

2015 New Pension Scheme Implementation Programme

Employer Impacts

Your responsibilities – Effective Pension Age (EPA)



2015

Contents

Purpose	Pg 3
Key Points	Pg 3
New feature in the 2015 pension scheme	Pg 4
EPA application processing	Pg 5
EPA renewal	Pg 6
EPA option cancellation	Pg 7
Interface - data	Pg 8
Processes	Pg 9



Purpose

You have a number of responsibilities related to the introduction of the 2015 pension scheme. This document explains the new Effective Pension Age (EPA) feature and how you should process this.

EPA is a new feature in the 2015 pension scheme. In exchange for the payment of additional EPA contributions, a 2015 pension scheme member can build up a pension which can be paid in full, without reduction, from an age earlier than their Normal Pension Age (NPA).

When reading this document, the term 'part 1 pension scheme' means all sections of the Principal Civil Service Pension Scheme (PCSPS); classic, classic plus, premium and nuvos.



Key points

1. New feature in the 2015 pension scheme.
2. EPA application processing.
3. EPA option renewal.
4. EPA option cancellation.
5. Interface - data.

This document describes each of these points in more detail.

1 New feature in the 2015 pension scheme



What you need to know

A 2015 pension scheme member may choose to buy an EPA of up to three years earlier than their NPA, but this cannot be earlier than age 65. As the NPA for a 2015 pension scheme member will be the later of age 65 or their State Pension Age (SPA), it is possible for the member's NPA to change over time in line with the government's stated policy for future SPA changes. Therefore, any change to a member's NPA would also result in a change to their EPA.

The EPA option process will operate in a similar way to the Added Pension option process, with the EPA option paid for through EPA contributions deducted from the member's monthly pay. The cost of buying an EPA will be communicated at a later date.

The decision to buy an EPA will usually be effective from the start of the scheme year (1 April). The EPA option will only end if the member chooses to cancel it or leaves the 2015 pension scheme. A member will be allowed to buy more than one EPA but they will only be able to contribute to one EPA option at a time. It is therefore possible that over time, a member could build up pension benefits in a number of pension accounts, each with a different pension age. These pension benefits will only be payable when the member retires, and the pension in each pension account will be adjusted depending upon whether the member has reached the pension age for that particular pension account.

A member may choose to buy both an EPA and 2015 Added Pension but the EPA option is only possible if the member has not bought the maximum permitted amount of 2015 Added Pension. An EPA option will also affect the amount of 2015 Added Pension which the member can buy.

A 2015 pension scheme member may choose to buy an EPA of up to three years earlier than their NPA

2 EPA application processing

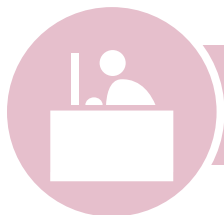


What you need to know

Members will be able to access information about EPA on the Civil Service Pension Scheme website. This will include:

- information regarding EPA options
- a calculator to provide the cost of buying EPA
- the application form to enable the member to initiate the process to buy EPA.

The decision to buy an EPA will be effective from the start of the scheme year (1 April), unless the member chooses to buy an EPA in their first year of joining the 2015 pension scheme and their joining date is later than 1 April.



What we will do

MyCSP will be responsible for processing applications to buy an EPA, including determining whether the member is eligible.

Where the member is eligible, MyCSP will notify both the member and you of the member's EPA option start date and the relevant EPA contribution rate per cent. MyCSP will aim to provide you with this information in sufficient time for payroll action to be taken with effect from the EPA start date but there will be instances where this is not possible and backdated contributions will need to be collected.



What you need to do

You will need to follow the instructions provided by MyCSP and ensure that payroll deducts EPA contributions from the member's monthly pay at the advised EPA contribution rate per cent, including any backdated contributions where applicable.

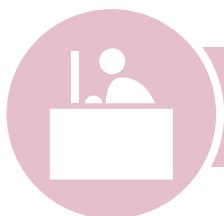
You must also ensure that EPA contributions are recorded separately to other contributions and that this data is sent to MyCSP via the payroll interface.

3 EPA renewal



What you need to know

An EPA option will automatically renew at the start of the next scheme year (1 April), unless MyCSP receives a cancellation request or the member leaves the 2015 pension scheme prior to this date.



What we will do

MyCSP will be responsible for processing EPA option renewals. This will involve notifying the member of their new EPA contribution rate for the forthcoming scheme year, and advising them of the cancellation process.

MyCSP will also notify the employer of the member's new EPA contribution rate per cent. This notification will be provided in sufficient time for payroll action to be taken with effect from the start of the next scheme year (1 April).



What you need to do

You will need to follow the instructions provided by MyCSP and ensure that payroll continues to deduct EPA contributions from the member's monthly pay at the advised new EPA contribution rate per cent.

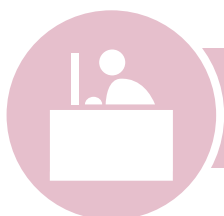
You must also ensure that EPA contributions continue to be recorded separately to other contributions and that this data continues to be sent to MyCSP via the payroll interface.

4 EPA option cancellation



What you need to know

A member will be able to request cancellation of their EPA option at any time but cancellation will only be effective from the end of the scheme year (31 March).



What we will do

MyCSP will be responsible for processing EPA cancellation requests which will involve notifying you of the required payroll action.



What you need to do

You will need to follow the instructions provided by MyCSP and ensure that payroll stops deducting EPA contributions from the member's monthly pay at the end of the scheme year (31 March).

5 Interface - data



What you need to do

You will need to send MyCSP EPA contribution amounts.



What we will do

MyCSP will carry out data validation checks to ensure that:

- Only one EPA option is contributed to at a time
- EPA contributions are provided for members who are buying an EPA option
- EPA contributions are not provided for members who are no longer buying an EPA option.

If any of these validation checks fail, MyCSP will advise you of this through the appropriate reporting process.

