

# Leaving premium or classic before pension age with less than 2 years' service



This leaflet provides a guide to what happens to your **premium** or **classic** benefits if you leave before **pension age** with less than 2 years' **qualifying service**. 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.

## Note:

If you are leaving before pension age with less than 2 years' qualifying service but you have had a transfer value paid in from a personal pension or from a retirement annuity contract, you will be treated the same as someone who has 2 or more years' qualifying service. Instead of this leaflet, you will need to refer either to the leaflet 'Leaving premium before pension age with 2 or more years' service' or 'Leaving classic before pension age with 2 or more years' service'.

If you leave with less than 2 years' qualifying service (and you have not brought in a transfer value as mentioned above) you have no rights to premium or classic pension benefits. We will write to you to ask if you want to:

- transfer the notional value of your pension benefits to another pension scheme or arrangement; or
- receive a refund of the contributions you made to the pension scheme.

More details about these options are given below.

## Taking a transfer

You can ask us to pay a transfer sum to buy you benefits in another UK pension scheme or arrangement that is registered by HMRC (Her Majesty's Revenue and Customs), or in a **qualifying recognised overseas' pension scheme**. The transfer sum is the cash value of the notional pension benefits based on your service.

If you wish to take such a transfer payment, you must return your completed transfer application form to us within 3 months of us writing to you. We will enclose the relevant form with our letter and will confirm the date you must return this by.

For more information about taking a transfer, you should contact us.

## Refund of contributions

If you do not ask for a transfer to another pension scheme or arrangement, you will receive a refund of your contributions instead. We will deduct an amount from this refund to cover the cost of buying you benefits in the State second pension scheme (S2P) and an amount for income tax. You should be aware that once you have received a refund of your contributions, you will not then be able to repay the refund to take a transfer instead. Neither will you be able to repay this refund in order to increase your pension benefits if you are subsequently re-employed in the Northern Ireland Civil Service (NICS). You will, however, keep your entitlement to the benefits we have bought for you in S2P. For more information you can contact us.

The letter we send you will tell you how much these options are worth to you and how much time you have to make your decision.

Please note that a refund of contributions is likely to be worth substantially less than the value of the benefits you can transfer. You should write to us if you want to claim a refund of contributions rather than take a transfer. **If you do not respond to our letter by the date given then we will assume you want a refund of your contributions.**

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

If you have contributed to the NICSAVCS, we will write to you separately about those contributions.

## Disagreements and complaints procedures

If you have a complaint about your membership of **premium** or **classic plus** which you have been unable to sort out with us, you can ask for the booklet 'If you have a complaint about your pension'.

## Glossary

**classic** is a final-salary occupational pension scheme which forms part of the PCSPS(NI). Its terms and conditions are basically those which applied to members of those arrangements before and after 1 October 2002.

**Pension age** is the earliest age at which you may retire voluntarily and receive immediate payment of any pension benefits that you are entitled to. For most people it is age 60.

**premium** is a final-salary occupational pension scheme which forms part of the PCSPS(NI). Its terms and conditions are those which apply to members of those arrangements on and after 1 October 2002.

**Qualifying recognised overseas' pension scheme** is a scheme that satisfies certain HMRC (Her Majesty's Revenue and Customs) requirements.

**Qualifying service** is the service which enables you to be entitled to a particular benefit such as a pension. It is generally the same as your actual service in the NICS, but may include an additional period if, say, you transferred the value of benefits from another scheme into **premium** or **classic plus**. A week's full-time or part-time service both count as one week's qualifying service.

**Reckonable service** is the service which counts towards a 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.

**Registered pension scheme** is a scheme which is registered under Chapter 2 of Part 4 of the Finance Act 2004.

## Other Information

### Note:

This leaflet provides a guide to leaving **premium** or **classic** before **pension age** with less than 2 years' service. It may 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.

For more information about specific benefits, please contact us.

You can obtain more information about the PCSPS(NI) from the website: [www.civilservicepensions-ni.gov.uk](http://www.civilservicepensions-ni.gov.uk)

## How do I find out more?

If you have any questions/queries relating to the information in this leaflet please contact us at:

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