



Civil Service Pensions

# Thinking about retirement

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A brief guide to the benefits available



# Contents

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<b>Who should read this booklet?</b>	<b>3</b>
When can I claim my benefits?	4
How much pension do I get?	4
<b>Pensions for your dependants</b>	<b>5</b>
Refund of contributions for husband, wife or civil partner's pension	5
What do I have to do to claim my pension?	5
How do I get my pension?	6
<b>What else do I need to think about?</b>	<b>7</b>
Death benefit nomination forms	7
State Pension forecast	7
Pension Credit	7
<b>Things that could affect your pension after you retire</b>	<b>8</b>
Guaranteed Minimum Pension (GMP) and annual pension increases	8
National Insurance modification	8
During retirement	9
What happens if I'm re-employed after drawing my pension	9
Scheme booklets	9
Further information	10
<b>Technical terms</b>	<b>11</b>

# Who should read this booklet?

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This booklet covers the classic, classic plus, premium and nuvos pension schemes. If you are a member of the partnership pension arrangements you will need to contact your provider for further information.

The booklet tells you how to claim your Civil Service pension and gives a brief overview of the things that you may need to consider before you retire.

We have tried to use as little jargon as possible, but we have defined some terms (shown in bold) that appear in the text. Please see the technical terms explained section at the end of this booklet.



**Note:** This guide does not cover all aspects of this subject. Further details can be found in the schemes' rules but pensions legislation will override these provisions where there is any discrepancy.

## When can I claim my benefits?

You can claim your full pension benefits if you retire when you reach pension age, which is usually 60 for classic, classic plus and premium members and 65 for nuvos members. If you leave the Civil Service after reaching age 50 (55 if you joined after 1 April 2006) but before pension age you can claim your benefits early. However, normally you will receive lower benefits if you do so.

Under certain circumstances there may be an option for you to draw all or part of your pension while remaining in service. The booklet 'Partial retirement' will give you more information on this.

## How much pension do I get?

During your Civil Service career you should have received an annual benefit statement showing what benefits you might expect when you retire. If you haven't received a benefit statement in the last 12 months please contact us and ask for a statement.

Your pension benefits are made up of an annual pension and possibly a tax-free lump sum payment. If you are in classic or classic plus, you will receive a lump sum automatically. Whatever scheme you are in, you will have the option of exchanging some of your pension for a lump sum.

If you have bought any added pension or added years this will be paid with your pension when you retire. You will get your pension paid for life.

If you opt for a lump sum, it will be tested against your available Lump Sum Allowance (LSA). If your lump sum exceeds your allowance, the excess amount will be subject to tax. The Government has set the LSA at a level which means that it is likely to affect only a very small number of people. For further information see the booklet 'Your pension and tax'.

# Pensions for your dependants

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On your death, under classic, your widow, widower or civil partner may receive a pension. classic plus, premium and nuvos may pay a pension to a widow, widower, civil partner or unmarried partner. (By 'unmarried partner' we mean a partner who you have nominated who meets the eligibility criteria). The amount of pension your widow, widower, civil partner or partner will receive depends on your circumstances. The relevant individual scheme booklets listed at the end of this booklet go into this in more detail.

## Refund of contributions

If you are in classic or classic plus you may receive a refund of some of the contributions you have paid if you have been unmarried or not in a civil partnership. The relevant individual scheme booklets explain this in more detail. In all circumstances the scheme will keep a small amount of your contributions in case you should marry or form a civil partnership in retirement. Your retirement lump sum will include any refund due to you. There are no refunds payable under premium or nuvos.

## What do I have to do to claim my pension?

You should discuss your plans with your HR unit so they know your leaving date. We normally recommend that you give them at least three months' notice. Your employer will let us know the date you intend to retire.

We will send you a Personal Details Form (PDF) which you should use to check the details we hold about you, and to tell us which bank or building society account you want your pension benefits paid into. You will also need to provide information about any other pension arrangements that you have taken benefits from, or will take prior to those from CSPA. This does not include your State Pension. We will check these figures to determine if you have any available Lump Sum Allowance (LSA).

If your lump sum exceeds your available LSA, it may be subject to tax.

You must provide all relevant information otherwise we may have to assume that you have no available LSA.

## How do I get my pension?

We will pay your pension into the bank or building society you have specified on the PDF. We will pay this monthly in arrears and tell you on which day of the month to expect it. We will pay your lump sum, if you have one, as soon as possible, after your last day of service.



# What else do I need to think about?

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## Death benefit nomination forms

It is important before you retire that you check your death benefit nomination form to ensure that it reflects your wishes. If you have not completed a form or wish to change it, please contact us immediately. You may make or change a nomination at any time, including after you retire. If you do not nominate a beneficiary, your death benefit will automatically go to your estate. If you wish to change your nomination form after you retire, you should contact us.

nuvos, premium and classic plus members can also nominate their partner for a pension. You will find further information in the booklet 'Pensions for partners'.

## State Pension forecast

To get an instant forecast of the State Pension you may get, and the earliest you may get it by using the online Check your State Pension service at [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension).

Alternatively you can call the DWP Future Pension Centre on 0800 731 0175

## Pension Credit

You may be entitled to Pension Credit. Pension Credit tops up any income already received to a standard minimum amount. To find out more, please call 0800 991 234 or visit: [www.gov.uk/pension-credit/how-to-claim](http://www.gov.uk/pension-credit/how-to-claim)

# Things that could affect your pension after you retire

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## Guaranteed Minimum Pension (GMP) and annual pension increases

Prior to 6 April 2016 the Civil Service Pension Scheme was contracted out of the State Second Pension (S2P), which was previously known as State Earnings Related Pension Scheme (SERPS). If you have **reckonable service** before 6 April 1997 you will have built up rights to a **GMP** which must be paid as part of your Civil Service pension. We will pay you a pension which is guaranteed to be at least as much as the **GMP** pension you have built up.

We will increase your pension payments annually in line with rises in the cost of living.

They will write to you about this each year. Some of the annual increase relates to the part of your Civil Service pension that is the **GMP**.

For members who reach State Pension age on or after 6 April 2016, the scheme will increase the GMP element of your pension.

## National Insurance Modification

The Civil Service Pension Scheme provides for pensions to be reduced from State Pension age to take account of the basic State Pension. If your reckonable service includes a period of time before 1 April 1980, the pensions payroll provider will reduce your Civil Service pension once you start to claim your State Pension. This reduction is known as National Insurance Modification. This reduced pension is then increased in line with rises in the cost of living from your last day of service. The reductions made for National Insurance Modification are less than £2 a year for each year of your service up to 1980.

## During retirement

The pensions payroll provider will send you an annual newsletter along with a Certificate of Pay & Income Tax (P60) and advice of payment. This will tell you your pension increase for the year and when you will get it. It will also keep you up to date on the latest pension news.

## What happens if I'm re-employed after drawing my pension

If you have any Civil Service pension in payment and are re-employed by a Civil Service pensions employer, your pension may be abated (reduced), unless you are over 75. If you are considering re-employment after drawing your pension you should contact us (or pensions payroll provider once you are retired) for further information on the impact on your pension.

## Scheme booklets

The following booklets give more details about retirement and associated issues:

- classic plus retirement benefits;
- classic retirement benefits;
- premium retirement benefits;
- nuvos retirement benefits
- The Civil Service Additional Voluntary Contribution Scheme.
- Your pension and tax
- Partial retirement - A Guide for Scheme Members
- What is abatement?

You will find all these booklets on the Civil Service Pension Scheme website or you can contact us for copies.

## Further information

When we send you the PDF we will also enclose up-to-date general information on retirement, welfare, benefit payment procedures and taxation. We will contact you regarding any Civil Service Additional Voluntary Contribution (CSAVC) you have made.

You will need to contact your provider if you have any other pensions.

Your employer will let you know about any pre-retirement seminars and where you can get further information. You can find any other information about pensions, on our website: [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

# Technical terms explained

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**Added pension** is a way of increasing your pension either by paying a lump sum once a year, or by monthly contributions.

**Added years** was a way for active members of classic, classic plus and premium, and their employers, to boost pension benefits by buying added years of service, either with a lump sum on joining, or by periodic contributions during service. This option was replaced by added pension in March 2008.

**Civil partnership** is a relationship between two people of the same sex that has been registered under the Civil Partnership Act 2004.

**Civil Service Additional Voluntary Contributions (CSAVC) Scheme** is a money purchase arrangement for Civil Service pension scheme members to provide additional pension benefits, where contributions are paid to one of a panel of approved pension providers for investment in a fund or selection of funds. The accumulated investment fund is used to provide additional benefits. Members can choose to take up to 25% of their fund as a tax free lump sum subject to the LSA.

**classic** is a defined benefit occupational pension scheme based on final salary. It was open to civil servants from 1972 to 2002 and is now closed to new entrants. The name classic came into effect in October 2002.

**classic plus** A defined benefit occupational pension scheme based on final salary. It was available from 1 October 2002 for staff in post on 30 September 2002 and is now closed to new entrants.

**Lump sum allowance (LSA)** Broadly, a limit on the total tax-free lump sums, or elements of a lump sum, that you can receive in a lifetime.

**nuvos** is a defined benefit occupational pension scheme based on salary in each year of service.

**Partial retirement** is the option to draw all or part of your pension while remaining in the Civil Service.

**Pension age** is the earliest age at which you can choose to leave and receive immediate payment of your pension without it being reduced because of early payment. Pension age is currently 60 for most classic, classic plus and premium members and 65 for most nuvos members.

**premium** is a defined benefit occupational pension scheme based on final salary. It was available from 1 October 2002 until 29 July 2007 and is now closed to new entrants.

**Reckonable service** is the service that counts towards a pension if you are in classic, classic plus or premium. Part time service counts on the basis of hours worked.

