

Information for Civil Service Pension Scheme members

Title: **Buying added pension and EPA**
Annual reminder and deadline dates

Date: November 2023

Audience: As a member of the Civil Service pension scheme, you can choose to buy added pension to top up your pension benefits. You can do this by making monthly contributions from your pay and/or by paying with a lump sum.

Members of **alpha** are also able to buy an EPA (by monthly contributions only) which allows you to take part of your pension earlier than their Normal Pension Age without any early payment reduction.

The possible impact of tax on pensions is explained below.

Action: Read the information on the [dedicated webpages](#), as well as (if you are in alpha) [Section 02 - Taking control of your retirement planning](#) for added pension and EPA information.

Use the [added pension calculators](#) and [EPA estimator](#) on the [Civil Service Pension Scheme website](#) to see how much you can buy and how much it will cost.

To apply for added pension or an EPA, after reading the available information, complete and return the relevant [application form\(s\)](#).

Need to know

Paying by monthly contributions

If you want to start buying added pension or an EPA from 1 April 2024, you must send your completed application form to MyCSP (the Scheme Administrator) by **8 March 2024**:

Civil Service Pensions
PO Box 2017
Liverpool
L69 2BU

This is to ensure that MyCSP can inform your Employer's Payroll department in time to enable them to start taking payments from your April salary onwards. If your application reaches MyCSP after this date, you may not be able to buy added pension or an EPA by monthly contributions in the 2024-25 scheme year.

Paying for added pension by lump sum

Unless you have been a member of the scheme for less than 12 months, you can make a lump sum payment at any time in the scheme year through your salary. If you want to make a lump sum payment in the 2023-24 scheme year, you must send your completed application form to MyCSP at the above address by **9 February 2024**. This is to ensure that MyCSP can inform your Employer's Payroll department in time to take the payment from your March salary. If your application reaches MyCSP after this date, it might not be processed in the current scheme year.

If you are unable to pay for the added pension by lump sum via your payroll or BACS, you can pay by cheque. If you need to pay by cheque, your cheque should be made payable to 'CO Civil Superannuation' and the completed application form must be with MyCSP by **12 January 2024**. If your application reaches MyCSP after this date, it might not be processed in the current scheme year. **Please note that cheques must be sent to MyCSP and not to your employer or the Scheme Manager (Cabinet Office).**

Before applying to buy added pension with a lump sum, please make sure you understand the potential for an Annual Allowance tax charge by reading the section on the Annual Allowance below.

Any ongoing monthly added pension contributions towards the classic, premium, classic plus or nuvos schemes are subject to the below limits and will continue until their intended end date or until you decide to cancel them.

Limit on added pension

For purchases before 1 April 2024, the maximum amount of added pension that members can buy is as follows:

Membership	Maximum amount of added pension
classic	£6,800 (plus lump sum of £20,400)
classic plus, premium and nuvos	£8,400
alpha	£8,400*

*this limit may be reduced if you are also buying EPA

The limit will increase in 2024/25 to:

Membership	Maximum amount of added pension
classic	£7,300 (plus lump sum of £21,900)
classic plus, premium and nuvos	£9,000
alpha	£9,000*

*this limit may be reduced if you are also buying EPA

The Scheme Administrator will check that any application to buy added pension falls within the relevant maximum limit.

Please note: the limits above apply to the maximum amount of added pension members can purchase and not the maximum contribution they can make.

Limit on EPA

If you are in alpha, you cannot buy EPA if you have bought the maximum amount of added pension. Otherwise, there is no limit on the amount of an EPA you can buy. However, the amount of EPA bought counts towards the limit on added pension that you can buy.

Tax relief

You will receive automatic tax relief on contributions made through payroll. To get tax relief, if you buy added pension by cheque or BACS, you will need to tell HM Revenue & Customs about your contribution and explain you did not receive any tax relief from the pension scheme in relation to the added pension purchase.

Annual Allowance

Please note that buying added pension will increase the value of your pension from one year to the next, and you could potentially become liable to an Annual Allowance tax charge. The standard Annual Allowance amount for the tax year 2023/24 is £60,000. The Annual Allowance is a personal tax responsibility and your employer or pension administrator cannot provide financial advice.

Defined benefit pension schemes such as **classic**, **classic plus**, **premium**, **nuvos** and **alpha** are valued by multiplying the pension built up in the year by 16 and adding the increase in any automatic lump sum (if applicable) over the year. The calculation includes a measure to adjust for the effect of inflation. The Annual Allowance tax charge will normally only affect higher earners, but buying added pension directly affects how your benefits increase from one year to the next, so you should ensure that you are aware of the potential for an Annual Allowance tax charge before applying.

You should also note that, if you are in one of the final salary sections of the PCSPS, or have linked final salary service and receive a promotion or large pay rise above the level of inflation, this will increase the value of your pension both in that year and the subsequent year. This may limit the amount of added pension you can buy without incurring a tax charge. If you do exceed the Annual Allowance, you can offset the excess against unused Annual Allowance from the previous three years (if you have bought added pension or received a large pay increase in previous years, this will also reduce the amount of unused Annual Allowance you have from previous years). For more information on the Annual Allowance, please visit the [HM Revenue & Customs website](#) and the information available on the [Pensions and Tax page](#) on the Civil Service Pension Scheme website.

How much added pension can I afford?

Please see the [added pension calculators](#) on the Civil Service Pension Scheme website which illustrates the costs.

Index Linking

The amount of added pension you buy will be adjusted each year in line with prices until you take your pension.

MyCSP Contact details

For queries about Added Pension or EPA, please email contactcentre@mycsp.co.uk

Tel: **0300 123 6666** (or **+44 1903 835902** from overseas)

Civil Service Pensions

PO Box 2017

Liverpool

L69 2BU

Please provide your National Insurance number and/or membership number as well as any supporting documents that will help MyCSP to answer your question.