

PCSPS(NI)

Principal Civil Service Pension
Scheme (Northern Ireland)



Department of
**Finance and
Personnel**

www.dfpni.gov.uk

Added pension for classic, classic plus, premium and nuvos



Civil Service Pensions

This leaflet tells you about buying added pension to boost your **classic**, **classic plus**, **premium** or **nuvos** pension.

We have tried to use as little jargon as possible but some technical terms are shown in **bold** where they appear in the text. Please refer to the glossary section for an explanation of these terms.

You will find a fuller explanation of your scheme benefits in our booklets which you can find on our website, or from us directly. Details at end of this leaflet.

Note: this leaflet provides a guide to buying added pension. It does not cover every aspect; the full details are contained only in the rules which are the legal basis of the scheme. You should note that nothing in this leaflet can override the rules, and in the event of any unintentional difference, the rules will prevail.

Who should read this leaflet?

Anyone who is an **active member** of classic, classic plus, premium or nuvos and who wants to boost their pension.

What is added pension?

Added pension is just what it says! It is an amount of extra annual pension that you can buy; it will be paid with your classic, classic plus, premium or nuvos pension after you retire.

Who can buy it?

You can buy added pension if you are an active member of **classic, classic plus, premium or nuvos**. You cannot buy added pension after you have left the scheme or started to draw your pension, or while you are on unpaid leave.

Are there any limits?

Yes. The limits will go up each year in line with inflation; we can tell you the current amount. Note also that the tax rules mean that you cannot use a lump sum from another pension arrangement to buy added pension.

Can I buy added pension for my dependants?

Added pension will provide benefits for you and your dependants like your main pension.

How much does it cost?

The cost of added pension will depend on your age. You can find a calculator on our website; if you do not have access to the website you can ask us to tell you how much it will cost.

The calculator illustrates how much added pension you can buy with either a lump sum or regular monthly payments over a set period of time. It also estimates how much you need to pay if you want to increase your pension by a set amount, e.g. £500 a year – again, either as a one-off lump sum payment or by monthly contributions. It gives you the flexibility to decide what you can afford.

Do I get tax relief on my contributions?

Yes, provided that your contribution does not exceed the limits set by HM Revenue and Customs. In general, you can get tax relief on pension contributions of up to 100% of your taxable earnings, or £3,600 if you earn less than that.

Please note that higher rate taxpayers have to claim extra tax relief on lump sum payments.

What do I get for my money?

You will get a set amount added to your pension that will increase each year in line with the **Retail Price Index (RPI)** each April.

How much you get will not depend on investment returns, so it is less risky than other ways of increasing your pension.

When you draw your pension your added pension will be combined with your main pension. See your scheme booklet for information about the choices you can make when you draw your pension and the other benefits it provides; these will apply also to your added pension.

How do I pay for added pension?

You can choose to pay by monthly deduction from your salary, or by lump sum. If you choose to pay monthly, you can either choose a set amount (e.g. £20 each month) or a set percentage of your salary (e.g. 5% each month).

You should note that if you decide to pay a set amount, it will buy a smaller amount of added pension in future years because the rates are age-based. If you want to go on buying the same amount of pension each year, you will need to increase your contribution amount each year.

If you pay a percentage of your salary this will increase the amount paid each year as your pay increases, but it may still not buy the same amount of pension.

If you choose to pay by regular deduction from salary, you must do so for the full **scheme year**, starting on 1 April, except in the year you start work and the year you leave. You can choose to make an open-ended commitment to go on contributing every month, until you leave or choose to cancel it.

Alternatively, you may pay by lump sum, but not in the first 12 months after you join the scheme. You can make one lump sum payment each year.

How will I know how much added pension I have bought?

Your annual benefit statement will show how much pension you have bought each year, and the current value of any added pension bought in previous years.

How do I apply?

Contact us. We will tell you what you need to do to buy added pension. You can pay by lump sum at any time of the year after your first 12 months. If you want to start paying by monthly deductions from your pay, you should apply in good time to start payments at the start of the scheme year.

Are there other ways of boosting my pension?

See 'The Northern Ireland Civil Service Additional Voluntary Contribution Scheme' (NICSAVCS) and 'Stakeholder Pensions' leaflets for other ways you can increase your pension with contributions via your pay.

Glossary

Active member An active member is a **classic, classic plus, premium or nuvos** scheme member who is in employment covered by the PCSPS(NI).

Retail Price Index (RPI) The official index of increases in retail prices.

Scheme year is 1st April to 31st March.

More information

Scheme booklets:

- 'Your classic pension benefits explained'
- 'Your classic plus pension benefits explained'
- 'premium pension scheme'
- 'nuvos pension scheme'

If you are considering boosting your pension, you may wish to consult an Independent Financial Adviser (IFA) to get advice.

You can obtain more information about the PCSPS(NI) pension arrangements, including the booklets referred to in this leaflet, from us directly at the address shown opposite or on our website:

www.civilservicepensions-ni.gov.uk

Our address:

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