

PCSPS(NI)

Principal Civil Service Pension
Scheme (Northern Ireland)



Department of

Finance and Personnel

www.dfpni.gov.uk

Employment after pension age: Your **classic** benefits

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Civil Service Pensions

This leaflet provides important information about your **classic** benefits if you:

- continue in employment; or
- are re-employed

in the Northern Ireland Civil Service (NICS) after **scheme pension age** which is currently 60 for most civil servants.

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

Q What if I continue in employment after scheme pension age?

A Your benefits will be calculated at **scheme pension age** and you will be notified of the amount of pension and lump sum. However, because you are continuing in work we will not be able to pay these to you.

Q What happens when I finally retire?

A We will revise your original pension and lump sum. The calculation will take account of your service up to 5 years after **scheme pension age** (if you were re-employed after **scheme pension age**) or an overall limit of 45 years of **reckonable service**. We will base the revised benefits on the **pensionable pay** used at your original retirement (or at **scheme pension age** if you did not retire) or final retirement, if that is higher.

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

Q What if I work for more than 5 years as a re-employed pensioner or have more than 45 years reckonable service?

A You cannot build up any pension for this further service. However, you will receive a one-off extra payment of $\frac{3}{80}$ of your **pensionable pay** at your final retirement for each year or part year of further service.

Q What if I am re-employed?

A You must tell your scheme administrator that this is not your first period of service in the NICS. Also if you are receiving, or have received any pension benefits, you must tell your scheme administrator. Your pension may be abated, see the question below, 'What is abatement?'.

If you have already received some or all of your retirement lump sum you cannot re-join the **classic** scheme. However, for your new service, even if it is casual service or fee paid, you will normally be allowed to open a **partnership** pension account. This is a money-purchase stakeholder pension with an employer contribution.

i You should ask your scheme administrator for the overview leaflet '**partnership** pension account'.

Q What is abatement?

A Your PCSPS(NI) 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.

Q How is the abatement level set?

A We will look at the salary you were receiving before you retired (with adjustment made for inflation). If you are re-employed

- at the same or higher salary, your pension will be completely suspended.
- 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.

Q Does the abatement level change?

A Yes, if you:

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

Glossary

classic

A final salary occupational pension scheme which forms part of the PCSPS(NI) pension arrangements. Its terms and conditions are those which applied to the PCSPS(NI) up to 30 September 2002. Contributions are 1.5% of your pensionable earnings.

partnership pension account

This is a 'money purchase' scheme where your pension will be based on the level of your and your employer's contributions, the performance of your chosen fund, and the annuity you buy with your pension 'pot'.

Pensionable pay is the the total basic salary and other pensionable earnings received in whichever of the last 3 years of reckonable service gives the highest figure.

Reckonable Service is the service which counts towards your pension. It includes service credited from a transfer from elsewhere and any added years that you have paid for. Part-time service counts on the basis of the hours worked.

Scheme Pension age is the earliest age at which you may retire voluntarily and receive immediate pension benefits. Currently, for most members, this is age 60.

Widow or widower The person who you are legally married to when you die. An ex-husband or ex-wife you are legally divorced from cannot receive a widow's or widower'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.

Other information

Note: This leaflet provides a straightforward guide to employment after 60. 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.

i For more information about specific benefits, please contact your scheme administrator at the address below or visit our website at:- www.civilservicepensions-ni.gov.uk

Scheme Administrator's Address

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