



Employer Pensions Notice

EPN 241

Buying Added Pension – Annual Reminder

Audience This Notice will be of particular interest to:

HR and Communication Managers and all staff responsible for dealing with Added Pension contracts and enquiries from members

- Action**
- **Issue the attached Office Notice to all staff who are members of the Civil Service pension scheme. (Please insert the details of your pensions administrator where requested to do so, before you release the notice.)**
 - **Remind your payroll provider to expect added pension instructions from your pensions administrator**

Timing Immediately

1. Members who wish to pay extra to top up their benefits in any of the **classic, classic plus, premium or nuvos** sections of the Civil Service pension scheme can buy Added Pension. EPNs 177 and 193 refer. The attached Office Notice reminds members to apply now, and includes the appropriate application form.
2. Added Pension can be bought by either a lump sum or by monthly contributions. In both cases, the contributions made in any scheme year (April to March) are converted into Added Pension at the end of the year (31 March) and then receive index-linking, when appropriate. This is done at the beginning of every April by reference to the Retail Prices Index (RPI) for the previous September.



3. Members who wish to pay by monthly contribution can only start from **1 April**. They must, therefore, apply to your pensions administrator in time for them to process the application form and tell your payroll to start deductions from the April pay run.
4. Members who wish to buy added pension by lump sum before the end of the scheme year must ensure that their application and payment are received by the pensions administrator in time for the money to be banked by 31 March.
5. The Office Notice applies to members who have been in service for more than 12 months; the rules vary for new entrants. We have highlighted this in the text and advised new entrants to contact their pensions administrator for advice on eligibility.
6. Please issue the notice as soon as possible and remind your payroll to expect added pension instructions from your pensions administrator.

Contacts Enquiries about content, distribution or to receive in a different format

employerhelpdesk@cabinet-office.x.gsi.gov.uk

01256 846414

Employer Helpdesk, Civil Service Pensions, Grosvenor House, Basing View, Basingstoke, RG21 4HG

- You can find electronic copies of the EPG, all current EPNs and forms on our website www.civilservice-pensions.gov.uk in the Guidance for employers section.

If this notice is to be circulated to members, then please remove contact details as the helpdesk is for employers only. Members should be directed to your pensions administrator if they have any queries.

Civil Service Pensions Office Notice



Buying Added Pension

ANNUAL REMINDER

If you are in **classic**, **classic plus**, **premium** or **nuvos**, you may choose to buy added pension to top up your pension benefits. You can buy added pension by making monthly contributions from your pay and/or by paying in a lump sum.

What action do I need to take?

- **Read the added pension leaflet** – available on the Civil Service Pensions website or from your pensions administrator
- **Use the calculator on the Civil Service Pensions website to see how much you want to pay** www.civilservice-pensions.gov.uk
- **Complete the form which applies to your pension scheme (attached) and send it to your pensions administrator by 28 FEBRUARY 2009.** Their contact details are *[employer to insert name, address, email address and telephone number of pensions administrator]*.

Added pension by monthly contributions

If you want to buy added pension by monthly contributions for scheme year 2009-10, you must send the completed form to your pensions administrator by **28 February 2009** so that they have time to instruct your payroll to start making deductions from your April pay. If your application reaches the administrator after this date there is the possibility it will not be processed in time.

You can either pay a set amount or a set percentage of your pensionable pay.

You will receive tax relief on contributions made through payroll. So a contribution of, say, £100 would have a net cost to you of £80 if you pay income tax at standard rate (or £60 if you pay tax at higher rate).

Paying by lump sum

You can make one lump sum payment at any time in the year. If you want to make a payment in 2008-09 scheme year, you must send the completed form and payment to your pensions administrator by **28 February 2009**. Your pensions administrator will then tell your payroll to deduct the money from your salary. If your application reaches the administrator

after this date it is possible it might not be processed in the current scheme year.

If you want to make a lump sum payment other than through your salary, please contact your pensions administrator.

How much added pension can I afford?

Use the added pension calculator on www.civilservice-pensions.gov.uk. If you cannot access the calculator, contact your pensions administrator.

New Entrants

If you have joined your organisation in the last 12 months, please contact your pensions administrator about your eligibility to buy added pension.

Application for nuvos member to buy added pension

Personal Details

Name:

Date of birth:

National Insurance or pension scheme member No:

Buying by monthly contributions

I wish to buy added pension by paying £..... monthly contributions from my salary

OR % of my salary by monthly contribution

I wish to buy added pension for:

- myself only
- myself and dependants

I wish to contribute: for 1 year

for more than 1 year (please specify number of years, in whole years)

until I decide to cancel in writing

Buying by a lump sum contribution

I wish to buy added pension by paying a £.....lump sum, deducted from my salary

If you want to buy your added pension other than through your salary, your contributions will **not** get automatic tax relief. To get tax relief you will need to tell HM Revenue and Customs about your lump sum by making a tax return for the year in which you are buying.

Please speak to us if you want to pay other than through your salary.

I understand that I must not use a lump sum from a previous pension scheme to buy added pension.

Signed.....

Date.....

Please send this form to your pensions administrator

Application for classic, classic plus and premium members to buy added pension

Personal Details

Name:

Date of birth:

National Insurance or pension scheme member No:

Buying by monthly contributions

I wish to buy added pension by paying £..... monthly contributions from my salary

OR % of my salary by monthly contribution

I wish to buy added pension:

for 1 year

for more than 1 year (please specify number of years, in whole years)

until I decide to cancel in writing

Buying by a lump sum contribution

I wish to buy added pension by paying a £.....lump sum, deducted from my salary

If you want to buy your added pension other than through your salary, your contributions will **not** get automatic tax relief. To get tax relief you will need to tell HM Revenue and Customs about your lump sum payment by making a tax return for the year in which you are buying.

Please speak to us if you want to pay other than through your salary.

I understand that I must not use a lump sum from a previous pension scheme to buy added pension.

Signed.....

Date.....

Please send this form to your pensions administrator