

Pension news

News and information about your Civil Service pension

APRIL 2015
IN THIS EDITION

YOUR 2015
PENSIONS
INCREASE

PAY & P60
INFORMATION

PREVENTING
FRAUD



Welcome



Welcome to the first edition of your new-look Pension news from Civil Service Pensions.

This edition includes details of your annual pension increase and a range of articles that we hope you find useful.

There is also a useful contacts section where you can find details of some organisations you may wish to find out more about.

We hope you like the changes we have made to your newsletter and would be grateful if you could spare five minutes

to fill in our online [feedback form](#). We will use this to make improvements to the communications we provide to members of the Civil Service Pensions arrangements.

If you would like to contact us for more information about anything in this newsletter please use the contact details on page 12.

Your Civil Service Pensions team.

In this edition

- p03 Pensions Increase information for 2015
- p04-05 Pensions Increase Frequently Asked Questions
- p06 Pay and P60 information
- p07 Working and building up pension benefits
- p10-11 Security information: preventing fraud and looking after your data

Annual Pensioner Newsletter



02

News



Pensions Increase from April 2015

Pensions Increases are normally paid only to pensioners who are aged 55 or over, except where the individual has qualified for an ill-health retirement pension, or is in receipt of a widow's, widower's, civil partner's, partner's or child's pension.

The full year's Pensions Increase (PI) from 06 April 2015 is 1.2%. This year's PI is based on the increase in the Consumer Price Index (CPI), as at September 2014.

There are some circumstances in which the full increase may not apply, such as:

- Where your pension came into payment after the previous April PI date, a proportionate increase is paid based on the number of months that your pension has been in payment.
- If you had service between 06 April 1978 and 05 April 1997, you are likely to have been contracted out of the State



Earnings Related Pension Scheme and have a Guaranteed Minimum Pension (GMP) element to your pension. GMP accrued before 06 April 1988 is not increased, as your State Pension will be increased to make up for this.

On the next pages we have compiled a list of Frequently Asked Questions to help you understand more about this year's Pensions Increase.

Civil Service Pensions



03

PI FAQs

Your pension may increase each April as part of the annual Pensions Increase review. The adjustment is calculated using the Consumer Price Index (CPI) which measures the price inflation over the year ending 30 September 2014. We have compiled the most frequently asked questions relating to the Pensions Increase, to help you understand this year's increase and how it will affect your pension.

Q What is Pensions Increase?

A Pensions Increase is the annual increase due (to a pension in payment) and is applied at the same percentage as the annual increase to the Additional State Pension.

Q When is Pensions Increase applied?

A Pensions Increase is usually applied every April to anyone who is entitled to an increase.

Q Who is entitled to Pensions Increase?

A Increases are normally due to pensioners who have reached age 55, retired on injury or ill health grounds, have a permanent incapacity, are dependant pensioners or children.

Q What is this year's full increase?

A The full increase for the year is 1.2%.

Q I used to get my P60 and payslip as a back to back document but I've only received one of these so far, why?

A We dispatch these documents as soon as possible and sometimes this means that they will be sent separately.

Q I am State Pension age, why have I not received the full increase amount of 1.2%?

A It is likely that your pension includes an element of Guaranteed Minimum

Pension (GMP), which increases differently to your main Civil Service pension. GMP accrued before 06 April 1988 is not subject to any increase as your State Pension will be increased to make up for this. Any pension in excess of the total GMP will increase by the normal increase percentage.

Q What is GMP (Guaranteed Minimum Pension)?

A Guaranteed Minimum Pension (GMP) is the minimum pension which a United Kingdom occupational pension scheme has to provide for those employees who were contracted out of the State Earnings-Related Pension Scheme (SERPS) between 06 April 1978 and 05 April 1997.

Q I retired recently and am entitled to Pensions Increase, why have I not received the full amount of 1.2%?

A You will only receive the full amount of 1.2% if you have been receiving your pension for the full 12 months leading up to 06 April. If you have been receiving your pension for less than 12 months leading up to 06 April, then the increase will be pro-rated for each month that an increase is due.

Q Why, if my pension has been increased, have I not received a full month at the new annual rate?

A Pensions Increase applies from 06 April 2015. As your pension is paid in arrears, the first payment after the increase date includes part of the month's pension paid at your old pre-increase annual rate, and part at the new higher increased rate.

Q I have received my P60, why is the gross amount not the same as the pension that I get?

A Your P60 shows the total of all of the payments you have received during the tax year. This will be different to the amount of pension in payment where you have received a change in annual rate, or an increase in pension during the year.

Q The increase to my pension takes me over the limit that allows me to claim benefits. Can I return the increase?

A If you are entitled to the increase, this amount will be taken into account when calculating any benefits. Returning the increase would therefore not serve any purpose.

About your pension



Your pay and P60 information

We will send you a P60, which gives you a summary of your pay and pension and the tax that's been deducted from it in the previous tax year. We provide you with a P60 to keep as a record at the end of every tax year (which runs from 06 April to 05 April the following year).

- the first payment in the tax year included one or more days before the last increase; or
- it was not paid in full for the whole tax year – for example, we reduced your pension because you were working in the Civil Service.



If you want to find out more about the information in your P60 and payslip, we have produced two [useful videos](#) to help you understand the key points.

Your payslip shows your new annual rate of pension and your next payment. We will only issue you with a payslip if the net amount of your payment varies by more than £1 compared to your previous payment. The tax we deduct from your pension may vary slightly from payment to payment. This is because of variations in the PAYE tax tables.

Your P60 tells you the amount of pension we paid you and the tax deductions in the year 2014/15. The amount of pension before tax that your P60 shows may not be the same as your annual rate of pension. There are a number of reasons why this might be. Either:

- your pension started during the tax year;

Classic members with service before 01 April 1980

When you reach State Pension age, your Civil Service pension reduces to take account of your basic National Insurance pension.

The rate of your basic Civil Service pension, before we apply any increases, reduces by £1.70 for each year of your reckonable service before 01 April 1980. We will then apply the full Pensions Increase to your reduced pension.

Are you working and building up pension benefits?



HM Revenue & Customs sets a limit on tax relief for pensions known as the Lifetime Allowance (LTA). LTA is the maximum value of pension an individual can take from all pension benefits before they are charged additional tax.

The standard LTA limit is £1.25 million for members taking benefits in the 2014-15 tax year. The Government announced at [Budget 2015](#) that it will reduce the Lifetime Allowance for pension savings from £1.25 million to £1 million from April 2016. If you

are close to the LTA limit, and you are building up further benefits, you may wish to take independent financial advice about the LTA. See the HMRC website for details: www.hmrc.gov.uk

The LTA charge affects a very small number of people and will not affect you if you have already taken your pension benefits from all sources.

If you started taking any of your Civil Service pension benefits after 05 April 2006, the total value of your benefits is shown as a percentage of LTA on your P60.

About your pension

Do you have a question about your Tax code?

HM Revenue & Customs tells us how much tax to take from your pension through your tax code.

We are unable to change your tax code unless HMRC tells us to do so. If you have any queries about your tax code or tax liability, please contact:

HM Revenue & Customs on 0300 200 3300

A new pension scheme, called alpha, will be introduced on 01 April 2015.

As you are already receiving your Civil Service pension, the introduction of alpha will not affect you or the payment of your pension.

However, you could be affected if you were to rejoin the Civil Service pension arrangements, but this would be assessed at the time. For more information visit:

www.civilservicepensionscheme.org.uk/alphainfo



Have you moved house? Changed bank? Then please let us know using the contact details at the end of this newsletter.

If we are paying you a widow's, widower's or civil partner's pension under the classic or classic plus arrangements we also need to know if you have re-married, entered into a civil partnership or live with another person as a couple.

In the event of your death, it's really important that your next of kin or other representative lets us know as soon as possible. Please note that your pension stops on the day you die, so any money that gets paid after that date has to be recovered.

If you have a surviving spouse, civil partner or partner and they are entitled to a pension then we will send them an application form.



Important notice if you live outside the UK

Pensioners who live in certain countries outside the UK are not entitled to increases to their State Pension.

If this applies to you, we can continue to pay the pension increases to your GMP with your Civil Service pension but you must contact the Pension Service who will ask us to do this:

International Pension Centre
Tyneview Park
Newcastle upon Tyne
NE98 1BA
United Kingdom

Telephone: +44 191 218 7777
Textphone users: +44 191 218 7280 (if you are deaf or have hearing loss).

Civil Service Pensions



Looking after your data

To enable Civil Service Pensions to pay your pension to you, certain information about you has to be held on our files. There are strict rules regulated by the Information Commissioner around how that information can be used, with certain organisations having designated roles in managing it.



As the scheme manager, Cabinet Office is the designated 'data controller', which means that it is accountable for managing all the personal details that we hold about you. Cabinet Office decides how this information will be used in the administration of your pension and ensures that it is not shared with other organisations without your permission, unless the law requires information to be shared.

MyCSP took over the administration of pension payments from Capita last September, and now acts as the designated 'data processor'. This means that MyCSP is responsible for looking after your personal details, to make sure that your pension gets paid correctly.

For further information about how organisations need to protect your personal information please visit the Information Commissioner's website at www.ico.org.uk

Did you know we have a Pensioners section on our website? Here, you can find out information about your pension and access helpful links.

Please visit: www.civilservicepensionscheme.org.uk/members/pensioners

Preventing fraud

It's important that we do not make pension payments to members who have died, or are no longer eligible to receive them.

Along with other organisations we take part in the National Fraud Initiative (NFI). Our pension records are checked under the direction of Government auditors against other national databases, to ensure that our records of continuing pension entitlement are accurate.

These data matching exercises meet the requirements of Data Protection law.

The NFI programme covers UK residents. If you live outside the UK we may write to you to ask you to complete a statement to confirm your continuing entitlement to your pension.

We must recover any pensions we pay by mistake. Where we suspect fraud, we refer cases to the police. We will prosecute in such cases.



Contact us...

You can contact Civil Service Pensions by...

Visiting our website:
www.civilservicepensionscheme.org.uk

Emailing us at: contactcentre@mycsp.co.uk

Writing to us:
MyCSP
PO Box 2017
Liverpool
L69 2BU

Calling us on: 0300 123 6666
(or from overseas on: +44 1903 835 902)

(Monday-Friday 08.30-18.00)

Other useful contacts

The Charity for Civil Servants
5 Anne Boleyn's Walk, Cheam,
Sutton, SM3 8DY
Telephone: Freephone 0800 056 2424
Email: info@foryoubyyou.org.uk
www.foryoubyyou.org.uk

The Civil Service Retirement Fellowship
Suite 2, 80A Blackheath Road,
London SE10 8DA
Telephone: 020 8691 7411
Email: info@csrf.org.uk
www.csrf.org.uk

Civil Service Pensioners' Alliance
Grosvenor House
125 High Street
Croydon
Surrey
CR0 9XP
Telephone: 020 8688 8418
Email: enquiries@cspa.co.uk
www.cspa.co.uk

HM Revenue & Customs
Pay As You Earn
BX9 1AS
United Kingdom
Telephone: 0300 200 3300
www.hmrc.gov.uk