be able to transfer into the Civil Service pension arrangements but have lost touch with your old employer, the Pension Tracing Service should be able to help you.

For further information see the Pension Service website: www.thepensionsservice.gov.uk or telephone 0845 6002 537

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



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