Civil Service Pensions

A guide to your Pension Savings Statement

Contents

Civil Service Pensions

About this guide

The subject of pensions and tax can be complicated. We have created this guide to explain your Pension Savings Statement and provide guidance on what to do if you calculate that you have an Annual Allowance tax charge to pay.

This guide explains the information on each page of your Pension Savings Statement and highlights actions which you may need to take.

It is important that you review your pension savings to determine if you have a tax charge to pay.

- If you are a member of alpha only, please refer to page 7.
- If you have dual membership (you were a member of PCSPS and moved into alpha) please refer to both pages 6 & 7.

You can find more information about pensions and tax using the links provided below.

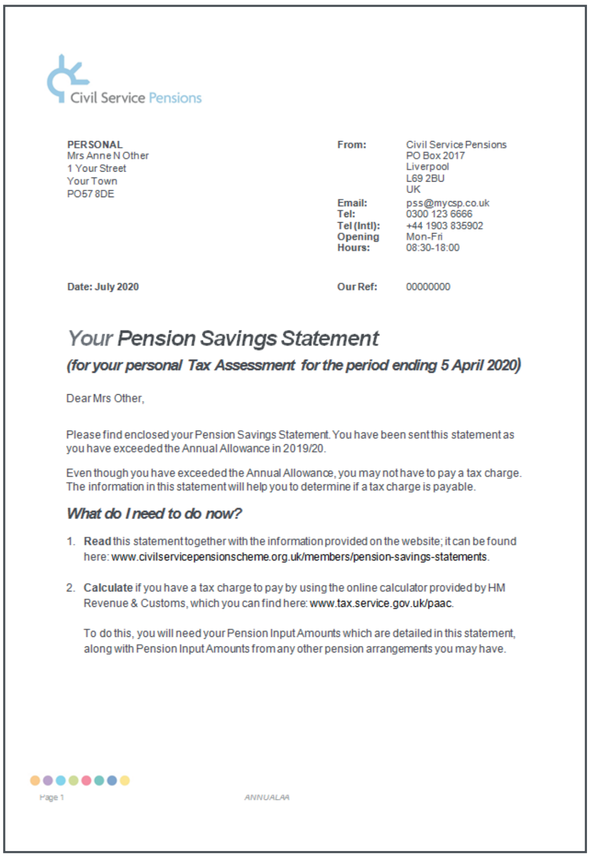
- **www.civilservicepensionscheme.org.uk/members/pensions-and-tax/**
- **www.gov.uk/tax-on-your-private-pension/overview**
- **www.gov.uk/government/organisations/hm-revenue-customs**

Pension tax awareness sessions are also available to eligible members. For more information about the sessions, see page 10 of this guide.

The figures on your Pension Savings Statement have been calculated using information provided by your employer. It is your employer's responsibility to ensure this information is correct and up to date. If you think the information contained on your statement may be wrong, you must contact **pss@mycsp.co.uk** before declaring any tax charge to HM Revenue & Customs (HMRC).
If your personal details need amending, please contact your employer's HR Department or Shared Service Provider.

What is your Pension Savings Statement?

Your Pension Savings Statement provides important information about the growth of the defined benefit part of Civil Service pensions. It will help you decide if you have a pensions tax charge to pay.


Civil Service Pensions

PERSONAL
Mrs Anne N Other
1 Your Street
Your Town
PO57 8DE

From:	Civil Service Pensions PO Box 2017 Liverpool L69 2BU UK
Email:	pss@mycsp.co.uk
Tel:	0300 123 6666
Tel (Intl):	+44 1903 835902
Opening Hours:	Mon-Fri 08:30-18:00

Date: July 2020

Our Ref: 00000000

Your Pension Savings Statement

(for your personal Tax Assessment for the period ending 5 April 2020)

Dear Mrs Other,

Please find enclosed your Pension Savings Statement. You have been sent this statement as you have exceeded the Annual Allowance in 2019/20.

Even though you have exceeded the Annual Allowance, you may not have to pay a tax charge. The information in this statement will help you to determine if a tax charge is payable.

What do I need to do now?

1. **Read** this statement together with the information provided on the website; it can be found here: www.civilservicepensionscheme.org.uk/members/pension-savings-statements.
2. **Calculate** if you have a tax charge to pay by using the online calculator provided by HM Revenue & Customs, which you can find here: www.tax.service.gov.uk/paac.

   To do this, you will need your Pension Input Amounts which are detailed in this statement, along with Pension Input Amounts from any other pension arrangements you may have.

Page 1 ANNUALAA

We will send you a statement if you meet one or more of the following criteria:

- you have exceeded the Annual Allowance limit of £60,000;
- you earn over £100,000;
- you have requested a Pension Savings Statement prior to this year's exercise.

Annual Allowance is the maximum value of the growth in your pension savings each year that can benefit from tax relief. The Annual Allowance applies to all your pension savings with UK registered pension arrangements. So, if you have any other pension savings apart from your Civil Service pension(s), you must also take these into account to determine if you have a tax charge to pay. For example, if you make Civil Service Additional Voluntary Contributions (CSAVCs), they are not included in this statement and you will need to contact the relevant pension provider(s) to obtain further information.

From the 2016/17 Pension Input Period onwards, High-Income individuals may be subject to a tapered Annual Allowance.

It is your responsibility to calculate if you have been subject to tapered Annual Allowance in any of the relevant Pension Input Periods.

Further information and guidance on how to calculate tapered Annual Allowance can be found on the HMRC website:
www.gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance

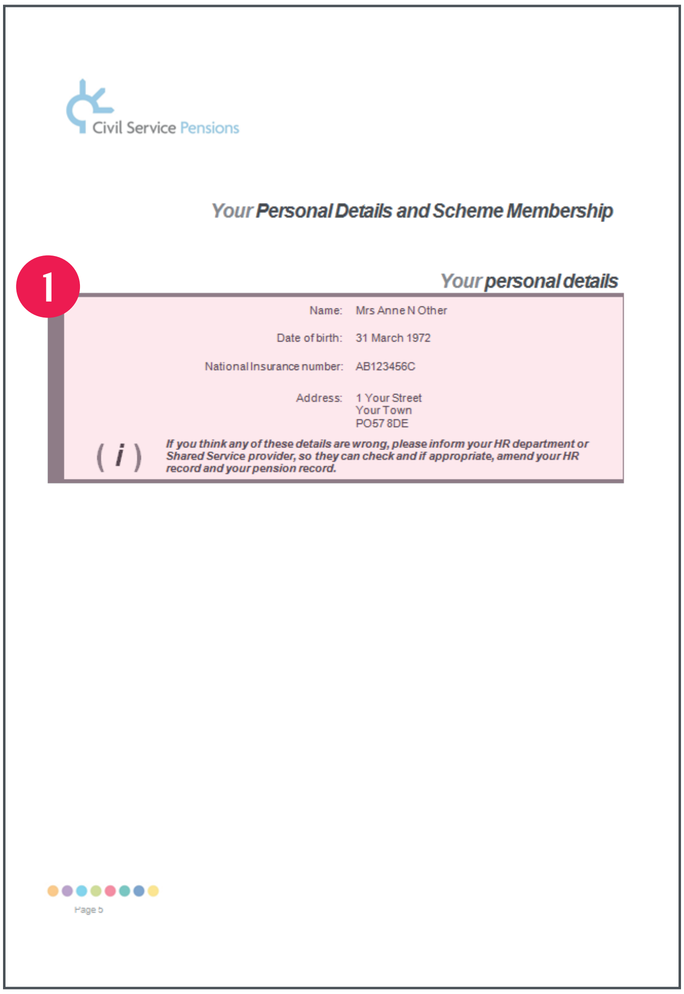
For Defined Benefit pension schemes (classic, classic plus, premium, nuvos and alpha) the calculation is not related to the pension contributions you make. To see how we calculate your Pension Input Amount, please see pages 8 & 9.

Your Personal Details

1. Your personal details

This section provides a summary of your personal details. These details have been provided to us by your employer.

If this information is incorrect, please inform your employer's Human Resources department or Shared Service Provider so they can update your pension record. We are unable to update your personal details unless your employer tells us to.


Civil Service Pensions

Your **Personal Details and Scheme Membership**

1

Your **personal details**

Name:	Mrs Anne N Other
Date of birth:	31 March 1972
National Insurance number:	AB123456C
Address:	1 Your Street Your Town PO57 8DE

(*i*) ***If you think any of these details are wrong, please inform your HR department or Shared Service provider, so they can check and if appropriate, amend your HR record and your pension record.***

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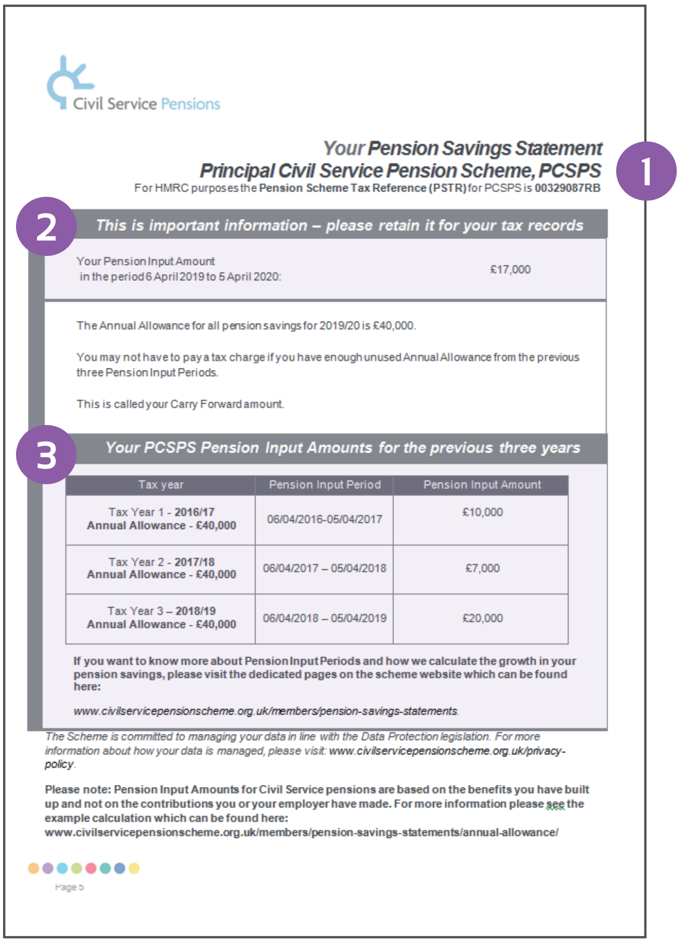
Your
Pension Savings Statement

For members of the Principal Civil Service Pension Scheme (PCSPS)

In this section we explain what your Pension Savings Statement will show if you have benefits in the Principal Civil Service Pension Scheme (PCSPS).

If you have dual membership in the Civil Service pension arrangements, you will receive two Pension Savings Statements; one for the benefits you have in the PCSPS and one for the benefits you have in alpha.


Civil Service Pensions

Your **Pension Savings Statement**
Principal Civil Service Pension Scheme, PCSPS 1
For HMRC purposes the **Pension Scheme Tax Reference (PSTR)** for PCSPS is **00329087RB**

2 ***This is important information – please retain it for your tax records***

Your Pension Input Amount in the period 6 April 2019 to 5 April 2020:	£17,000

The Annual Allowance for all pension savings for 2019/20 is £40,000.

You may not have to pay a tax charge if you have enough unused Annual Allowance from the previous three Pension Input Periods.

This is called your Carry Forward amount.

3 ***Your PCSPS Pension Input Amounts for the previous three years***

Tax year	Pension Input Period	Pension Input Amount
Tax Year 1 - **2016/17** **Annual Allowance - £40,000**	06/04/2016-05/04/2017	£10,000
Tax Year 2 - **2017/18** **Annual Allowance - £40,000**	06/04/2017 – 05/04/2018	£7,000
Tax Year 3 – **2018/19** **Annual Allowance - £40,000**	06/04/2018 – 05/04/2019	£20,000

If you want to know more about Pension Input Periods and how we calculate the growth in your pension savings, please visit the dedicated pages on the scheme website which can be found here:

www.civilservicepensionscheme.org.uk/members/pension-savings-statements.

The Scheme is committed to managing your data in line with the Data Protection legislation. For more information about how your data is managed, please visit: www.civilservicepensionscheme.org.uk/privacy-policy.

Please note: Pension Input Amounts for Civil Service pensions are based on the benefits you have built up and not on the contributions you or your employer have made. For more information please see the example calculation which can be found here: www.civilservicepensionscheme.org.uk/members/pension-savings-statements/annual-allowance/

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1. Your Pension Scheme Tax Reference (PSTR)

If you have calculated you have a tax charge to pay, this is the reference number you will need to use when completing your Self-Assessment tax return.

If you have dual membership, you will need to include both PSTR numbers on your tax return.

2. Your Pension Input Amount

This is the value of the growth of your pension benefits in the relevant Pension Input Period (PIP).

3. Your Pension Input Amounts for the last three years

Your Pension Savings Statement shows your Pension Input Amounts for the last three years and the relevant Pension Input Period.

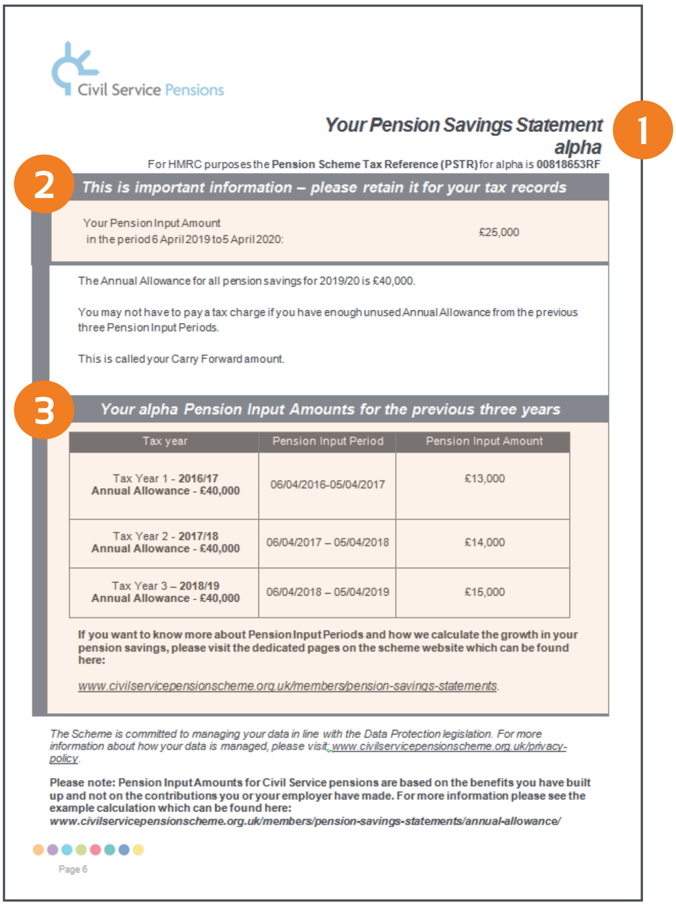
If your Pension Input Amount is more than the current Annual Allowance, you can 'carry forward' any unused Annual Allowance from the last three years. This means that you may not have to pay a tax charge if you exceed the Annual Allowance in the current Pension Input Period.

Your
Pension Savings Statement

For members of the Civil Servants and Others Pension Scheme (CSOPS), also known as alpha

In this section we explain what your Pension Savings Statement will show if you have benefits in the Civil Servants and Others Pension Scheme (CSOPS).

If you have dual membership in the Civil Service pension arrangements, you will receive two Pension Savings Statements; one for the benefits you have in the PCSPS and one for the benefits you have in alpha.



Civil Service Pensions

Your Pension Savings Statement
alpha

For HMRC purposes the **Pension Scheme Tax Reference (PSTR)** for alpha is **00818653RF**

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2

This is important information – please retain it for your tax records

Your Pension Input Amount in the period 6 April 2019 to 5 April 2020:	£25,000

The Annual Allowance for all pension savings for 2019/20 is £40,000.

You may not have to pay a tax charge if you have enough unused Annual Allowance from the previous three Pension Input Periods.

This is called your Carry Forward amount.

3

Your alpha Pension Input Amounts for the previous three years

Tax year	Pension Input Period	Pension Input Amount
Tax Year 1 - **2016/17** **Annual Allowance - £40,000**	06/04/2016-05/04/2017	£13,000
Tax Year 2 - **2017/18** **Annual Allowance - £40,000**	06/04/2017 – 05/04/2018	£14,000
Tax Year 3 – **2018/19** **Annual Allowance - £40,000**	06/04/2018 – 05/04/2019	£15,000

If you want to know more about Pension Input Periods and how we calculate the growth in your pension savings, please visit the dedicated pages on the scheme website which can be found here:

www.civilservicepensionscheme.org.uk/members/pension-savings-statements.

The Scheme is committed to managing your data in line with the Data Protection legislation. For more information about how your data is managed, please visit: www.civilservicepensionscheme.org.uk/privacy-policy.

Please note: Pension Input Amounts for Civil Service pensions are based on the benefits you have built up and not on the contributions you or your employer have made. For more information please see the example calculation which can be found here: ***www.civilservicepensionscheme.org.uk/members/pension-savings-statements/annual-allowance/***

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1. Your Pension Scheme Tax Reference (PSTR)

If you have calculated you have a tax charge to pay, this is the reference number you will need to use when completing your Self-Assessment tax return.

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If you have dual membership, you will need to include both PSTR numbers on your tax return.

2. Your Pension Input Amount

This is the value of the growth of your pension benefits in the relevant Pension Input Period (PIP).

3. Your Pension Input Amounts for the last three years

Your Pension Savings Statement shows your Pension Input Amounts for the last three years, and the relevant Pension Input Period.

If your Pension Input Amount is more than the Annual Allowance, you can 'carry forward' any unused Annual Allowance from the last three years. This means that you may not have to pay a tax charge if you exceed the Annual Allowance in the current Pension Input Period.

Your
Pension Savings Statement

How is the Pension Input Amount calculated?

The Pension Input Amount for Defined Benefit pension savings is worked out by determining the growth in the benefits from year to year. A value is then placed on this growth using a factor set by HM Revenue & Customs (HMRC). A Defined Benefit pension pays a guaranteed income for life.

The Defined Benefit pensions within the Civil Service schemes are calculated in one of two ways:

1. On a final salary basis (classic, classic plus and premium) using pensionable earnings, length of reckonable service (including any transferred in service) and an accrual rate determined by which section you are a member of.

2. On a career average basis (nuvos and alpha) where you build up benefits based on a set percentage of your pensionable earnings each year. Your accrued benefits are revalued annually.

In Defined Benefit schemes, the growth of your pension savings is not equal to the contributions that you and your employer have made.

Following each Pension Input Period, we calculate the value of your pension savings. We do this separately for each of the Defined Benefit schemes you are a member of.

Your combined Pension Input Amount (PIA), taken from all of your pension arrangements, should be compared against the Annual Allowance to determine if you have exceeded the limit in any given Pension Input Period.

The PIA calculation is as follows:

Step 1	We determine the pension you had built up at the end of the previous Pension Input Period and multiply this by a factor defined by HMRC (currently 16).
Step 2	Any automatic lump sum that you may be eligible for is added to the amount calculated in Step 1.
Step 3	We adjust the total amount in line with inflation. This is the value at the start of the Pension Input Period.
Step 4	We determine the pension you had built up at the end of the current Pension Input Period and multiply it by the same factor as used in Step 1.
Step 5	We add any automatic lump sum that you may be eligible for to the amount calculated in Step 4.
Step 6	We deduct the value in Step 3 from the value in Step 5 which gives us your Pension Input Amount.

Here is an example:

Step 1	Accrued pension at 05 April 2024: £10,000 x 16 = £160,000
Step 2	Plus automatic lump sum (£30,000) = £190,000
Step 3	£190,000 X 1.067 = £202,730 (opening amount)
Step 4	Accrued pension at 05 April 2025: £15,000 x 16 = £240,000
Step 5	Plus automatic lump sum (£45,000) = £285,000 (closing amount)
Step 6	£285,000 - £202,730 = **£82,270**

The inflation measure that is normally used to adjust the value of your pension savings is the change in the Consumer Prices Index (CPI) over the year to September before the start of the tax year.

Your PIA is not based on the contributions either you or your employer have paid.

Any contributions you and your employer have paid into any Defined Contribution pension arrangements (for example Civil Service AVC Schemes, the partnership pension account or a personal pension outside the Civil Service pension arrangements) are not included on your Pension Savings Statement.

The calculation for Pension Input Amounts was updated for 2023/24, allowing negative amounts from PCSPS to subtract from the alpha pension input amount. However, the overall total cannot be negative. Even if the PCSPS pension input amount is negative, it is recorded as zero.

What you should do when you receive your Pension Savings Statement

After receiving your Pension Savings Statement, you will need to calculate whether or not you have an Annual Allowance tax charge to pay.

Information about how to calculate, declare and pay a tax charge can be found here: **www.hmrc.gov.uk/pensionschemes/calc-aa.htm**

You will need to review your Civil Service Pension Savings Statement(s) alongside any statement(s) you may have received from any other providers that you hold pensions with.

Contributions to the Civil Service Additional Voluntary Contribution Scheme (CSAVC), and benefits in the partnership pension scheme are not included in your Pension Savings Statement. You will need to ask your chosen provider(s) for a statement of these benefits. This is so that you can take account of your Pension Input Amount within your CSAVCs, alongside your Civil Service Defined Benefit Pension Input Amount when calculating if you have a tax charge to pay.

Tax is your individual responsibility and we cannot complete or assist you with any tax liability calculations. We recommend that you seek an independent financial adviser if you are concerned about how tax may affect your pension benefits. If you have any queries about your tax charge, please contact your tax office.

Pension Tax Awareness Sessions
Pension tax awareness sessions are available through the Scheme Administrator, MyCSP, however as there is a charge for these sessions you should contact your employer directly to see if support is available to you. These sessions are designed to help you improve your understanding of pension tax legislation. Please note that employers do not have to provide this support to you.

How to pay a tax charge

If you have a tax charge to pay, you must declare this by completing a Self-Assessment tax return with HM Revenue & Customs. The charge can be paid either:

1. directly to HM Revenue & Customs (HMRC); or
2. using Scheme Pays.

You will need to notify HMRC by 31 January 2026 if you have a tax charge to pay, regardless of how you intend to pay it. This is done via Self-Assessment. If you are registering for Self-Assessment for the first time, you can find further guidance and timescales here: **www.gov.uk/register-for-self-assessment/not-self-employed**

What is Scheme Pays?

If you exceed the Annual Allowance and a tax charge is due, you can ask the pension scheme to pay the charge on your behalf in exchange for a reduction in your benefits.

There are two types of Scheme Pays: Mandatory and Voluntary.

Mandatory Scheme Pays can be used if all three of these apply to you:

- your Pension Input Amount within a single Civil Service Pension Scheme is in excess of £60,000; and
- the tax charge resulting from the excess within that scheme is over £2,000; and
- your Scheme Pays deduction is applied to the benefits within that scheme only.

Members with a tapered (reduced) Annual Allowance must have a Pension Input Amount in excess of £60,000 in one particular scheme (for example alpha or classic) to use Mandatory Scheme Pays for part of their tax charge.

Voluntary Scheme Pays can be used if you do not meet the Mandatory Scheme Pays criteria but you still wish to pay your tax charge by Scheme Pays.

You can also find more information on the dedicated Pension Savings Statement webpages.

www.civilservicepensionscheme.org.uk/pss

www.civilservicepensionscheme.org.uk/schemepays

You will need to advise HM Revenue & Customs (HMRC) if you use Scheme Pays.

The process for Scheme Pays is shown below.

Action	Deadline date
Members receive a Pension Savings Statement	6 October 2025
Members request a Scheme Pays quote	18 November 2025
We will issue a Scheme Pays quote	9 December 2025
Members return Scheme Pays form accepting the quote	23 December 2025
We will process Scheme Pays deductions	13 January 2026
Members notify HMRC of a tax charge and their intention to pay it via Scheme Pays	31 January 2026
The pension scheme pays the tax charge by Voluntary Scheme Pays	31 January 2026
The pension scheme pays the tax charge by Mandatory Scheme Pays	14 February 2027

Once we have received your acceptance form you will not be able to withdraw your application; as at this point we will adjust your benefits accordingly and the tax charge will be paid to HMRC on your behalf.

To prevent late payment charges being imposed by HMRC, regardless of which Scheme Pays method is used to pay your tax charge, we encourage you to take note of the Scheme Pays deadlines which can be found in the table above. Applications received outside the dates above will still be processed but payment by the relevant deadline date cannot be guaranteed.

www.civilservicepensionscheme.org.uk/schemepays

Quick Reference Glossary

Added Pension
Added Pension is an amount of extra annual pension that you can buy; it will be paid with your pension when you retire.

Added Years
Added Years is an amount of extra service you could buy that will be included in pension calculations. You can no longer start a contract to buy Added Years.

Additional Voluntary Contributions (AVCs)
You can make additional contributions to the CSAVC scheme to enhance your benefits. The CSAVC scheme is a separate scheme.

Up until 31 May 2018 individuals could contribute with the following providers; Scottish Widows, Standard Life, and Equitable Life. Since 1 September 2018, Legal and General is the only CSAVC provider.

Further information about the new provider and whether the changes affect you can be found on the Civil Service Pensions website using the following link
www.civilservicepensionscheme.org.uk/members/defined-contribution/

Aggregated / linked
Joining up your current period of service with a previous period of service.

alpha
A pension scheme that was introduced on 1 April 2015 as part of the Government's wider changes to public service pensions, also known as Civil Servants and Others Pension Scheme (CSOPS).

Annual adjustment
An adjustment to your benefits, based on the change in prices set by HM Treasury. If you are an active member of alpha, this can decrease as well as increase your benefits.

Annual Allowance
The annual limit on the amount of pension savings you make in any tax year before you may have to pay a tax charge. The level of allowance is set by HM Revenue & Customs.

Defined Benefit
A pension offering guaranteed benefits, worked out using a formula usually related to the member's pensionable earnings and/or length of service (including transferred in service).

Defined Contribution
Defined Contribution pensions build up a fund using your contributions and your employer's contributions (if applicable) plus investment returns and tax relief.

Minimum pension age
This is usually the earliest age a member can claim their pension benefits. The minimum pension age is usually age 55, or age 50 in some cases.

Normal Pension Age (NPA)
NPA is usually the earliest age a member can take their pension benefits without reduction.

Partnership
A defined contribution (money purchase) scheme that was introduced on 1 October 2002.

PCSPS
The Principal Civil Service Pension Scheme. This is the collective name for classic, classic plus, premium and nuvos.

Pension Input Period (PIP)
The 'PIP' is the period in which the growth in your pension savings is measured. Up until the 2014/15 tax year, in the Civil Service Defined Benefit pension arrangements, this was from 1 January to 31 December. The 2015/16 tax year was a transitional PIP. Since the 2016/17 tax year the PIP has been brought into line with the tax year – for example from 6 April to 5 April of the following year.

Pension Input Amount (PIA)
The 'PIA' is the growth in value of pension benefits in the relevant Pension Input Period.

Pensionable earnings
All of the earnings (your pay) that could count towards your benefits.

Prices
Also known as the Consumer Price Index (CPI), this is the rate at which pensions are increased when in payment.

Scheme Pays
If you are subject to an Annual Allowance tax charge, you can request that the pension scheme pays the charge on your behalf, subject to a permanent reduction to your pension benefits.

Tax Charge
An amount payable to HM Revenue & Customs.

Transfer in
The value of your pension benefits, from another pension arrangement, that you moved into the Civil Service Pension arrangements.

Civil Service Pensions