

PCSPS(NI)

Principal Civil Service Pension
Scheme (Northern Ireland)



Department of

Finance and Personnel

www.dfpni.gov.uk

Stakeholder Pensions

This leaflet gives you some basic information about stakeholder pensions and some of the options available to you. You do not have to be a member of the PCSPS(NI) arrangements to invest in a stakeholder pension.

What is a Stakeholder pension?

A stakeholder pension is a form of personal pension. You invest money with a pension provider to build up a retirement fund. When you want to retire you use your fund to buy an annuity - an income for life. You have the option to take up to 25% as a cash lump sum.

The Northern Ireland Civil Service (NICS) has appointed Standard Life as its stakeholder pension provider. If you choose to invest in the Standard Life stakeholder arrangement you can make contributions through your payroll. Your employer will set up the arrangements for you. You can, if you prefer, make your own arrangements through direct debit or cheque direct to Standard Life without involving your employer.

You can open a stakeholder pension account with any pension provider, but you will have to make your own payment arrangements if you do so. You will not be able to make contributions through the payroll if you choose another stakeholder provider.

How much can I pay?

You can contribute up to 100% of your taxable earnings or £3,600, whichever is the greater, and receive tax relief on those contributions (subject to tax rules).

Will my employer contribute?

No.

How do I invest my money?

Your stakeholder pension provider will give you a choice of investment options. If you do not choose an investment option, your money will be invested in the default fund. Neither your employer nor Civil Service Pensions (CSP) will be able to advise you on which options to choose so you may want to speak to an independent financial advisor before making a decision.

When can I take my stakeholder pension?

You can take your stakeholder pension at any time from age 50 (55 from April 2010) to 75. You can take your stakeholder pension even if you are still working.

What do I get when I take my pension?

When you decide to take your pension, you use the fund you have built up to buy an annuity. You will be able to take up to 25% of the fund as a tax-free lump sum (subject to tax rules) if you wish.

What are the tax rules?

In general, most people get tax relief on the contributions they pay towards their pension provision. Tax rules usually only impact on people who are contributing very large amounts of money.

Pensions in payment are subject to tax rules. To find out more, visit www.hmrc.gov.uk

Other information

To find out information about Standard Life's stakeholder pension, you can ring their dedicated Helpline 0800 333305 or visit: www.standardlife.co.uk

For general information on PCSPS(NI) pensions, see the website: www.civilservicepensions-ni.gov.uk

For specific information about your PCSPS(NI) pension, you can contact us at the address below.

Note: The information in this leaflet is correct as at the date of publication but may be subject to change in future.

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