

Frequently asked questions about the 2015 pension changes



This factsheet is for use by Civil Service Pensions employers to answer questions from their members of staff about the 2015 pension changes, which take effect from 01 April 2015.



What scheme am I in?

There is a lot of information available on the Civil Service Pensions website about who joins alpha and when, which should help you: www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha

As your employer, we are responsible for putting you in the right Civil Service pension scheme and we can confirm what scheme you are in if you are unsure.

Please note that the scheme administrator, MyCSP, will be unable to confirm which scheme you are in until June, as it relies on information provided by your employer.

Will I be worse off in alpha?

No, not necessarily. You should use the alpha estimator that will be available on the Civil Service Pensions website from 01 April to see how your pension is affected:

www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha

The total value of your pension will depend on your personal circumstances, such as your salary and how long you are a member of the scheme. How you are affected will depend on your career, specifically the pay you receive. For example, low to middle earners are likely to build up similar, if not higher, benefits in alpha compared with their current scheme (although these benefits would be payable in full from a later age).

Will I be forced to work longer?

No. Your Normal Pension Age (NPA) is a calculation point, which is used to work out what your 'full benefits' are. You can take your pension benefits before your NPA (if you are over the Minimum Pension Age – currently this is age 55 in alpha) or after, if you wish.

You should read the alpha scheme guide that is available on the Civil Service Pensions website for more information about the benefits available and how they work:

www.civilservicepensionscheme.org.uk/members/alpha-guide

I don't want to stay in my current scheme / I don't want to move to alpha – how can I withdraw consent / prevent this from happening?

The pension changes are set out in legislation, and we have to ensure the new regulations are followed. You can find the scheme rules and regulations on the Civil Service Pensions website:

www.civilservicepensionscheme.org.uk/about-us/scheme-rules

Please note that these are legal arrangements and consent is not required. We are, therefore, unable to process any request [not to / to] transfer members into alpha that does not comply with the scheme regulations.

Why have my contributions changed again?

The Government has increased member contributions since 2012 to ensure there is a fairer balance between how much employers and members pay towards Civil Service pension benefits.

Cabinet Office discussed the 2015 contribution arrangements with Civil Service trades unions and agreed to simplify the structure and move to a calculation based on 'actual' pay.

Not everyone will see a rise in their contributions, as some people will be paying lower contributions from 01 April 2015. Many part-time employees will be better off as their contribution rate from April 2015 will be worked out using their actual salary rather than their full-time equivalent salary.

How are my contributions worked out?

We calculate your contribution rate based on which salary banding you fall into. The salary bands can be found on the Civil Service Pensions website: www.civilservicepensionscheme.org.uk/members/contribution-rates

From 01 April 2015, the way we calculate your contributions has changed. We now assess which salary band you fall into each month, rather than once a year.

We convert the amount of salary paid to you in any month into an annual salary figure. We then use this annual salary figure to decide which contribution salary banding you fall into and what your contribution rate will be for that month. This means that your contribution rate could change between months if the amount you are paid changes.

How can I find out how much I will be paying?

There is a pension contribution estimator on the Civil Service Pensions website: www.civilservicepensionscheme.org.uk/members/contribution-rates

If I get paid more in a particular month (for example, because of arrears of pay owed to me) will my pension contribution rate increase? If I get paid less will my pension contribution rate decrease?

Any variation of the amount of pensionable salary you are paid in a month will affect the rate of pension contribution you will pay in that month. In most cases you will pay the same rate as in the previous month, but on all of the pay you receive that month.

If you are very close to one of the thresholds for a band it is possible that any increase / decrease in pay might push you into that new band for at least that month. If it does then you will pay the rate for that band on all your pensionable earnings for that month.

Please note that the contribution rate is based on what your pay is for that month, so pay arrears will be included even if they back-date a number of months.

Do the contribution changes affect me – I'm not moving into the new scheme, alpha?

Yes, all members of: classic; classic plus; premium; nuvos; and alpha will move to the new contribution arrangements from 01 April 2015.

I cannot afford to pay more / I don't want to move to alpha so can I opt out?

Your Civil Service Pension continues to be among the best available, so you should think carefully before leaving the scheme.

If you opt out of the scheme you will be missing out on an important part of your pay and reward employment package; including the contributions that we, as your employer, make towards your pension (more than double the contribution of your own).

Your family could also potentially lose out on death-in-service benefits and you would need to consider reviewing your life insurance arrangements.

You should read the online opt out form that is available on the Civil Service Pensions website before making this important decision: www.civilservicepensionscheme.org.uk/members/active/active-faqs