



## Important news – changes to your classic pension

### Please read - this note updates the information in the booklet

- **Additional cash lump sums**

The booklet explains that one of the benefits that you will receive when you retire is a tax-free lump sum of 3 times your pension.

You will also be able to choose to give up part of your pension for an additional lump sum. You can choose how much extra lump sum you want (up to the maximum allowed by the tax rules), but you must give up £1 of annual pension for each £12 of lump sum.

You can find out how much additional lump sum you can take, and the effect it will have on your pension by using the calculator on the Civil Service Pensions website:  
[www.civilservicepensions-ni.gov.uk](http://www.civilservicepensions-ni.gov.uk)

Dependants' pensions are based on your pension before you give any up for a higher lump sum, so they will not be affected by the amount you take. However, if you are 75 or over when you die, and you leave two or more children under age 18 (or under age 23 if they are in full-time education), the tax rules on pensions will restrict the total of any dependants' pensions payable to a maximum of the amount of your pension at the date of your death. As taking a higher lump sum reduces your pension, this may lead to your dependants' pensions being reduced if you die after reaching 75.

If you are single and eligible to receive a partial refund of WPS (widows'/widowers' pension scheme) contributions on retirement, you will have less scope to give up pension for an additional lump sum. This is because the total of any WPS refund is taken into account in the maximum lump sum amount you can take.

- **A higher service limit** – the maximum length of reckonable service that can count towards your pension has increased to 45 years, regardless of your age. If you had already reached the previous 40 year limit before age 60, you can build up more reckonable service from 1 March 2008. However, any time between the date you reached the 40 year limit and 1 March 2008 will not count.
- **Added pension replaces added years** – added pension is an amount of extra pension that you can buy: it will be paid with your pension after you retire. Please see the leaflet 'Added pension for **classic**, **classic plus** and **premium**'.
- **Partial retirement** – this enables you to take some or all of your pension and carry on working, subject to conditions. Please see the booklet: 'Partial retirement – a guide for scheme members'

Publications are available to read and download from the Civil Service Pensions website or on request from Civil Service Pensions.

**PCSPS(NI)**

Principal Civil Service Pension  
Scheme (Northern Ireland)

# Your classic pension benefits explained

a guide to the benefits available



Department of  
**Finance and  
Personnel**

[www.dfpni.gov.uk](http://www.dfpni.gov.uk)



**Civil Service Pensions**



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## Introduction

This is your guide to the valuable range of benefits to which you may be entitled as a member of the classic arrangement. Please take some time to read through it.

Before 1 October 2002, **classic** was known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]. We have only used the term classic from 1 October 2002. We have references to PCSPS(NI) in this booklet where it is appropriate.

Members of classic do not take part in the State Second Pension Scheme (S2P) which used to be called the State Earnings-Related Pension (SERPS). Instead, classic takes on the responsibility for paying the pension that would otherwise have been paid by S2P. This is known as being 'contracted out', and you pay a lower rate of National Insurance contributions.

Pensions are important to us all, no matter how far off your retirement may be. Even if you are now in your teens or twenties, proper pension arrangements will help you protect your financial future at a fairly low cost. Over the years, membership of the scheme will become one of your most valuable assets.

If you have any questions about:

- classic, please contact us, see page 30.
- the State retirement pension and S2P, please contact the Department for Work & Pensions, see page 30.
- tax, please contact HM Revenue and Customs, see page 30.

This booklet provides a straightforward guide to the main conditions of classic. It does not cover every aspect – the full details are contained in the rules, which are the legal basis of the scheme. Nothing in this booklet can replace the rules, and if there is any difference, the rules will apply.

Please keep this guide in a safe place.

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### Important note

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We explain words in **bold** in the glossary.

## Membership

Classic offers you a range of benefits that provide financial security in the time up to your retirement and after that. It may provide an income for you when you retire and benefits for your dependants after your death. It includes valuable life cover before you retire and it may provide protection if you suffer serious ill health. There are also a range of options if you leave the Northern Ireland Civil Service (NICS) before retirement.

You may want to transfer any pension benefits you have in a previous employer's scheme or in a personal pension plan to classic. Perhaps you want to increase your pension by paying additional contributions. There is information about these important issues in this booklet and in other literature that we refer to in the relevant section of this booklet. If you want to make a transfer or buy added years of **reckonable service** with a lump sum payment, time limits to do this apply.

## Eligibility

Northern Ireland Civil servants who were members of the PCSPS(NI) before 1 October 2002 and who chose to stay in classic, or did not choose to join another part of the PCSPS(NI) pension arrangements, are automatically members of the scheme.

From 1 October 2002, classic was closed to all but a few new members.

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## Important note

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In certain circumstances, you may be a member of classic and contribute to a personal pension plan or stakeholder pension at the same time from the same source of income.

## Making a transfer

If you have pension benefits in the scheme of a previous employer or in a personal pension plan, you may transfer them into classic. You may apply for a transfer in at any time up to when you start the administrative process of claiming your pension.

The transfer value will buy a credit of reckonable service in classic. You should note that classic may refuse a transfer if it will not cover the cost of your **guaranteed minimum pension**.


From 6 April 2006, an application to bring a transfer in from a personal pension scheme must be made within 12 months of joining (or being eligible to join) classic.

## Opting out

You can opt out of classic at any time. If you opt out of classic in the first three months after joining, your decision is backdated to the date you joined the NICS.

If you decide to leave at any other future date, your decision will take effect from the next convenient pay period.

If you want to opt out, you will need to fill in and return an option form that is available by contacting us.

 There is more information about the options that are available and the points that you need to remember when you make your decision on page 18 of this booklet.

## Paying for your benefits

### Your contributions

Your pension, together with your pay, forms part of your total benefits package. Although you do not make a contribution towards the benefits you receive under classic, salaries are set at levels which take account of the value of the benefits provided.

However, you must contribute 1.5% of your pay, mainly towards the cost of providing benefits for your **widow, widower** or surviving **civil partner** after your death.

These contributions are taken from your pay before we work out tax, so you will automatically receive full income tax relief at the highest rate you pay. Also, as classic is contracted out of the State Second Pension (S2P), you pay lower National Insurance contributions.

If you have a **dependent child** who is permanently disabled and who is not likely to be able to earn a living, you can choose to pay an additional contribution of 2% of your pay (or more) to provide a child's pension after your death. This is called an invalidity pension. This pension will be paid when the child is no longer eligible for the children's pension under classic.

### Employers' contributions

Apart from the 1.5% contributions you make towards your pension, your employer makes further contributions known as the 'accruing superannuation liability charge'. These contributions are based on salary bands and currently range between 17.1% and 26.5%. The rates are reviewed every three years.

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### Example:

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#### Your contributions

Your pay is £20,000 a year.

Contributions for widow's, widower's or surviving civil partner's benefits:

$$£20,000 \times 1.5\% = £300$$

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#### Income tax relief

(22p for every pound):

$$£300 \times 22\% = £66$$

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#### Net contribution

(that is, the real cost to you):

$$£300 - £66 = £234$$

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Also, you pay lower National Insurance contributions.

In each tax year you will save a small percentage of your pay above the lower earnings limit.

## Retirement benefits

When you retire, you will receive an annual pension and a one-off lump sum. The amount of these benefits will depend on your **pensionable earnings** and length of **reckonable service**.

### Pension

We work out your pension as follows:

$$\frac{\text{pensionable earnings} \times \text{reckonable service}}{80}$$

Part-time service counts on the basis of the actual hours you work and the equivalent full-time pensionable earnings. However, in the past there have been various restrictions on who can join the scheme depending on the number of hours worked. If you have had part-time service in the past then you should contact us and we tell you how these restrictions may apply to you.

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### Example:

#### Pension at pension age

Your pensionable earnings are £20,000, and your reckonable service is 30 years.

Pension =  $(£20,000 \times 30) / 80 = £7,500$  a year  
or £625 a month before deductions.

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### Lump sum

We work out your lump sum, which is payable free of tax, as follows:

#### **3 x your annual pension**


This lump sum will be reduced if you had still to make contributions to provide benefits for your **widow**, **widower** or surviving **civil partner**, or for incapacitated children you have nominated during service.

## Exchanging your lump sum

You may choose to give up all or part of your lump sum in return for an increase in either your own pension, or in your own pension and your widow's, widower's, or surviving civil partner's pension. If you decide to exchange all or part of your lump sum, you must make your decision before your last day of service. Once we start paying your benefits, they cannot be changed. Contact us for more information.

The maximum length of reckonable service that can count towards your pension at **pension age** (normally age 60) is 40 years. You can build up more reckonable service if you work beyond your pension age, but it cannot be more than 45 years.

Once you are old enough to receive a State retirement pension, the State basic pension will become payable in addition to your classic pension, as long as you have paid enough National Insurance contributions.

 There is more information on the state benefits on page 27 of this booklet.

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### Example:

#### Lump sum at retiring age

Your annual pension is £7,500. We work out the lump sum as;

$$3 \times £7,500 = £22,500$$

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## Paying benefits

We pay benefits as quickly as possible, although no particular start date can be promised. This is because the benefit calculations can only be completed on your last day. In practice, every effort is made to make sure that you receive your lump sum within a few days of retiring, and your pension as soon as possible afterwards. It might help if you agree your last day of service as far in advance as you can.

The lump sum is paid direct to either your bank or building society account.

Pensions are normally paid every month in arrears by direct credit to your bank or building society account. They are treated as earned income for tax purposes. Any tax that is due is taken off before the pension is paid.

## Providing benefits for someone else

You have the option to give up part of your pension to provide benefits for another person. This is known as allocation of pension. You may choose to add to the benefits you have already provided for your husband, wife or surviving civil partner, or to provide for another person who is dependent on you.

Normally, this pension will start after you have died, although if you joined the PCSPS(NI) before 1 February 1991, and retire before 6 April 2006, and the beneficiary is your husband, wife or civil partner, it can start at the same time as your pension (it starts at a lower level and is doubled after you die).

You need to remember a number of points about allocating part of your pension:

- You give up part of your pension.
- You cannot give up more than one third of your pension (sometimes this limit is lower).
- You cannot change or cancel the allocation, even if the person who would have received the benefits dies first.

- You must be in good health (we will need proof).
- The pension you allocate is payable for life and is not affected if you get married again, or enter into a **civil partnership**.

If you are interested in this option, contact us to find out how this will affect your pension. We will tell you what to do next.

**You must make your allocation decision before your pension comes into payment.**

## Increasing your benefits

You can choose to increase your pension benefits. You have a choice of options, all of which provide a tax efficient way of boosting your pension.

### What options do I have for topping up pension?

You can:

- invest in the Northern Ireland Civil Service Additional Voluntary Contribution Scheme (NICSAVCS);
- buy added years in **classic**;
- if you earn £30,000 or less you may contribute to a stakeholder pension;
- other saving options.

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### Important note

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There are limits on your pension contributions and their resulting benefits. Your options for increasing your pension benefits might need to be restricted to meet HM Revenue and Customs rules.

 There is more information on page 27.

### Added years

Depending on certain eligibility conditions, you can buy added years of classic **reckonable service**. The maximum number of years you can buy depends on your age when you joined classic, but as a broad guide, it cannot bring your total reckonable service to over 40 years at age 60. You may, of course, buy less than the maximum.


Any added years you buy will count when we work out all the benefits from classic – whether you, your **widow, widower, civil partner** or your children receive them.

You can buy added years with a lump sum or by regular payments. You must choose the option to make a lump sum payment within 12 months of joining classic and before your **pension age**.

You can choose the option to pay regular contributions at any time up to a year before your classic pension age. It is a long-term commitment to pay contributions until you retire or leave classic. We work out contributions for added years as a percentage of your pay. They increase every time your pay increases, as do the benefits provided by the purchase.

If you leave before pension age, you will be credited with an appropriate proportion of the added years that you were buying.

If you leave early under the compulsory, flexible or approved categories of early retirement, you might be able to buy added years by reducing the lump sum benefits that would normally be payable when you retire. You must make your decision before you leave.

 There is more information in the leaflet 'Buying added years for your classic pension'.

## Northern Ireland Civil Service Additional Voluntary Contribution Scheme (NICSAVCS)

Through the NICSAVCS, you can pay **Additional Voluntary Contributions (AVCs)** to a pension investment plan or to provide extra life cover for your dependants (or both).

### Paying AVCs

Your AVCs build up in an individual fund with Scottish Widows, Standard Life or Equitable Life, although Equitable Life is now closed to new entrants except to provide extra life cover, (or all three). You can choose how much to pay (within certain limits) and you can change or suspend your contributions at any time.

You have a wide choice for investing your AVCs, and you can change the way you invest. At, or after your retirement, your AVCs fund is used to buy an annuity. You can choose to provide a pension for yourself or a dependant (or both).

From 6 April 2006 you will also be able to take up to 25% of your fund as a tax-free lump sum, subject to the LTA.

You do not have to take your NICSAVCS at the same time as your PCSPS(NI) pension as long as it is before your 75th birthday. You will lose the right to a tax-free lump sum if you do not take your NICSAVC before you reach age 75.

### Extra life cover

The only provider to give extra life cover is Equitable Life.

Your NICSAVCS are used to provide life cover above the level of that provided by classic. HMRC allows death benefit payments of up to four times your final salary. The **classic** arrangement already provides a death benefit lump sum of two times your **pensionable earnings**, leaving scope for members to provide an extra benefit of up to two years' gross earnings (or more in some circumstances).

The cost of the life cover will depend on your age and the amount of cover that you want to have. Contact us for the current rates, which have been specially negotiated for civil servants. You can stop your AVCs at any time, in which case your cover will end. As with any insurance, you will not receive a refund of the contributions you have already made.

### Starting to make additional voluntary contributions

There is more detailed information in the leaflet called 'The Northern Ireland Civil Service Additional Voluntary Contributions Scheme'. You should ask us for a copy of the leaflet or you can download it from our website;

[www.civilservicepensions-ni.co.uk](http://www.civilservicepensions-ni.co.uk)

### Free-standing Additional Voluntary Contributions (FSAVCs)

You may make your own arrangements with an insurance company or other financial institution to provide extra retirement benefits. These are known as FSAVC schemes and are different from the NICSAVCS in a number of ways. In particular, the charges made on your account will normally be higher as it is an individual contract, and the contributions due cannot be taken directly from your pay. It is unlikely that the terms offered by FSAVC providers will match those of the NICSAVCS.

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### Important note

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It is essential that before you enter into any AVC arrangement, you consider your financial position carefully and whether you need independent financial advice.

## Tax advantages

Just like your contributions for your dependants' benefits, these additional payments are taken out of your pay before income tax is taken off. You automatically save tax at the highest rate you pay. Also, with money purchase AVCs, your fund builds up virtually free of income tax.

On 6 April 2006, limits on contributions were lifted and you will now be able to contribute up to 100% of your salary and receive tax relief subject to the annual allowance.

## Stakeholder pensions

You may be able to contribute to a stakeholder pension if you are a member of classic.

On 6 April 2006 limits were lifted and you will now be able to contribute to a stakeholder pension whatever your salary. You will be able to pay up to 100% of your earnings or £3,600, whichever is the higher, including tax relief subject to the annual allowance.

Your contributions will build up in a fund (or funds) offered by the stakeholder provider. You can choose how much to pay, and change or end your contributions (within certain restrictions). Your contributions will be eligible for tax relief. You may take the proceeds of your fund at any time from age 50 to 75 as a pension by buying an annuity, with up to 25% of the value of the fund taken as a tax-free lump sum.

You may either:

- take out a policy with Standard Life through the arrangements they offer to civil servants;
- make your own arrangements with a provider of stakeholder pensions.

If you take out a policy with Standard Life, you may either choose to pay your contributions through your salary or by direct debit.

# Topping up your benefits - comparing your options

## How they compare

NICSAVCS	Buying added years
<p>You choose to invest with one of our providers – Scottish Widows or Standard Life. You also choose the fund you want your money invested in.</p> <p>You can take out additional life cover with Equitable Life.</p>	<p>You agree to buy a number of years of extra service. The rate for this is fixed as a percentage of your salary and depends on your age. The contract starts from your next birthday and continues until you reach pension age.</p>
<p>When you retire from classic, you use your fund to buy an annuity – a pension for life and up to 25% as a tax free lump sum from 6 April 2006. You choose the sort of pension you want – for example, you might decide that you want a flat-rate pension (no increases) and you don't want to provide a husband's, wife's or <b>civil partner's</b> pension after you die. This would give you a higher initial rate of pension than if you choose increases and a pension for your husband, wife or civil partner.</p>	<p>Under HM Revenue and Customs rules, you cannot contribute more than 15% of your earnings in total (including your 1.5% basic scheme contribution). There may be other limits on the number of added years you can buy.</p>
<p>Your total contributions – including all contributions to <b>classic</b> – cannot be more than 15% of your earnings.</p> <p>From 6 April 2006 you can pay up to 100% of your salary into a NICSAVC and receive tax relief subject to the annual allowance.</p>	<p>Contact us and we will tell you about this if necessary.</p>
<p>You may be able to use AVCs to provide extra life cover.</p>	
<p>Classic provides a lump sum when you die of 2 years' pensionable earnings if you die in service. Under HMRC rules your beneficiary may receive a lump sum of up to 4 times your final pay. This means that you have scope to increase your life cover. Contact us for further details.</p>	
<p>You may go to a provider of your own choice and buy a freestanding AVC (FSAVC).</p>	

## Topping up your benefits - comparing your options

### How they compare

Stakeholder	Other savings options
<p>These are similar to <b>AVCs</b> but you can already take up to 25% of your fund as a tax-free lump sum when you draw your pension. You can draw your stakeholder pension at any time from age 50 to 75.</p>	<p>There are many other saving options open to you. For example some people may prefer the flexibility of ISAs (individual savings accounts) where they can get at their money before they retire if they need to.</p>
<p>On 6 April 2006 limits were lifted and you will now be able to contribute to a stakeholder pension whatever your salary. You will be able to pay up to 100% of your earnings or £3,600, whichever is the higher, including tax relief subject to the annual allowance.</p>	<p>For reasonably unbiased information, you might like to contact the Financial Services Authority (FSA) or Department of Work &amp; Pensions (DWP) for information about state pensions.</p>
<p>Standard Life provides a stakeholder pension for the NICS and you will be able to contribute to this through the payroll. Standard Life's helpline number is 0800 333305. Or, you may want to go to a provider of your own choice.</p>	

## Death benefits

### Death in service

The lump sum death benefit that is payable when you die depends on whether you are still working in the NICS, or retired, or have left the NICS with preserved benefits but have not yet reached age 60.

As well as the lump sum death benefit, pensions may be payable to your **widow**, **widower** or surviving **civil partner** and dependent children. These pensions are described in the next section.

If you die while still working in the NICS the lump sum death benefit is normally equal to two years' pensionable earnings. If you are part-time, it is normally equal to two years' actual part-time **pensionable earnings**. We will pay this benefit to the person you nominated no matter how long you have been working for us. If you have not nominated anyone, or your nomination is invalid (see page 12), we will pay it to your personal representative.

This benefit will be reduced if you still have to make contributions for benefits for your widow, widower or surviving civil partner and incapacitated children.

### Death after you retire

If you die after retiring, a lump sum death benefit may be payable. We work it out as the difference (if any) between five times your annual pension on the date you died and the total pension and lump sum payments you have already received. We will pay it to the person you nominated or your personal representative.

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### Example:

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#### Lump sum death benefit (death after you retire)

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Your annual pension is £7,500 and the lump sum is £22,500.

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You die after 11 months. We work out the lump sum death benefit in two parts. We work out the ceiling benefit first and the benefits you have already received are taken from this.

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Ceiling benefit:  $5 \times £7,500 = £37,500$

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Less the benefits you have already received:

£6,875 (11 months' pension)  
+ £22,500 = £29,375

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Lump sum to pay:  
 $£37,500 - £29,375 = £8,125$

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### Death after leaving or opting out of pension arrangements

The lump-sum death benefit is equal to the preserved lump sum that would otherwise have been paid to you if you had taken your pension. We will pay it to the person you have nominated or to your personal representative.

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### Example:

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#### Lump sum death benefit (death with preserved benefits)

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You leave with five years' **reckonable service**. You have preserved benefits of £1,250 a year in a pension and £3,750 as a lump sum. You die five years later, during which time the cost of living has risen by 4% a year. The lump sum death benefit will have risen to £4,562.

## Nominating someone to receive benefits

You can nominate any person (including a child) or organisation (such as a bank, a trustee, a firm of solicitors or accountants) to receive the lump sum death benefit. If appropriate, you can ask the person you have nominated to distribute the benefit in line with your wishes, although you should take legal advice on this. The advantage of making a nomination is that the benefit can be paid more quickly. If you do not make a nomination, or if it is not valid when you die, we will pay the benefit to your personal representative.

HM Revenue and Customs regulations do not take account of the lump sum death benefit when assessing liability for inheritance tax, whether or not you have made a valid nomination. The nomination will be valid unless you change or cancel it, or if the person you nominated dies. The one exception to this is when you nominate your husband, wife or civil partner and the marriage/**civil partnership** comes to an end, either through death or divorce/dissolution (but not separation). The nomination is then no longer valid and you should make another one.

You can make nominations using the form that you can get from us (DB1). Please make sure that you keep it up to date and that you send us a new nomination if your wishes or circumstances change.

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### Important note

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At the time of a divorce or dissolution, a court may order that when a scheme member, or a previous member, dies, all or part of the death benefit must be paid to the ex-husband, ex-wife or ex-civil partner. If this is the case, we will pay any balance to the person you nominated or to the personal representative of the person who died if there is no valid nomination.

## Dependants' benefits

### Circumstances

The pension benefits that are payable to your widow, widower or surviving civil partner and dependent children when you die depend on whether, at the date of your death, you were:

- a current member with less than two years' **qualifying service**;
- a current member with two or more years' qualifying service;
- a retired member;
- a deferred member with preserved benefits.

### Pension benefits for your widow, widower or surviving civil partner

There are two types of pension that we may pay to your widow, widower or civil partner.

#### A short-term increase

This is paid to your widow, widower or surviving civil partner for the first 91 days after your death. It is equal to:

- your pensionable earnings for death in service;
- your annual pension for death after retirement.

The short-term increase is to help during the especially difficult period immediately after you die and is generally payable for 91 days (although we will extend this period if you leave dependent children).

## A continuing pension

This is a proportion of:

- the enhanced pension that would have been paid if you had been retired due to ill health (if you die in service with two or more years' qualifying service);
- your actual pension (if you die after retirement); or
- your preserved benefits (if you die as a previous member with preserved benefits).

### Level of pension

The level of the continuing pension will depend on the contributions you have paid. If you joined classic after 1 June 1972 (men) or 1 July 1987 (women), the continuing pension is one half of your pension.\*

If you joined before these dates, it will also be one half\*, as long as you have chosen to provide a pension at this rate for all your service. But for men who have not chosen to do this, the pension built up before these dates will be paid at the rate of one third of their pension benefits. If you have service for which you have paid no contributions, that service will not count when we work out the continuing pension.

**\* If you die leaving a surviving civil partner, their continuing pension will be based on your service from 6 April 1988 only.**

## Death in service

### Less than two years' qualifying service

We will pay a short-term pension to your widow, widower or surviving **civil partner** that is equal to your **pensionable earnings**. It will last for 91 days, unless you leave any dependent children in the care of your husband, wife or civil partner. If you leave one child, the short-term pension is extended to 182 days, and if you leave two or more children, it is extended to nine months.

After the short-term pension ends, children's pensions will take over until the children are no longer eligible.

We will not pay your widow, widower or surviving civil partner a pension after the short-term pension ends if you die with less than two years' qualifying service.

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#### Example:

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#### Dependants' benefits (death in service)

You die with less than two years' **qualifying service** and pensionable earnings of £20,000 a year. You leave a husband, wife or civil partner and one child.

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Short-term widow's or widower's pension  
= £20,000 a year, payable for six months

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Child's pension (payable after six months)

=  $\frac{1}{4} \times (\text{£}20,000/80) \times 10 = \text{£}625$  a year

The child's pension includes a service enhancement which increases the total **reckonable service** to 10 years.

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## Death in service

### Two or more years' qualifying service

We will pay a short-term increase to your widow, widower or surviving civil partner that is equal to your pensionable earnings. It will last for 91 days, unless you leave any dependent children in the care of your husband, wife or civil partner, in which case it is extended to six months.

After the short-term increase ends, it is replaced by a continuing pension for your widow, widower or surviving civil partner, and children's pensions (if payable).

The continuing pension is normally equal to one half of the pension that would have been payable if you had retired through ill health on the day you died (but it may be lower than this – see page 13 under 'Level of pension').

The children's pensions are described on page 16.

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#### Example:

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#### Dependants' benefits (death in service)

You die at age 45 with pensionable earnings of £20,000 a year, having completed 11 years' reckonable service. You leave a husband, wife or civil partner and two children.

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Short-term widow's, widower's or surviving civil partner's increase = £20,000 a year,  
(payable for six months)

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Continuing widow's, widower's or surviving civil partner's pension;  
=  $\frac{1}{2} \times (\text{£}20,000/80) \times 20 = \text{£}2,500$  a year  
(payable after six months)

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Child's pension (for each child)  
=  $\frac{1}{4} \times (\text{£}20,000/80) \times 20 = \text{£}1,250$  a year  
(payable after six months)

The continuing widow's, widower's or surviving civil partner's pension and the child's pension include a service enhancement that increases the total reckonable service to 20 years.

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## Death after you retire

We will pay a short-term increase to your widow, widower or surviving civil partner that is equal to your pension at the time of your death. It will last for 91 days, unless you leave any dependent children in the care of your husband, wife or civil partner, in which case it is extended to six months.

After the short-term increase ends, it is replaced by a continuing pension for your widow, widower or surviving civil partner, and children's pensions (if payable).

The continuing pension is normally equal to one half of the pension that you received at the time of your death. It may be lower than this because:

- you chose to contribute for lower benefits (see page 13 under 'Level of pension');
- you married after you retired, in which case the continuing pension is based on service from 6 April 1978 (men) or 6 April 1988 (women);
- you have a civil partner, in which case the continuing pension is based on service from 6 April 1988 (men and women).

The children's pensions are described on page 16.

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### Example:

#### Dependants' benefits (death after you retire)

A pensioner dies with an annual pension of £7,500, leaving a husband or wife but no dependent children.

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Short-term widow's, widower's or surviving civil partner's increase = £7,500 a year (payable for three months)

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Continuing widow's or widower's pension

=  $1/2 \times £7,500 = £3,750$  a year (payable after 91 days)

---

## Death after leaving or opting out of the scheme

We will pay continuing pension to your widow, widower or surviving civil partner if you have preserved benefits in classic. It is normally equal to one half of your preserved pension and will take account of the cost of living increases granted since you left the scheme. However, it may be lower than this because:

- you chose to contribute for lower benefits (see page 13 under 'Level of pension');
- you married after you left the scheme, in which case the continuing pension is based on service from 6 April 1978 (men) or 6 April 1988 (women);
- you have a civil partner, in which case the continuing pension is based on service from 6 April 1988 (men and women).

Also, we will pay children's pensions until the children are no longer eligible. To be eligible for children's pensions, the children must have been conceived or born while you were still a member of the scheme.

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### Important note

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We will not pay a short-term increase for your deferred member with preserved benefits.

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### Example:

#### Dependants' benefits (death with preserved benefits)

A previous member with preserved benefits of £1,250 a year dies five years after leaving. During this time, the cost of living has risen by 4% a year. The preserved pension will have risen to £1,520 a year.

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Continuing widow's or widower's pension =  $1/2 \times £1,520 = £760$  a year (payable immediately)

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## The effect of remarrying, entering a (new) civil partnership or living with someone as husband and wife or as civil partners

If your **widow**, **widower** or surviving **civil partner** remarries, enters a (new) civil partnership or lives with someone as husband and wife or as civil partners (cohabitation), the pension will either stop or be reduced. But, it may be restored if:

- the second marriage, civil partnership or cohabitation has come to an end and your widow, widower surviving civil partner is left financially worse off than he or she was at the end of the marriage/civil partnership that gave rise to the civil service pension;
- there are exceptional compassionate reasons for restoring the pension.

## Children's pensions

We work out children's pensions as a proportion of:

- the enhanced pension that would have been paid if you had been retired due to ill health (if you die in service with two or more years' qualifying service);
- your actual pension (if you die after retirement);
- your preserved benefits (if you die as a previous member with preserved benefits).

Unlike the continuing pension for your widow, widower or surviving civil partner, children's pensions do not depend on the length of your qualifying service.

## Level of children's pensions

The level of the pension we will pay depends on the number of dependent children you leave and whether you leave them in the care of your widow, widower or surviving civil partner, or of another person.

We will pay:

- one quarter of your pension for each child in the care of your widow, widower or surviving civil partner;
- one third of your pension for each child in the care of another person.

Usually we will not pay more than one half of your pension in total as children's pension, although it is higher when a continuing pension for a widow, widower or surviving civil partner is not payable (up to  $\frac{7}{12}$ ) and when more than one child is in the care of another person (up to  $\frac{2}{3}$ ).

## Child's invalidity pension

You have the option to provide for a dependent child who is permanently incapacitated and who is not likely to be able to earn a living. This is the child's invalidity pension which will be paid when the child is no longer eligible for the child's pension described earlier.

We work out the child's invalidity pension as follows:

$$\frac{\text{pensionable earnings} \times \text{reckonable service}}{160}$$

Reckonable service includes the length of service which counts (or would have counted) towards the pension that is payable to your widow, widower or surviving civil partner.

The invalidity pension continues for the lifetime of the person who you have nominated to receive it.

## Injury benefits

### Injury on duty

If you are injured or killed on duty, benefits may be payable to you or your family. These benefits always depend on the circumstances of individuals and the accident or incident.

The injury benefit arrangements provide a guaranteed income for people who suffer a qualifying injury that will affect their earnings in the future. The benefit that we will pay depends on how much your earnings will be affected and on the length of your service.

If you are killed, your **widow, widower** or **civil partner** may qualify for an income, which is guaranteed to be at least 45% of your **pensionable earnings**. Also, we provide an income for dependent children.

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### Important note

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Injury benefits are not normally payable if you are injured or killed while travelling to or from work, or if you are involved in activities which are not related to your duties.

You may receive personal injury compensation if you have to stay away from home overnight as part of your job and you are then seriously injured or killed while off duty.

There is more information in the leaflet 'Civil Service Injury Benefits Scheme Northern Ireland [CSIBS(NI)]'

## Leaving or opting out pension arrangements

### Options

If you leave or opt out of **classic** before you retire, you have a choice of options for your benefits. Your choice will generally depend on whether you have two or more years' **qualifying service**.

#### Less than two years' qualifying service

Your choice is:

- a transfer out of your classic pension rights;
- reinstatement into the State second pension (S2P) plus, for members who are neither married nor in a civil partnership, a refund of the contributions paid towards the pension for a **widow, widower or surviving civil partner**.

#### Two or more years' qualifying service (or if you transferred pension rights into classic from a personal pension scheme)

Your choice is:

- a transfer out of your classic pension rights;
- preserving benefits within classic.


### A transfer out of your classic pension rights

You can ask for a transfer payment to be made to your new employer's pension scheme or to another approved pension arrangement, for example, an approved personal pension. The transfer payment will be equal to the value of your benefits.

You will need to consider the following issues before making a transfer.

- There may be a time limit applied by the receiving scheme (for example, if it is a member of the Public Sector Transfer Club).

- If you are not entitled to preserved benefits within classic, you must join a new scheme and apply for a transfer within 12 months of leaving classic.
- You may apply for a transfer at any time up to when you start the administrative process of claiming your pension.
- The transfer value may not necessarily buy the same length of service in the new scheme – an estimate from the new scheme of how much your classic benefits will buy should give you an idea.
- The range and type of benefits offered may be quite different and perhaps less appropriate for your needs.

 We can give you information about how classic transfer arrangements work, but we cannot give specific advice on individual cases.

### Preserved benefits within classic

If you do not transfer your built-up benefits out of classic and you are entitled to preserve them, your benefits will be preserved in classic.

These benefits will include an annual pension and a one-off lump sum. They will be based on your pensionable pay and length of reckonable service at the date you leave classic. Your pension and lump sum will then be increased each year in line with the rise in the cost of living and will normally be paid at pension age. You may choose to substitute all or part of your lump sum for a bigger pension when your benefits are due to come into payment, see page 4 for details.

Your preserved benefits can be paid before pension age if:

- you suffer from poor health and, if you had still been a civil servant, you would have retired because of ill health;
- you are aged 50 or over and cannot get a job because of your personal circumstances;

- you are aged 50 or over and you apply for immediate payment of your preserved benefits on an actuarially reduced basis (your pension benefits are reduced in line with guidelines set by the scheme actuary).

We will pay benefits to your dependants when you die. Please see the relevant information under 'Death benefits' (page 11) and 'Dependants' benefits' (page 13).

## **Rejoining S2P**

If you do not transfer your built-up classic benefits to another scheme, and you have no preserved benefits, you will join S2P for the period of your classic service.

Also, members who are neither married nor in a civil partnership will receive a refund of the contributions paid towards the pension for a widow, widower or surviving civil partner.

## Pensions increase

### Cost of living

Pensions in payment are increased every year in line with the cost of living. These increases are paid to all pensioners aged 55 or over, and make sure that the benefit maintains its original buying power. Preserved benefits are also increased to maintain their value up to the date they become payable.

The cost-of-living increases are also paid to pensioners aged under 55 if:

- you retired because of ill health, or you are permanently incapacitated;
- the pension is paid to a widow, widower or surviving civil partner;
- the pension is paid for a child.

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### Example

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#### Pensions increase

You retire in mid-October with an annual pension of £7,500. The following April, the cost-of-living increase is 3.5%.

As you retired exactly halfway through the relevant 12-month period, the pension is increased proportionately (that is, by one half of the total increase – 1.75%).

During the second year, the cost of living increase is 4.2%. Your annual pension becomes £7,631.25 after six months and £7,951.76 a year later.


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## Changes at State retirement age

When you reach State retirement age, the pensions increase relating to your guaranteed minimum pension (GMP) is paid with your State pension.

There is an explanation of the GMP on page 31.

Also at State retirement age, National Insurance modification will take effect for people with service before 1 April 1980. When this happens, the modified pension will come into payment, uprated by all the pensions increases which have happened since the last day of service on which the pension is based.

 There are further details about paying pensions increases after the State retirement age and National Insurance modification in the booklet 'Inflation Proofing Public Service Pensions.' (This is a HM Treasury booklet), but you can contact us and we will be able to give you a copy.

## Early retirement and redundancy

### Summary

This section provides a summary of the financial terms and conditions of retiring early and being made redundant. There is more information available, including examples in the booklet 'Early retirement and redundancy for classic members'.

With the exception of two of the categories of early retirement (ill health and actuarially reduced retirement – this is where your pension benefits are reduced in line with guidelines sent from the Government Actuary), the early retirement benefits are provided under the Civil Service Compensation Scheme (Northern Ireland).

For ease of reference, the early retirement benefits have been divided into:

- ill-health retirement;
- early severance under age 50; and
- early retirement at age 50 or over.

Different conditions apply if you are serving on a fixed-term appointment or have opted out of classic.

### ILL-HEALTH RETIREMENT

If the classic scheme medical adviser is satisfied that your ill health permanently prevents you from carrying out the duties of your grade, you can retire early and take your pension and lump sum immediately.

#### Enhancement of reckonable service

**If you have between two and five years' qualifying service**

The reckonable service on which your benefits are worked out may be increased. The increase depends on your age and the length of your **reckonable service**.

**If you have at least five years' qualifying service but less than 10 years' reckonable service**

Your reckonable service is doubled (as long as the result is not more than that which you would have earned if you had worked until five years after your **pension age**).

**If you have at least ten years' reckonable service**

Your reckonable service is increased under the methods below, whichever gives the better result:

- increasing your reckonable service to 20 years (or, if lower, the amount you would have built up if you had worked until five years after your pension age); or
- increasing your reckonable service by  $6\frac{2}{3}$  years (or, to the amount you would have built up by your pension age if that is less).

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### Important note

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If, when you joined the NICS, you were not able to meet the PCSPS(NI) health standard, you will be treated as if you had resigned. You will be awarded a pension and lump sum which are preserved and paid to you when you reach pension age.

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### EARLY DEPARTURE OR SEVERANCE UNDER AGE 50


#### Compulsory early severance

This covers all those who are made redundant and those who apply for redundancy when their department calls for volunteers.

**If you have between one and two years' qualifying service**

You will receive a single immediate lump sum compensation payment, according to the length of your reckonable service.

For part-time staff, the limit is calculated on a pro rata figure in the proportion your actual service bears to the full-time reckonable service.

 You should contact us for more information

### If you have at least two years' qualifying service

You will receive a preserved pension and lump sum, based on your reckonable service, which will be paid when you reach your pension age. You will receive a single immediate lump sum compensation payment of up to three years' pensionable earnings, depending on your age and the length of your reckonable service.


### Flexible early severance

This allows management to invite people to go early because of restructuring, limited posting opportunities or limited efficiency.

### If you have at least two years' qualifying service

You will receive a preserved pension and lump sum, based on your completed reckonable service, which will be paid when you reach your pension age. You will also receive an immediate lump sum compensation payment of up to two years' pensionable earnings, depending on your age and the length of your reckonable service.

For part-time staff, the limit is calculated in the same way as compulsory severance.

 You should contact us for more information

## EARLY RETIREMENT AT AGE 50 OR OVER

### Compulsory early retirement

This covers all cases of compulsory early retirement (except those due to ill health or inefficiency). It covers those who are made redundant and those who apply for redundancy when their department calls for volunteers.

### If you have between one and two years' qualifying service

You will receive an immediate lump sum compensation payment, based on the length of your reckonable service.

### If you have between two and five years' qualifying service

You will receive a preserved pension and a lump sum payable at your pension age. You will also receive an immediate lump sum compensation payment, based on the length of your reckonable service limited to three years' pensionable earnings. (If you have had part-time service in the last three years of reckonable service this limit will be calculated on a pro rata figure in the proportion your actual service bears to the full-time reckonable service.)

### If you are over 50 and have five or more years' qualifying service

You will receive a tax-free lump sum and a pension preserved for payment at pension age, based on increased reckonable service. You receive the lump sum when you leave. From the date of your early retirement until your pension age, you will receive an annual compensation payment which may be equal to your preserved pension. However, if you joined or rejoined PCSPS(NI) employment on or after 1 April 1997, any service credits, added years or previous service in the PCSPS(NI) count only towards pension benefits. You will also receive an immediate lump sum compensation payment of up to six months' **pensionable earnings**.

If you are part time, the compensation payment will be reduced in the proportion that your actual reckonable service bears to the equivalent full-time reckonable service.

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## Important note

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If you retire through compulsory early retirement or flexible early retirement, you may want to consider repackaging your benefits. This is the facility to alter the make-up of your benefits to a form that is better suited to your needs and circumstances at the time of leaving. See the booklet 'Early retirement and redundancy for classic members.'

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## Flexible early retirement

This option allows management to invite people to retire early due to restructuring, limited posting opportunities or limited efficiency. This is not compulsory.

### If you have between two and five years' qualifying service

You will receive a preserved pension and a lump sum payable at your **pension age**. You will receive, along with those with less than two years' **qualifying service**, a lump sum compensation payment based on your **reckonable service** limited to two years' **pensionable earnings**. If you have had part-time service in the last three years this limit will be calculated on a pro rata figure in the proportion your actual service bears to the full-time reckonable service.


### If you have at least five years' qualifying service

You will receive the same benefits as described opposite under 'Compulsory early retirement', except that no lump sum compensation payment is payable.

Due to changes to the tax rules from 6 April 2006 we are not able to pay a tax-free lump sum early to those leaving on CER or FER without also bringing their pension into payment early. You will therefore have the choice of either:

- an enhanced (increased) pension and tax-free lump sum paid immediately plus a lump sum compensation payment; or

- all your additional compulsory early retirements benefits paid solely in the form of compensation, with an unenhanced pension and tax-free lump sum preserved for payment at pension age.

 For more information see our booklet 'CSCS(NI) Early Retirement and Redundancy for classic Members'

## Approved early retirement

This is available in two circumstances. Either:

- departments can ask for volunteers with at least five years' qualifying service to retire early;
- people aged 55 or over with at least 25 years' qualifying service can apply for early retirement with management agreement.

If you are accepted for early retirement, you will qualify for an immediate pension and lump sum, based on your reckonable service only. Although the reckonable service on which your benefits are based is not increased in any way, your benefits are not reduced because we have paid them early. There are no compensation payments.

## Early retirement with reduced benefits

Depending on certain conditions, this allows people with two or more years' qualifying service to retire early with an immediate pension and lump sum that is reduced because it has been paid early. There are no compensation payments.

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## Important note

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If you joined or rejoined the NICS on or after 1 April 1997, your qualifying and reckonable service counting towards compensation benefits may be less than your qualifying and reckonable service counting towards pension benefits. Please contact us for further information.

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## Re-employment before pension age

If you leave classic employment and are then re-employed in the NICS immediately or at a later date, the PCSPS(NI) pension arrangements can affect you in a number of ways. This section deals with re-employment before pension age.

## Re-employment within six months of leaving

In general, if you leave classic and are re-employed within a period not exceeding six months, you will return to classic and we will treat your two periods of service as one.

## Re-employment after six months of leaving

If you leave classic and you are re-employed after six months, you will normally have the choice of:

- joining the premium scheme;
- opening a partnership pension account.


If you left with a preserved award from classic, you will have a further choice.

- You may keep your preserved classic award and treat your re-employed service covered by premium or partnership, entirely separately.
- Or, you may cancel your preserved classic award and do one of the following.
- If you join the premium scheme, you may add the service on which your classic award was based to your re-employed (premium) service, for a single award when you next leave. (If you make this choice, which is known as aggregation, we will reduce your classic service to reflect the better benefit structure in premium).

To do this, you must apply within 12 months of being re-employed.

- If you open a partnership pension account, you may take a cash equivalent transfer value of your classic benefits into your partnership pension account. You may normally use this option at any time up to one year before you retire.

It is important that if you have had a previous period (or periods) of employment covered by classic, you must make sure that we are aware of this. Also, if you are receiving, or have received, any benefits from classic, you must tell us.

 For more information on premium and partnership, please contact us.

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### Important note

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If you are re-employed in the NICS (whether within six months of leaving or not) and you have received a lump sum compensation payment on redundancy, you may have to repay some or all of it. Also, any annual payments that you are receiving may be reduced during your period of re-employment.

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## Re-employment after pension age

If you leave **classic** and are then re-employed in the NICS immediately or at a later date, the PCSPS(NI) pension arrangements can affect you in a number of ways. This section deals with re-employment after pension age (or after receiving the pension lump sum).

For your new service, even if it is casual service or fee paid, you will always have the option of opening a **partnership pension account**. Depending on the nature of your re-employment, you may also have an option to rejoin classic.

It is important that if this is not your first period of employment in the NICS, you must make sure that we are aware of this. Also, if you receive, or have received, any benefits from classic, you must tell us.

### Abatement

Your pension may be completely suspended or reduced while you are working, even if you are working on a casual or fee paid basis. This is known as abatement.

The level of abatement is set when you are first re-employed. It will depend on the terms of your re-employment.

- If you are re-employed at the same or higher salary, your pension will be completely suspended.
- If you are re-employed at a lower salary, your pension will be reduced so that your total payment of salary plus pension will not be more than your salary when you retired.
- If you are re-employed after a break, your salary when you retired will, for the purpose of working out abatement, be increased in line with prices.

Once the level of abatement is set, it will usually stay the same.

You will enjoy the full benefit of increases in the rate of your pay and of cost-of-living increases on the amount of your pension that will be paid.

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### Example

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#### Abatement

Your annual pension is £5,625 (based on pensionable earnings of £15,000). Your salary when you retired was £15,200. If you were immediately re-employed at a lower salary of £10,500, the abatement would be worked out as follows:

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Salary when you retired: £15,200

Pension plus salary:  
 $£5,625 + £10,500 = £16,125$

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Extra pension and new salary over your salary when you retired:

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$£16,125 - £15,200 = £925$

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Abated pension:

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$£5,625 - £925 = £4,700$

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If the salary in the new job is later raised to £10,800, your income would be £15,500, which would include the abated pension of £4,700.

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If the pension is then increased by 2.5% to take account of the cost of living, your income would then increase to £15,617.50, made up of pay of £10,800 and a pension of £4,817.50.

**We will work out the level of abatement again if:**

- a new period of re-employment begins;
  - you change your post for a different one (including temporary promotion);
  - you change the number of hours you work;
  - you receive a backdated pay increase.
-

## Revised benefits

When you finally retire from the NICS, as long as you are eligible, we will increase your pension benefits. The calculation will take account of your service after pension age, up to five years, with an overall limit of 45 years of reckonable service. The total benefits will be based on the pensionable earnings used at your original retirement or the pensionable earnings at final retirement, whichever is higher.

When we revise your benefits, we will also revise the contributions payable in relation to benefits for your widow, widower or surviving civil partner or children. If necessary, a deduction will be made from your lump sum if you have any unpaid contributions.

If you are re-employed for longer than five years, or your overall reckonable service is more than 45 years, you are not eligible to build up any pension for this further service. However, you will receive an extra payment of  $\frac{3}{80}$  of your pensionable earnings at your final retirement for each year or part year of further service.

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## Example:

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### Re-employment after retiring age

You are re-employed, having retired at pension age, on an annual pension of £4,500 and with a lump sum of £13,500. Your earnings at retirement were £12,000 and the length of reckonable service was 30 years.

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You could earn an annual salary of £7,500 before abatement rules would apply. If you are re-employed with a salary of £8,000 a year, the annual pension would be reduced by £500 to maintain an overall income of £12,000 a year.

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If you retire with final pensionable earnings of £9,000 a year having completed two further years of reckonable service, we work out the benefits using the original pensionable earnings figure of £12,000.

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Pension:  $\text{£}12,000 \times \frac{32}{80} = \text{£}4,800$  a year

Lump sum:  $3 \times \text{£}4,800 = \text{£}14,400 - \text{£}13,500$   
(already taken) = £900 to pay

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## General Information

### State benefits

The pension payable from the State is made up of two parts – the basic pension and the additional earnings-related pension. The State pension is payable from State retirement pension age and is fully inflation-protected.

Your entitlement to the State basic pension is not affected by your membership of classic. However, you will not be entitled to the earnings-related element as classic is contracted out of S2P. (S2P is explained on page 1)

Up to 5 April 1997, one of the conditions of contracting out was that the PCSPS(NI) had to provide you with a pension which is at least as good as the pension you would have built up through SERPS. This is known as your guaranteed minimum pension (GMP). For reckonable service up to 5 April 1997, classic has to pay you at least this level of pension from your State pension age. After your death, classic must pay an amount equivalent to a widow's, widower's or surviving civil partner's GMP.

Since 6 April 1997, classic no longer has to provide a GMP to be contracted out. Instead, the scheme must pass a new test of scheme quality set out in the Pensions Act 1995. The scheme actuary – has to confirm that classic has passed the new test. This must be done every three years. Employers who provide schemes that are contracted out are given reference numbers. The following numbers are relevant to your employment.

- Employer's contracting-out number:  
**E3900002R**
- Scheme's contracting-out number:  
**S2731005W**

## Scheme amendments

Classic was set up under the 'Superannuation NI Order 1972'. The provisions of the scheme may be amended from time to time. All changes are made after consultation with the Civil Service trade unions.

### HM Revenue and Customs regulations

Classic, although classed as a statutory scheme that does not require tax approval, is treated as if it is approved for tax purposes by HM Revenue and Customs. As a result, there are a number of tax concessions.

- Contributions are taken from your pay before tax is worked out.
- Pension lump sums are free of tax.
- Lump sum death benefits are free of tax.
- Compensation lump sums that are payable on early retirement are free of tax, up to £30,000.

You should be aware that the following applies:

- From 6 April 2006 you will no longer be restricted to the current limit of 15% of salary to cover contributions to both the NICSAVC scheme and the PCSPS(NI).
- There are limits on the benefits that you can take when you retire in some cases, benefits or contributions (or both) might have to be restricted to meet these rules – we will tell you if a restriction affects you.
- Most members who joined classic on or after 1 June 1989 are also limited by the earnings cap.
- Pensions in payment are treated as earned income.

## Temporary absence

Your membership of classic may be affected by any periods of temporary absence.

- Unpaid leave (including unpaid sick and maternity leave) and sick leave at pension rate count towards qualifying service. If you die while you are on unpaid leave or sick leave, we will pay the full death and dependants' benefits.
- Sick leave at pension rate does not count towards reckonable service. Unpaid leave does not count towards reckonable service except when it is granted for particular purposes, for example, certain types of voluntary public service.

But:

- sick leave on full pay or half pay counts towards both reckonable service and qualifying service; and
- paid maternity leave (including maternity leave on statutory maternity pay and unpaid statutory maternity leave\*) counts towards both reckonable service and qualifying service.

\*Only unpaid statutory maternity leave up to the ordinary maternity leave limit (currently 26 weeks) is treated as reckonable service when taken on or after 19 October 1994.

## Transferring your right to benefits (assignment)

You are not allowed to assign any of your benefits. This means you cannot give anyone else the right to your entitlement from the scheme.

## Loss of benefits

If you become bankrupt, your pension will be paid in line with the Bankruptcy Acts.

## Pension Scheme Registry

Civil Service Pensions Division of the Cabinet Office have given information about the scheme, including the address, to The Pension Schemes Registry. It acts as a central tracing agency to help people keep track of their previous pension arrangements as they move jobs.

If you want to use their service, please write to:

The Pension Schemes Registry  
PO Box 1NN  
Newcastle-upon-Tyne  
NE99 1NN

## The Pensions Regulator (formerly OPRA)

This organisation is the statutory regulator for occupational pension schemes. Their task is to make sure that pension schemes are run legally. They also educate and inform and work with others to raise standards. You can contact The Pensions Regulator by writing to them at:

The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton  
BN1 4DW


Tel: 0870 6063636

Email:  
customersupport@thepensionsregulator.gov.uk

Website:  
www.thepensionsregulator.gov.uk

## Disagreements and complaints procedures

If you have a complaint about classic, or the way it is run, that you have not been able to sort out with us, you can ask us for a written explanation of their decision under the Internal Dispute Resolution (IDR) procedures. If, after receiving our decision, you still feel that you have a valid complaint, under the IDR procedures, you (or someone representing your interests, such as a friend or trade union) can ask for your appeal to be passed to the Scheme Manager of Civil Service Pensions (CSP). Your complaint will be investigated and a second stage IDR determination will be issued.

 For more information you should ask us for the leaflet 'If you have a complaint'.

## The Pensions Advisory Service (TPAS)

You may contact The Pensions Advisory Service (TPAS) at any time during the IDR procedures. TPAS help members and beneficiaries of occupational pension schemes in connection with difficulties which they have with the trustees or administrators of their scheme. You can contact TPAS at:

11 Belgrave Road  
London  
SW1V 1RB

## The Pensions Ombudsman

If TPAS cannot sort out your problem, you can approach the Pensions Ombudsman (based at the same address as TPAS). The Pensions Ombudsman has the power to investigate and make decisions about complaints or disagreements of fact or law in relation to occupational pension schemes. For classic, the Pensions Ombudsman can investigate any complaint about an injustice as a result of poor administration or questions of fact and law. The Pensions Ombudsman will expect you to have used the IDR procedures and TPAS before he will investigate any complaint himself.

## More information

We have published the following booklets and leaflets which you may find useful.

- Abatement of your Civil Service pension (leaflet)
- Buying Added Years for your classic pension (leaflet)
- Civil Service Compensation Scheme (NI) Early retirement and redundancy for classic members (booklet)
- Civil Service Pensions Injury Benefits Scheme (Northern Ireland) (booklet)
- Employment after pension age (leaflet)
- If you have a complaint about your pension (leaflet)
- Leaving classic before pension age (leaflet)
- Pension benefits on death-in-service (leaflet)
- Pension benefits on ill-health retirement (leaflet)
- Pensions and divorce or dissolution (leaflet)
- Retiring at 60 (leaflet)
- Stakeholder Pensions
- The Northern Ireland Civil Service Additional Voluntary Contribution Scheme
- Inflation Proofing Public Service Pensions (HM Treasury booklet)

Please contact us if you require a copy of any of the above or alternatively download it from our website:

[www.civilservicepensions-ni.gov.uk](http://www.civilservicepensions-ni.gov.uk)

## Contacting us

If you have any questions about the content of this booklet, about your benefit entitlement or about pensions in general, please contact us using any of the methods below.

**Civil Service Pensions  
Waterside House  
75 Duke Street  
Derry / Londonderry  
BT47 6FP**

Tel: 028 7131 9000

Fax: 028 7131 9234

Email: [cspensions.cpg@dfpni.gov.uk](mailto:cspensions.cpg@dfpni.gov.uk)

Web: [www.civilservicepensions-ni.gov.uk](http://www.civilservicepensions-ni.gov.uk)

## Other useful contacts

Department for Work and Pensions (DWP):

**[www.dwp.gov.uk](http://www.dwp.gov.uk)**

Social Security Agency Northern Ireland:

**[www.dsdni.gov.uk](http://www.dsdni.gov.uk)**

Her Majesty's Revenue & Customs (HMRC):

**[www.hmrc.gov.uk](http://www.hmrc.gov.uk)**

## Glossary

We have used a number of special terms in this booklet. We need to use them to make sure that we accurately describe classic benefits to you.

### **AVCs**

Additional Voluntary Contributions are a way of topping up your pension. You pay additional contributions to a pension provider, which should then build up to a fund. When you retire, you use your fund to buy an annuity – a pension for life – which is on top of your PCSPS(NI) pension. From 6 April 2006 you are able to take up to 25% as a tax-free lump sum subject to the Annual Allowance.

### **civil partnership**

Partnership between two people of the same sex that has been legally registered under the provisions of the Civil Partnership Act 2004.

### **classic**

A final salary occupational pension scheme which forms part of the PCSPS(NI) arrangements.

### **dependent child**

Any child who is dependent on you and who is under 17 or receiving full-time education or training. Dependency means that you are providing financial support to the child. A dependent child can include:

- your stepchildren;
- adopted and illegitimate children;
- your grandchildren (for example, if your own child has died before you and you look after their children);
- your own brothers and sisters; and
- the children of your dead brother or sister.

If you die after leaving classic, the child must have been dependent on you when your service ended and when you died.

### **earnings cap**

The maximum level of pay we will consider when working out your pension benefits and contributions. It applies to most members who joined the PCSPS(NI) on or after 1 June 1989. It is reviewed each year and you should contact us for the latest figures

### **guaranteed minimum pension (GMP)**

The minimum pension that classic must provide for reckonable service before 6 April 1997 as a result of contracting out of the State Second Pension (S2P). It is guaranteed to be at least as much as the pension you would have built up in S2P.

### **pensionable earnings**

Worked out from whichever period of 12 months in your last three years of actual service as a member of classic gives the highest figure. It includes basic pay and some allowances. Different terms may apply to certain fixed-term appointments.

### **pension age**

The earliest age at which you may retire voluntarily and receive immediate classic pension benefits without actuarial reduction. For most members, it is 60.

### **premium**

A defined benefit ('final salary') scheme which forms part of the Northern Ireland Civil Service Pension agreement. Staff in post up to 30 September 2002 had the choice of transferring from the old PCSPS(NI) (now classic) to premium.

### **partnership pension account**

A defined contribution (money purchase) plan; available only to entrants joining on or after 1 October 2002.

### **qualifying service**

Determines whether you are eligible for pension benefits. It is generally the same as your actual service in the NICS but may include a period before this if you transferred pension benefits from a previous scheme into classic. A week's full-time or part-time service is one week's qualifying service.

Qualifying service also affects whether you will be eligible for compensation benefits if you retire early or leave the scheme early.

### **reckonable service**

The service which counts towards your pension. Part-time service will count on the basis of the hours you have worked.

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### **Important note**

Normally, if you joined or re-joined the NICS on or after 1 April 1997, any service credits, added years or previous service in the NICS only count towards your eligibility for pension benefits.

A service credit resulting from transferring pension rights from a previous pension scheme into classic adds to your reckonable service. You can also increase your reckonable service by buying added years. Reckonable service also counts towards compensation benefits if you retire early or leave classic early.

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### **State retirement pension age**

The age at which pensions are payable from the State. This is currently 65 for men and 60 for women. However, over the 10-year period from 2010 to 2020, the State pension age will become 65 for everyone.

### **widow, widower or surviving civil partner**

The person who you are legally married to, or in a civil partnership with, when you die. An ex-husband or ex-wife you are legally divorced from, or an ex-civil partner from a civil partnership that has been legally dissolved, cannot receive a widow's, widower's or surviving civil partner's pension. If you marry after leaving classic, the widow's pension is based on your service from 6 April 1978 and the widower's pension is based on your service from 6 April 1988. If you have a civil partner, the surviving civil partner's pension is based on your service from 6 April 1988 in all cases.

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