

Your pension payments



Department of

**Finance and
Personnel**

www.dfpni.gov.uk

This leaflet explains the background to why you have been overpaid and why we need to correct the amount of pension we pay you.

Both the overpayment you have received and the correction to your pension are to do with your Guaranteed Minimum Pension (GMP) and the way pensions increases have been applied to it. This is a complicated area so please take time to read this leaflet.

What is a GMP?

A GMP is the minimum pension which an occupational scheme must provide as one of the conditions of contracting out for service before 1997. The Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] is contracted out of the State Second pension, previously known as State Earnings Related Pension Scheme (SERPS). If you or your deceased spouse were employed by the Northern Ireland Civil Service (NICS) between 6 April 1978 and 5 April 1997 you will have earned a GMP.

GMP is not a separate benefit paid in addition to your PCSPS(NI) pension but the pension we pay you must equal or exceed your GMP.

HM Revenue and Customs (HMRC) work out the level of your GMP. Your GMP comes into force normally when you ask for your state pension to be paid to you. (There are circumstances when the GMP comes into force at a later date but the effect on your PCSPS(NI) pension is the same).

What is pensions increase?

Your pension is increased each year to reflect rises in the cost of living. The annual percentage increase in public service pensions is the same as that applied to additional State retirement pensions and other Social Security benefits.

How is pensions increase applied to my GMP?

We pay increases on the whole of your PCSPS(NI) pension, including the GMP element until your GMP comes into force. At this point your PCSPS(NI) pension is paid as follows;

- for service up to 5 April 1988

The Government will pay the pensions increase relating to the GMP you earned up to this date with your State pension.

- for service between 6 April 1988 and 5 April 1997

We will pay increases on the GMP you earned in this period up to 3% each year. In years when the increase is more than 3% the Government will pay the balance with your State pension.

What effect does this have on the pension you pay me?

When your GMP comes into force the National Insurance Contributions Office (NICO) tell us the amount of your GMP. We then adjust our records to reflect the fact that the Government now pays some of the annual pensions increase on the GMP element of your PCSPS(NI) pension with your State pension. The overall increase in your pension will, however, be the same.

So why have I been overpaid?

Unfortunately we have learned that the transfer of GMP data was not always successful. This means that your PCSPS(NI) pension has not been adjusted to reflect the fact that an element of the pensions increase is being paid with your State pension.

As a result you have received increases twice; once from the PCSPS(NI) and again with your State pension. This means we are paying you too much pension.

Why must you correct my pension?

The PCSPS(NI) pension and GMP arrangements are statutory. You can only receive the amount of pension that you are entitled to under the scheme rules, increased each year under the Pensions (Increase) Act (Northern Ireland) 1971 and Social Security legislation.

Where someone is receiving more payment than they are entitled to, the correct level must be put into payment.

We will make the adjustment to your pension at the same time as we apply the pensions increase from April 2009. We are doing it at this time so that the increase will help to offset any reduction.

Contacting us

Civil Service Pensions
Waterside House
75 Duke Street
DERRY / LONDONDERRY
BT47 6FP

Telephone: 028 7131 9000

Fax: 028 7131 9234

Email: cspensions.cpg@dfpni.gov.uk

Web www.civilservicepensions-ni.gov.uk