

PCSPS(NI)

Principal Civil Service Pension
Scheme (Northern Ireland)

nuvos pension scheme



Department of
**Finance and
Personnel**

www.dfpni.gov.uk

N

Civil Service Pensions

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Who should read this booklet?

This booklet contains useful details about **nuvos**. You should read it if you are joining the PCSPS(NI) on or after 30 July 2007. It will also be of interest if you are thinking about a career in the Northern Ireland Civil Service (NICS).

Introduction

This is your guide to the valuable range of benefits to which you may be entitled as a member of nuvos.

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, you will appreciate having made an early start on your pension when you come to collect it! Our pension arrangements give you the opportunity to build up a retirement income at fairly low cost. The earlier you start the better!

This booklet provides a guide to the main conditions and provisions of nuvos. 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.

The rules of nuvos are set out in section III (the 2007 section) of the Principal Civil Service Pension Scheme Northern Ireland PCSPS(NI). This is a statutory scheme made under the Superannuation (NI) Order 1972. You can find the rules on our website, or get a copy from us directly. This booklet is based on the rules current at the time of writing and there is no guarantee that any part of the rules will not change in the future.

nuvos is a registered scheme under the Finance Act 2004, and is governed by UK legislation. This booklet is based on the law current at the time of writing. You should be aware that tax rates and limits may change in the future.

We have tried to use as little jargon as possible but we have defined some technical terms when they appear in the text. These are shown in bold and you can find an explanation of these terms in the glossary on pages 31-33.

Membership

1. What is nuvos?

nuvos is an occupational defined benefit pension scheme. It provides a way of saving for your retirement. Over the years, you and your employer both make contributions to the scheme. When you retire we pay you the pension you have built up each year while you have been in the scheme.

nuvos provides:

- a pension linked to your **pensionable earnings** and increased each year in line with inflation;
- an option to take a tax free lump sum in exchange for part of your pension;
- special early retirement terms, subject to certain conditions, if you are forced to retire early because of ill health;
- a death benefit of twice your **final pay** if you die in service;
- a pension for your husband, wife, **civil partner** or partner after your death;
- a pension for your dependent children after your death;
- a number of options to increase your pension if you wish.

2. Who can join?

If you joined the NICS for the first time on or after 30 July 2007, you will have received a Starter Pack including the booklet “Pension Choices: **nuvos** or **partnership**”. Most people who are employed in the NICS on a permanent or fixed-term contract can join nuvos.

You will not be eligible to join nuvos if you are:

- employed locally overseas;
- employed on a contract which specifically excludes pension provision;
- employed on a contract which offers different pension provision, e.g. membership of the NHS Pension Scheme;
- eligible to join or rejoin **classic** (the 1972 Section of PCSPS(NI)) or **premium** (the 2002 Section of PCSPS(NI));
- engaged on a “contract for services”.

Your letter of appointment should have made clear whether or not you are eligible to join nuvos. Note that, if under the rules you are not eligible to join nuvos your employer does not have the discretion to allow you to join.

3. I opted out of the PCSPS(NI). Can I join nuvos now?

If you have been continuously employed in the Northern Ireland Civil Service (NICS) since you opted out, then you can only rejoin the scheme (**classic** or **premium**) from which you previously opted out. If you have left the NICS and are re-employed, you may join nuvos if you are eligible to do so.

4. I don't work for the NICS, but for an organisation called a "Schedule 1 body". Can I join?

Throughout this booklet, "Northern Ireland Civil Service" includes not only UK government departments and agencies but also some other organisations that are able to take part in the PCSPS(NI). These organisations are sometimes referred to as "Schedule 1 bodies" because they are listed in Schedule 1 to the Superannuation (NI) Order 1972, which governs the PCSPS(NI).

5. Do I have to join nuvos?

If you are eligible to join the scheme your employer will tell you in your Letter of Appointment and arrange to send you a Starter Pack setting out your choices. Your employer may automatically enter you into **nuvos** when you start work.

You can choose instead to open a **partnership** pension account. See the booklet "partnership pension account" for more information. If you choose to open a partnership account instead of joining nuvos you will be able later to choose to switch to nuvos, but you will only be able to do this once.

You also have the right to "opt out" of (leave) the PCSPS(NI) at any time: that is, you can choose to have no PCSPS(NI) pension at all. If you do this you will be giving up a valuable range of benefits for yourself and your family. You may wish to take independent financial advice before you decide to opt out of the scheme.

If you decide to opt out, your opting out will take effect from the next available pay period. You can apply to rejoin the scheme at any time after you have opted out.

6. I am on a short term contract for less than twelve months. Can I join nuvos?

Providing you are otherwise eligible to join nuvos (see question 2) you can apply to join the scheme. You may not be automatically entered into the scheme, but you will be sent a pensions Starter Pack to tell you about the choices open to you.

7. I left the NICS before on compulsory early retirement terms. Can I join the scheme?

You may be able to join **nuvos**, but there may be a “quarantine period” before you can earn any more benefits from the scheme. During this period you will not have to pay any contributions to **nuvos**, though you may choose to buy **added pension**, (see questions 34-42). You will be covered for death benefits during this period. Your letter of appointment will tell you when your “quarantine period” will end.

Example

Jean left her NICS employer at the end of December 2004 on compulsory early retirement terms, with a five-year enhancement to her pension. She is re-employed on 1st January 2008 and joins **nuvos**. However she will not pay contributions or build up any **nuvos** pension until 1st January 2010, when her 5-year “quarantine” period (reflecting her 5-year enhancement) ends.

8. I already have a pension from a previous employer

If you were previously in an occupational pension scheme, you may be able to transfer your pension into **nuvos** (see questions 43-45). If you were previously in a personal pension, you may be able to transfer it into **nuvos** or you may want to continue to pay into it as well as being in **nuvos**. You may want to take independent financial advice about your options. You should note, though, that if you want to transfer a previous pension into **nuvos** you must apply to do so within your first 12 months of employment.

What does nuvos cost?

9. How much must I pay?

You must pay contributions, currently 3.5% of your **pensionable earnings**.

(See question 13 for more information on what earnings are pensionable.)

In certain circumstances, if you have been transferred into nuvos under a transfer of employment arrangement, you may be required to pay contributions at a different rate. If this applies to you, your employer or CSP will explain this to you.

10. Is my contribution rate fixed?

Your contribution rate could change in the future if the scheme costs go up. But no changes will happen without full consultation with the NICS unions. If there is to be a change, we will give you advance notice.

11. Do I get tax relief?

You pay your contributions out of your gross pay (before income tax), so the cost to you is reduced. If you pay tax at the higher rate, you save even more.

Examples

a. Cathy earns £18,000 a year (£1,500 a month). Cathy's **nuvos** scheme contributions are £52.50 a month (3.5% of £1,500) but the net cost to Cathy each month will only be £40.95 as she will get tax relief at the basic rate (22%) on these contributions.

Cathy's pension contribution is deducted from her pay before tax is calculated, so she pays tax only on £1,447.50 a month.

So her pension contribution saves her £11.55 tax each month.

b. Paul earns £60,000 a year (£5,000 a month). Paul's nuvos scheme contributions are £175 a month (3.5% of £5,000) but the net cost to Paul each month will only be £105 as he will get tax relief on these contributions. His taxable pay, after the deduction of his pension contribution, is £4,825 a month. Paul pays tax at the higher rate so he will get tax relief at 40%. So his pension contribution saves him £70 in tax each month.

12. How much will my employer pay?

Your employer will make contributions at a level determined by the **scheme actuary** to cover the costs of the pension benefits that have been earned.

13. Are all my earnings pensionable?

As a general rule, only permanent items of pay are pensionable. This will include any allowances that your employer tells you are pensionable, but will not include payments such as overtime. Bonus payments do not normally count as **pensionable pay**.

You may also have some non-cash pensionable pay.

For example, some people's pensions will take account of a uniform allowance, and others may have an allowance for accommodation. In these circumstances you and your employer will also pay contributions based on the equivalent cash value of this non-cash pensionable pay.

If you are on reduced pay during maternity leave (and in certain other circumstances) your employer will make contributions based on the pay that you would have expected if you were not off work. You will usually make your contributions based on your reduced pay.

There is no limit on pensionable pay in **nuvos**. However, if you have any linked benefits calculated on a final salary basis (see questions 46 - 48) then the earnings cap will normally apply to those benefits.

14. What about National Insurance and State pension?

nuvos is contracted-out of the **State Second Pension** scheme. This means that both you and your employer pay National Insurance contributions at the lower rate. (Our Employer's Contracting-out Number (ECON) is E3900002R and our Scheme Contracting-out Number (SCON) is S2731005W).

Because the scheme is contracted out, you will not build up full rights to **State Second Pension (S2P)** while you are a member of **nuvos**, though you may receive a "top-up" payment. (See question 28 for more information.) You will still get the basic State pension if you have paid enough National Insurance contributions.

What benefits will I get?

15. When do I get my pension?

The scheme has a **pension age** of **65**. Pension age is the earliest that you can usually take your pension without it being reduced for early payment. You can apply to draw your pension at any time from the age of 55 but because your pension will be paid for more years, it will be reduced if you take it before pension age (see question 66). It will be increased if you draw it after pension age.

16. Are there any conditions for receiving a pension?

You will only be able to have a **nuvos** pension if you meet the qualifying conditions in the scheme rules. As a general rule, this means that you have to work for a PCSPS(NI) employer for a minimum of two years. Any service you have transferred in from an occupational pension scheme (see question 43- 45) counts towards the two year requirement.

If you have transferred a personal pension into nuvos, or if you leave at or after pension age, there is no minimum (“qualifying”) period needed before you are entitled to a nuvos pension.

See the section on Leaving before pension age (questions 64-72) for more information about leaving early.

17. How do you work out my pension?

Your pension will build up each year whilst you are a scheme member. Each **scheme year** (1st April to 31st March) your pension will build up at the rate of 2.3% of your **pensionable earnings**. (Note that this rate could be changed in the future, but no changes will happen without full consultation with the NICS unions.) Your pensionable earnings are the pensionable pay you receive during the scheme year.

18. Will the pension I have built up increase in value?

We will calculate the balance of your nuvos pension every March, and then increase it in April. This increase reflects the increase in the **Retail Price Index** for the year to the previous September. This increase applies every year, whether you are in service, have left with a **preserved** pension, or your pension is in payment.

Example

Simon joined the scheme on 1st April, on **pensionable pay** of £17,750. His pensionable pay went up to £18,250 on 1st October, so his pensionable earnings in his first year were £18,000. He earns £414 (2.3% of £18,000) of pension. The following October his pensionable pay went up to £18,500, so his pensionable earnings in his second year were £18,375. In that year he earns pension of £422.63. The pension earned in the previous year has been increased by 2.5% in line with inflation, so by the end of year 2 he has earned a total of £846.98 of annual pension. Each year he continues as a nuvos member he will build up further pension this way.

19. What happens if I join or leave part way through a scheme year?

You will earn pension that year based on the **pensionable earnings** you actually receive.

Example

Sophia has **pensionable pay** of £24,000. As at 31st March she had earned **nuvos** pension of £7,500. Sophia leaves on the 31st July. In the four months from April to July her pensionable earnings are £8,000, so she will be credited with a further £184 of nuvos pension (2.3% of £8,000), bringing her total entitlement to £7,684 of annual pension.

20. What happens if my pay is adjusted after the end of the scheme year?

Any adjustment to your pay will be reflected in your pension earned in the year the pay is actually received, not the year it was due.

Example

Peter receives arrears of pay in May, from a pay settlement backdated to the previous 1 January. His nuvos pension for the year ending 31 March past will not be increased to reflect his higher rate of pay or the arrears of pay, but his nuvos pension earned this year will be based on pensionable earnings received during this **scheme year**, including the arrears.

21. Is there any limit to the size of my pension?

There is a limit, but it is unlikely to affect you unless you have very long service. Your pension (excluding any **added pension** that you have bought) cannot be more than 75% of your **highest scheme earnings**. For this purpose, highest scheme earnings will be the highest of:

- your pensionable earnings in your final year, or
- your highest pensionable earnings in any of the last 10 scheme years; or
- your highest average of three consecutive years' pensionable earnings.

In order to make this comparison, your pensionable earnings from previous years will be uprated in line with the **Retail Price Index**.

Any pension you already have from the PCSPS(NI) will also count against the 75% limit (see question 50).

Example

a. Ryan's earnings dropped as he approached retirement because he stopped doing shift working. His final year's pensionable earnings were £24,000. But two years earlier, his pensionable earnings had been £30,000. So Ryan's pension cannot be more than 75% of £31,518 (£30,000 uprated by inflation of 2.5% a year), i.e. £23,639 a year.

22. Can I have a tax-free lump sum?

At the time you draw your pension you can choose to give up part of your pension for a tax-free lump sum. This is called “**commuting**” pension for lump sum and is subject to limits set by **HMRC**. Currently the limit is 25% of the total notional value of your pension benefits and the formula for working out the maximum amount of tax-free cash in **nuvos** is pension \times 30/7.

We will reduce your pension by £1 a year for every £12 you take as a lump sum.

You can find a calculator on www.civilservicepensions-ni.gov.uk. This shows the maximum lump sum for a given amount of pension and the effect that taking a lump sum would have on your remaining pension.

Examples

a. Jane retires with a pension of £10,000 a year. She decides to take a lump sum of £36,000. So her pension will be reduced by £3,000 a year ($\text{£}36,000/12$), giving her a pension of £7,000 a year.

b. Tom retires with a pension of £18,000 a year. He works out that he could take £77,143 as tax free cash ($\text{£}18,000 \times 30/7$), but if he does, his pension will be reduced to £11,571 a year ($\text{£}18,000 - \text{£}77,143/12$).

23. What if I work part time?

Your pension will build up exactly the same way, based on your **pensionable earnings** each year.

Example

Margaret has worked 20 years full time but decides to change to part time working. She had built up **nuvos** pension of £9,000. In her last year of full time working her **pensionable earnings** were £42,000 so her pension earned that year was £966. In her first year of part time working her pensionable earnings were £30,000 so her pension earned that year was £690. Her pension earned in previous years would continue to go up each year in line with inflation, just as it did when she was working full time.

24. What if I have periods off work?

You can usually only pay contributions and build up pension in the scheme if you are actually working or if you are on paid leave. If you are on unpaid leave of any sort, then you will generally not receive **pensionable earnings** for that period. However, there are some exceptions.

If you are on statutory maternity, paternity or family leave on reduced pay or no pay, you will only pay contributions based on the pay you are actually receiving, but you will build up **nuvos** pension as if your pensionable earnings were at the usual level.

If you are on paid sick leave, you will build up nuvos pension as usual. If your pay reduces to half rate, you will still build up pension as if your pensionable earnings were at the full rate. However, sick pay at pension rate does not count as pensionable earnings.

If you are on a career break, or any other form of special unpaid leave, you will not build up any nuvos pension during that period, but you would count as being “in service” if you were to die (see questions 51 and 56).

Examples

a. Brendan is on long-term sick leave after a car accident. He is on full pay until June, at his normal earnings of £36,000. Then he goes onto half pay until December, but he is on unpaid sick leave from January to March. His pensionable earnings that year will be counted as £27,000, i.e. 9 months at £36,000.

b. Janet is on contractual maternity leave until July, then starts a career break. She will build up nuvos pension that year based on her normal pensionable earnings from April to July. The nuvos pension she has built up will continue to increase each year in line with the **Retail Price Index** while she is on her career break.

25. How will I know how my pension is building up?

Each year, we will send you a pension benefit statement which will show you how much pension you have earned to date, and your projected pension to a range of different possible retirement ages, based on your current salary. The statement shows your personal details on which the projections are based, so that you can check that these are correct.

When you tell your employer that you are planning to retire and take your pension, we will send you a statement of the benefits payable to you.

If you leave before you draw your pension you will continue to receive a pension benefit statement every year, providing you tell us your current address.

26. How do you pay my pension?

Pensions are paid by us. We will pay your pension into your bank account each month. We will take income tax off it before paying it to you following instructions from **HMRC**.

27. Will you increase my pension?

Your pension will be increased every April in line with the rise in the **Retail Price Index (RPI)** over the year to the previous September.

28. Do I still receive the State pension?

Once you reach **State Pension Age** you may claim the basic State pension provided you have paid sufficient National Insurance contributions.

As the scheme is **contracted-out**, you will not receive a full **State Second Pension (S2P)** although you may be entitled to a “top-up” payment from **S2P**. You can find out more about State pensions from your local DWP office or on ww.thepensionservice.gov.uk

Working later in life

29. What if I want to work beyond pension age?

If you draw your pension later than age 65, your pension will be increased to reflect the late payment. Your annual benefit statement will show the “late retirement addition” each year. However, you must bring your pension into payment before your 75th birthday at the latest, whether or not you are still working.

30. Can I carry on working after I draw my pension?

You cannot draw your pension and carry on working for a PCSPS(NI) employer unless you meet the conditions for **flexible retirement** (see question 32) or you are over age 75.

31. What happens if I’m re-employed after drawing my pension?

If you have any PCSPS(NI) pension in payment, whether from nuvos or another section of the scheme, and you are re-employed by a PCSPS(NI) employer, your pension may be **abated** (reduced), unless you are over age 75. Your pension will be abated if your annual rate of **pensionable pay** and your pension together come to more than your **pensionable earnings** in the twelve months immediately before your pension came into payment. If you are considering re-employment after drawing your pension you should contact us for further information about the impact on your pension.

You can also find out more from the leaflet “What is **abatement**?” which you can download from www.civilservicepensions-ni.gov.uk or get this from us directly.

32. What is flexible retirement?

In some circumstances you may opt to draw all or part of your pension while remaining in service. This is called “**flexible retirement**”. You may only choose to do this if your annual rate of earning is reduced by at least 20%, for example because you have reduced your hours. Please note that there is no duty on your employer to provide a job that will enable you to take flexible retirement. You should note, too, that your pension will be subject to abatement (see question 31).

33. Can I take flexible retirement before pension age?

If you meet the conditions referred to in question 32, you can take flexible retirement at any time from your 55th birthday. However, if you take your pension before pension age it will also be subject to abatement.

You should note that once you have taken flexible retirement, if you then have to retire on ill-health grounds before **pension age** (see question 69) your pension will not be enhanced. Similarly, if you were to die in service before pension age (see question 56), any pension payable to your **family** would not be enhanced.

Boosting your pension

34. Can I pay more to boost my pension?

You have a number of options to increase your pension:

- You can buy **added pension** in the scheme
- You can pay **additional voluntary contributions**
- You can contribute to a **stakeholder** pension or any other form of personal pension.

Under current tax law you can pay into as many different pension arrangements as you wish. Tax relief is available on your contributions up to a maximum of your UK taxable earnings, or £3,600 if you earn less than that. However you will have to pay additional tax if all your pensions increase in value by more than the **Annual Allowance**, or if their total value is more than the **Lifetime Allowance**. You can find out more about these tax allowances on www.hmrc.gov.uk and in our booklet "Your pension and tax".

You should also note that you may not be able to use a lump sum from another pension arrangement to make additional pension contributions of any kind. This is due to tax rules on "recycling"; you can find more information on the **HMRC** website.

35. What is added pension?

Added pension is an amount of extra annual pension that you can buy; it will be paid with your nuvos pension after you retire. You can buy added pension at any time while you are an **active member of nuvos**. You cannot buy more than £5,000 of added pension in **scheme year** 2007 - 8 in total. This limit will go up each year in line with inflation; we can tell you the current limit.

36. Can I buy added pension for my family?

You can choose to buy added pension either just for yourself, or for yourself and your **family**. You cannot choose to buy added pension only for your family.

37. How much does it cost?

The cost of added pension will depend on your age. You can get an estimate by using the calculator on our Civil Service Pensions website. If you do not have access to the website you can ask us to tell you how much it will cost.

38. What do I get for my money?

You will get a set amount added to your **nuvos** pension that will increase in each year in line with the **Retail Price Index (RPI)**. When you draw your pension your **added pension** will be combined with your **nuvos** pension. Any choice you make about your **nuvos** pension, such as exchanging part of it for a lump sum will apply also to your added pension.

39. How do I pay for added pension?

You can choose to pay by monthly deduction from your salary, or by lump sum. If you choose to pay by monthly deduction, you can either choose a set amount (e.g. £20 each month) or a set percentage of your salary (e.g. 5% each month). You should note that if you decide to pay a set amount, it will buy a smaller amount of added pension in future years because the rates are age-based. If you want to go on buying the same amount of pension each year, you will need to increase your contribution amount each year.

If you choose to pay by monthly deduction from salary, you must do so for the full **scheme year**, starting on 1 April, except in the year you start work and the year you leave. You can choose to make an openended commitment to go on contributing every month, until you leave or choose to cancel it.

Alternatively, you may pay by lump sum, but not in the first 12 months after joining. You can make one lump sum payment each year. This lump sum payment can be in addition to any monthly deductions you are paying.

40. What is the difference between added pension and other ways of boosting my pension?

When you buy added pension, you get a defined amount of pension that will increase each year in line with inflation. How much you get will not depend on investment returns, so it is less risky than other ways of increasing your pension.

If you choose to make contributions to one of the NI Civil Service **money purchase** pension providers, you build up a separate pot in one or more of their investment funds. You have more flexibility with this option – both in terms of how you make contributions and when you take your pension – but you also have higher risks.

You can also make contributions to another personal pension provider of your choice. You should make sure that you are aware of the charges that the provider will take from your fund as these may be higher than the ones we have negotiated with our panel of providers.

41. What are additional voluntary contributions?

You can make **additional voluntary contributions (AVCs)** to the Northern Ireland Civil Service Additional Voluntary Contribution Scheme (NICSAVCS). We have appointed two **AVC** providers, Scottish Widows and Standard Life, who, between them, offer a range of investment options. We have negotiated competitive charges with these providers. You choose which provider you want to invest your AVCs, and the fund or funds to invest in. Once you receive your **nuvos** pension you can use your AVCs to buy yourself extra pension, and you can take up to 25% of your fund as a tax free lump sum. You do not have to take your AVCs at the same time as your **nuvos** pension. However, you cannot take your AVCs before you are 55 (or 50 if you started your AVC fund before 1st April 2006) and you must take them before your 75th birthday.

42. Can I pay into a Stakeholder pension?

You can contribute to a **stakeholder pension**, or any other form of personal pension you wish, as well as contributing to **nuvos**. You can choose our designated provider, Standard Life, or any other provider, but you can only make payments through payroll to Standard Life. Your employer will not contribute to a stakeholder pension.

Transferring in other pensions

43. I have a pension from another scheme. Can I bring this into nuvos?

You may only apply to bring a transfer into **nuvos** within your first twelve months of pensionable service.

If you tell us that you would like to consider transferring your pension from a previous scheme, we will ask your previous employer for a “**transfer value**” quote. We will then give you an estimate of the amount of nuvos pension that this will buy.

Different arrangements (and time limits) will apply depending on whether or not your previous scheme was in the **Public Sector Transfer Club (“the Club”)**. The special arrangements for Club schemes are explained in question 45.

44. My previous scheme was not in the Club; what arrangements apply?

We can only accept a transfer value if your previous scheme gives certain undertakings. If your previous scheme will not give these, we cannot accept a transfer value. If the transfer value is accepted, it will buy you a defined amount of nuvos pension which will increase in line with the **Retail Price Index** and be payable when you retire.

The maximum amount of nuvos pension you can buy through a transfer in is the lesser of:

- 50% of your **pensionable earnings** at your start date; or
- $n/60$ of your pensionable earnings at your start date, where “n” is your age minus 18. If you have a **preserved PCSPS(NI)** pension that will also be set against this limit (see example c).

If you are working part time, it will be your actual pensionable earnings, not the full time equivalent, which is used to work out the maximum you can transfer in.

Examples

a. Ellen joins nuvos at age 45, on a pensionable salary of £40,000. She wants to transfer in service from a previous scheme. The maximum she can buy through a transfer in is £18,000 ($27/60 \times £40,000$) ($27=45-18$) of nuvos pension. The transfer value she has been quoted from her previous scheme is enough to buy £7,500 of nuvos pension so she is able to go ahead with the transfer.

b. Stephen joins nuvos when he is 62, on a part time salary of £10,000. He has a frozen pension from his last employer. The transfer value would buy him £6,000 of nuvos pension so he cannot go ahead with the transfer, as this is more than 50% of his pensionable earnings.

c. Joanna joins nuvos when she is 40, on a salary of £30,000. She has a preserved pension in **premium** based on 10 years’ service. The biggest transfer value she can bring into nuvos is one that would buy £6,000 of nuvos pension ($12/60$ of £30,000) ($12=40-18-10$).

45. My previous employer's scheme is in the Public Sector Transfer Club. What does this mean?

The **Public Sector Transfer Club** (the “**Club**”) offers employees who move between Club employers the opportunity to transfer their pension benefits on special terms. Club terms only apply when someone moves employment on a voluntary basis. There is more information about the Club on our website, including a leaflet “The Public Sector Transfer Club – a guide for scheme members”

If you want to bring in a transfer from a Club scheme, you must apply to do this within 12 months of being eligible to join **nuvos**.

Any Club transfer in will buy you benefits calculated on a final salary basis, and with a **pension age** of 65.

(See question 47 for an example showing how this is worked out).

46. I have a preserved pension from the previous PCSPS(NI) arrangements – what happens to that?

Unless you previously left with a compensation package under the Civil Service Compensation Scheme (Northern Ireland [(CSCS(NI)], you may choose to “link” your **preserved** pension to your current earnings.

Your **PensionChoices** form will ask if you are interested in linking your preserved pension. If you indicate you are interested in this option, we will write to you with more information about your options for your preserved pension. If you want to link your preserved pension to your current earnings you must return the application form within 12 months of joining **nuvos**.

Note that whether or not you choose to link your preserved pension to your current earnings, it will be taken into account when working out the maximum pension you can have from **nuvos** (see question 50).

47. What happens if I link my preserved pension to my current earnings?

If you choose to link your previous pension, your preserved pension will be converted into a service credit (in years and days) in **nuvos**. The service credit will take into account that the pension age for your preserved pension will become 65.

Your linked pension will come into payment at the same time as your **nuvos** pension.

When you take your nuvos pension benefits, the linked final salary element of your pension will be worked out on your **final pensionable earnings** at that time, by dividing the service credit by 60 and multiplying by your **final pensionable earnings**.

Final pensionable earnings means the best of:

- **pensionable earnings** in your final 12 months of employment; or
- the highest pensionable earnings in any of the last four **scheme years**; or
- the highest average pensionable earnings in any three consecutive scheme years ending up to 10 years before the retirement date.

Note your linked pension will usually only be worked out on earnings up to the **earnings cap**; any earnings above this limit will not count for your pension. Contact us for the current limit.

Examples

a. Gina brought a **Club** transfer into **nuvos** which bought her a service credit of 10 years. She leaves after 5 years, when she has **final pensionable earnings** of £60,000, and has built up a nuvos pension of £6,000. So her total pension will be $£6,000 + (10/60 \times £60,000)$, that is, £16,000 a year.

b. Dan had a **preserved** pension in **classic** which he chose to link to his nuvos pension, and this gives him a service credit of 12 years. When he retires he has built up a pension of £4,000 in nuvos, and he is working part time. His actual pensionable earnings are £14,000, but the full time equivalent rate is £25,000. So his pension will be $£4,000 + (12/60 \times £25,000)$, giving him a total pension of £9,000 a year.

48. What if I choose not to link it?

If you choose not to link the two, your earlier pension will continue to be worked out based on your final salary when you previously left the scheme, and will be payable at 60. You may bring your preserved pension into payment at 60 without reduction for early payment, but it will be subject to **abatement** if you are working for an employer covered by the PCSPS(NI). For more information on this, see question 30.

49. I have a preserved nuvos pension: what happens to that?

When you rejoin nuvos, your preserved pension will normally be automatically “aggregated” with your current pension. However, you may choose not to have the two pensions aggregated if you wish. If you aggregate the two, then your earlier pension will count for all purposes, such as ill health retirement, but you must take all your pension at the same time (unless you draw some pension on flexible retirement terms, see questions 32 and 33).

You will need to think carefully about your choice particularly if your **preserved** pension includes benefits calculated on a final salary basis (see questions 45-48).

Example

Greg has a **preserved nuvos** pension which includes a **Club** transfer in. When he last left the NICS, his **final pensionable earnings** were £45,000. He has rejoined the NICS at a lower grade, on **pensionable pay** of £30,000. So he chooses not to aggregate his previous nuvos pension. (The **nuvos** element of it will continue to go up in line with the **RPI**, but the part of his pension bought by the Club transfer will be higher if it remains linked to his previous higher salary.)

50. How does my preserved pension, linked pension or transferred in service affect the maximum pension I can get from nuvos?

Your pension (excluding any **added pension** that you have bought, but including any pension bought by a **transfer value**) cannot be more than 75% of your **highest scheme earnings** (see question 21).

If you have any other pensions from the PCSPS(NI) these will count against the 75% limit, whether or not you have chosen to link these pensions. Any pensions worked out on a final salary basis will count against your pension limit on the basis of $N/60 \times 100\%$, where N is the years of service used to calculate the final salary pension.

Examples

- a. Margaret has a preserved PCSPS(NI) pension based on 15 years' service. This will "use up" 15/60, i.e. 25% of her nuvos limit. So the maximum amount that Margaret can earn from nuvos is 50% (75% - 25%) of her highest scheme earnings.
- b. Kieran is receiving a PCSPS(NI) pension based on 45 years' service. He cannot build up any benefits in nuvos because 45/60 uses up his full 75% limit.
- c. Michelle has chosen to link a previous PCSPS(NI) pension which bought her a 30 year service credit in nuvos. She is working part time, and her highest scheme earnings are £4,000. So the maximum pension she can have from her nuvos service is £1,000 (because her service credit has already used up 50% of the maximum).

Benefits for your dependants

51. What happens if I die in service?

We will pay a lump sum, normally to the person or people you have named. Your annual benefit statement shows your nominee(s).

The lump sum will be the greater of:

- twice your **final pay** less any lump sums already paid from any section of the PCSPS(NI);
- or
- five times the pension you have built up (including any **added pension** you had bought), less any pension (but excluding any lump sum) already paid from **nuvos**.

For this purpose, final pay means the better of:

- your pensionable earnings in your final year; or
- your highest **pensionable earnings** in any of the last 10 **scheme years** (with earlier years uprated in line with the **Retail Price Index**).

52. What if I die after leaving the scheme?

If you die after leaving the scheme, your **family** or representative should contact us directly.

If you die within five years of starting to draw your pension, the scheme will pay a lump sum representing the balance of five years' pension (including any added pension you had bought) to the person or people you have named.

If you are over 75 when you die, we cannot pay a lump sum due to tax rules. So any outstanding balance will be paid annually in arrears to your nominee(s) as a pension until the five-year period has expired. If you leave the scheme and then die before drawing your pension, there will usually be a payment to your nominee(s) of a lump sum of five times your **preserved** pension (including any added pension you had bought), increased in line with the Retail Price Index from the date you left until the date of your death.

Examples

a. Jenny died two years after she retired. She had a pension of £15,000 a year. A lump sum of £45,000 will be paid to her nominee.

b. Patrick left the scheme when he was 40, with a pension entitlement of £5,000. He died five years later, by which time his pension entitlement had grown with inflation to £5,600. His nominee will be paid a lump sum of £28,000.

53. How do I name someone to receive the lump sum when I die?

New entrants can name the person (or people) on the **PensionChoices** form in their starter pack. If you want to change your nominee at any time, you can download a form from our website at www.civilservicepensions-ni.gov.uk, or ask us for a death benefit nomination form.

If you decide to name more than one person, you should say how much you would like each person to receive (e.g. 50% or half). If you don't say how you want it shared between them, we will pay each person an equal share.

If you name your husband, wife or **civil partner** and you then get divorced or your **civil partnership** is dissolved, your nomination form will become invalid and the lump sum will not be paid to your former husband or wife or civil partner. If you still wanted him or her to receive the lump sum, you must complete a new form after the date of your divorce or dissolution to nominate them again. Note that if you are legally separated but not divorced, a nomination for your husband, wife will still be valid.

It is your responsibility to keep your nomination under review and update it whenever necessary. We cannot pay the lump sum to a person other than your nominee(s), though if there are good grounds for considering it is not appropriate to pay the sum to your nominee it can instead be paid to your personal representative, i.e. the person responsible for sorting out your affairs after your death. Your annual benefit statement shows your current nominee(s).

54. What happens if I die without having made a nomination?

We will pay any lump sum that is due to the person who is responsible for sorting out your affairs after your death, e.g. your executor.

55. Does my husband, wife or civil partner get a pension?

We will pay your surviving husband, wife or civil partner a pension if you die while in service (providing you had enough service to have qualified for a pension, see question 16) or if you die after having left with a **preserved** pension or with a pension in payment. Their pension entitlement is usually worked out as 37.5% (3/8ths) of your pension, including any **added pension** you have bought for yourself and your **family**, and any pension bought by a transfer in from another scheme. If you die after receiving an enhanced ill-health pension, the pension for your surviving husband, wife or civil partner will be the same as if you had died in service (see question 56).

If you have commuted part of your pension, this will not affect the pension for your husband, wife or civil partner as this will be based on your pension before you decided to commute.

If your husband, wife or civil partner is more than 12 years younger than you, then their pension will be reduced to reflect the fact that it is likely to be in payment for a longer time.

56. How are pensions for my family worked out if I die in service?

If you die in service we will enhance your pension before we work out the pension payable to your **family**. The enhancement will be worked out by multiplying the earned element of your **nuvos** pension by n and dividing that by the number of years you were contributing to nuvos. n will be 10, or the years until you would have been 65, whichever is less. However, the enhancement cannot more than double your earned pension, or take the total pension above the 75% limit (see question 21). The “earned element” of your nuvos pension is the part that you build up every year. It does not include any pension from transfers in or linked service or any **added pension**.

Note that if you die in service after taking **flexible retirement** (questions 32-33) then pension for your family will not be enhanced.

Once your husband, wife or **civil partner** is receiving a pension, it will continue for the rest of their life, and it will increase every April in line with the increase in the **Retail Price Index**.

Examples

- a. Sylvia died in service at the age of 50 after 25 years in nuvos. The pension she had built up at the time of her death was £15,000. In order to work out her civil partner’s pension, Sylvia’s pension will be enhanced by $(10 \times 15,000/25) = £6,000$. So her civil partner Mary will get a pension as if Sylvia’s pension had been £21,000, that is, a pension of £7,875 a year ($3/8$ of £21,000).
- b. Gavin has a pension of £10,000, but he decided to **commute** (give up) £1,875 of his annual pension so he could have a tax-free lump sum of £22,500. The pension he receives is £8,125 a year. When Gordon dies, his widow will get a pension of £3,750 a year (37.5% of £10,000)
- c. Philip died in service at the age of 62 after 12 years in nuvos. His pension from nuvos was £12,000, but he had also bought £2,000 of added pension for himself and his family. In order to work out his widow’s pension, his nuvos pension will be enhanced by $(3 \times 12,000/12) = £3,000$, to £15,000. So his widow Kathryn will get a pension of £6,375 a year ($3/8$ of £17,000 – Philip’s enhanced pension, plus the added pension he had bought).
- d. Jack is killed in an accident at the age of 25, after 4 years in nuvos. He had built up a pension of £2,000. Jack wasn’t married but he had nominated his partner to receive a pension. Paula will get a pension of £1,500 a year (37.5% of £2,000 doubled).

57. I am not married or in a civil partnership but I have a partner. Will they receive a pension?

If neither you nor your partner is married to anyone else or in a **civil partnership**, we may pay your partner a pension. We work this out in the same way as the pension for a husband, wife or **civil partner** (see question 55).

You must make sure that you and your partner fill in a declaration as we cannot pay a pension without this.

Your partner will also have to provide evidence that he or she was financially dependent on you, or that you were financially interdependent, at the time of your death.

For more details on this, see the booklet "Pensions for partners: a guide". This booklet is available on our website www.civilservicepensions-ni.gov.uk or you can ask us for a copy. The declaration form is in the booklet.

You should keep your declaration under review. Your annual benefit statement shows your registered partner declaration. If you need to change your declaration, the form is also on our website under Resources, booklets, leaflets and forms.

58. Will my children get a pension?

We pay children's pensions to your children and to any others who are financially dependent on you when you die. Pensions are paid to age 18 or, potentially, to age 23 if the child continues in full-time education or vocational training. A pension may be payable for life to a child who is dependent due to serious disability; ask us for more information about this. We work out a child's pension as 30% of your pension entitlement if we pay a pension to your surviving husband, wife, civil partner or nominated partner, or 50% if there is no such pension payable. If you leave more than two children who qualify for a pension we will reduce each child's pension so they each get an equal share.

Example

Julie had a pension entitlement of £8,000 a year. She died leaving a widower and three children under the age of 23. Julie's husband received a pension of £3,000 a year and each child receives a pension of £1,600 a year (one-third of $2 \times 30\% \times £8,000$).

59. Can I arrange for someone to get a share of my pension?

Before your pension comes into payment, you may choose to give up part of your pension in exchange for additional pension for a **dependant** after your death. This is called “allocation”. If you are interested in this option you should contact us for further information.

Allocation of your pension will not affect the way any pension for another member of your **family** is calculated.

Example

Peter decides to allocate part of his pension to provide a pension for his mother after his death. His pension entitlement, before allocation, is £10,000 a year, but because of the allocation he has made, he receives pension of only £8,500. He dies leaving two dependent children, but no wife or partner. Each child would receive a pension of £5,000.

60. What happens if I am divorced?

If you are divorced, or your **civil partnership** is dissolved, the court will take into account any pension rights, and may make either an earmarking order or a pension sharing order over your pension benefits. You can find out more about this from the booklet “Pensions and divorce”, which you can download from our website www.civilservicepensions-ni.gov.uk or obtain from us directly.

If you had previously nominated your husband, wife or **civil partner** to receive any lump sum death benefit, that nomination will become invalid at the date of your divorce or dissolution, so you should remember to make a new nomination. You can obtain the form to do this from the website or from us directly.

61. Can my dependant have a lump sum instead of a pension?

If the pension falls within the **HMRC** limits on **trivial commutation**, your dependant may choose to have it **commuted** into a lump sum. Your dependant can find out more about this from us directly.

62. Will I get a refund if I have no dependants?

You can only have a refund of your contributions if you leave with less than two years’ service (see Leaving before pension age, question 64). If you leave service or die with an entitlement to pension, then no refund is payable.

63. What if I get married or have children after I’ve left?

Providing you left with an entitlement to pension, and have not since then transferred your benefits out of **nuvos** (see question 65), then a pension will be payable to your family on your death, on the same terms and conditions as set out in previous questions.

Leaving before pension age

64. What options do I have if I resign after a few months?

If you leave within three months of joining **nuvos**, we will send you a refund of the contributions you have made to the scheme less tax and your share of the cost of reinstating you in the **State Second Pension** for that period (where appropriate).

If you leave before **pension age** with more than three months' but less than two years' service (including any service you have transferred in) in **nuvos**, we will give you the choice of

- a refund of your contributions (as above); or
- a **transfer value** to another pension scheme.

We will write to you about your options shortly after you leave. See the leaflet "Leaving **nuvos** before pension age with less than two years service" for more information.

Note that if you have transferred a personal pension into the scheme, you will be treated as if you have two years' service, so you will immediately become entitled to a preserved pension or a transfer. You will not be eligible for a refund of your contributions.

65. What if I resign after two or more years' service?

If you have two or more years' service (or you have transferred a personal pension into **nuvos**) you will be able to choose between a **preserved** (frozen) pension in **nuvos**, or taking a transfer value to another scheme.

If you **preserve** your pension, it will increase every year in line with inflation. You can choose to draw your **preserved** pension at any time after your 55th birthday, but if you take it before pension age it will be reduced because of early payment. If you draw it after your 65th birthday it will be increased for late payment.

Any **added pension** which you have bought will be treated in the same way as your **nuvos** pension.

66. If I retire early what happens to pension benefits?

You can choose to bring your **nuvos** pension into payment at any time from your 55th birthday. If you choose to draw your pension before pension age, though, it will be **actuarially reduced** because of the early payment. The reduction will typically be about 5% for each year before pension age. Note that your pension is reduced for life: it will not go back up to the full rate once you reach pension age. However, any pension payable to your **dependants** will be worked out as if your pension had not been actuarially reduced.

If you choose to bring your **nuvos** pension into payment early, then any added pension will also come into payment at the same time, and on the same basis – i.e. if your main pension is actuarially reduced because you are choosing to draw it early, your added pension will also be actuarially reduced. You cannot choose to take your added pension at a different time from your main **nuvos** pension.

In certain circumstances, if your employer allows this and meets the full costs to the scheme, you may exceptionally be allowed to draw your pension early (after the age of 55) without any reduction for early payment, or with a lesser reduction than normal.

If you leave and do not choose to draw your pension early, it will be preserved in the scheme; it will increase every year in line with inflation and then be paid when you reach pension age.

67. What if I am made redundant?

Your employer will pay you compensation under the Civil Service Compensation Scheme (Northern Ireland) [CSCS(NI)] for loss of employment. Your pension options will be the same as if you had resigned. You can draw your pension whenever you like after you are 55, but remember that we will reduce it because of early payment. Ask us if you want more details.

68. What happens if I am too ill to work?

If you have to leave the NICS before **pension age**, and our medical adviser agrees that you cannot do your job because your health has broken down permanently, we may pay you your pension when you leave. In these circumstances we will pay your pension without making any reduction because of early payment. Any **added pension** you have bought will also be brought into payment, without reduction, provided that you did not opt to buy it shortly before you are retired. The pension you are paid will also include any pension you bought by a **transfer value**, unless you are retired within 2 years of bringing in the transfer and we consider that you did not disclose a known health condition at that time.

You usually need to have worked for a PCSPS(NI) employer for at least two years before you can qualify for an ill-health pension.

69. What if I am too ill ever to work again?

If our medical adviser considers that your ill-health is so severe that you are unlikely to work again, we may enhance your pension as if you had continued to work to 65. The enhancement will be worked out by dividing the earned element of your pension (see question 56) by the number of years you were contributing to **nuvos**, and multiplying that by the number of years from your date of retirement to your 65th birthday. However, the enhancement cannot take your total pension above the 75% limit (see question 21).

If you have already drawn part of your pension on **flexible retirement** terms (see question 33) then you cannot have an enhanced ill-health pension.

Examples

a. Shane has to retire on ill-health terms at the age of 55 after 20 years in **nuvos**. His pension at that point is £7,500. The medical adviser confirms that Shane is unlikely to be able to work again, so his pension is enhanced by £3,750 ($£7,500/20 \times 10$), giving him a total **nuvos** pension of £11,250.

b. Alicia retires on ill-health grounds at 40 after 10 years in **nuvos**; her pension is £3,000. The medical adviser confirms that she is not expected to be able to work again, so her pension is enhanced by £7,500 ($£3,000/10 \times 25$), giving her a total of £10,500.

70. What if I become ill after I have left the scheme?

If you are terminally ill, with a life expectancy of less than 12 months, you can apply to have your pension benefits **commuted** into a lump sum and paid immediately. The lump sum will be five times your pension. This will not affect how any **dependants'** pensions are calculated.

71. What if I am injured on duty?

If you are injured or killed while you are on duty, Injury Benefit may be payable to you, or to your **family** if you are killed, to provide a guaranteed level of income. For more information on this, see the booklet "Civil Service Injury Benefits Scheme (Northern Ireland [CSIBS]): a brief guide", which you can download from our website www.civilservicepensions-ni.gov.uk or get from us directly. Injury benefit is provided under the terms of the [CSIBS(NI)], which is a separate arrangement from **nuvos**.

72. What if I am re-employed?

If you have any PCSPS(NI) pension in payment, whether from **nuvos** or another section of the scheme, and you are re-employed by an organisation covered by the PCSPS(NI) arrangements, your pension will be **abated** (reduced) if your annual rate of **pensionable earnings** and your pension together come to more than your pensionable earnings in the twelve months immediately before your pension came into payment. If you are considering re-employment after drawing your pension you should contact us for further information on the impact on your pension.

Your pension will not be affected if you are re-employed by an organisation not covered by the PCSPS(NI) arrangements.

You can also find out more from the leaflet "What is **abatement**?" which you can download from www.civilservicepensions-ni.gov.uk or get this from us directly.

Other information

73. Can I change my pension arrangements?

You have one opportunity to switch from **nuvos** to a **partnership** pension account, which is a **money purchase pension** with an employer contribution. You will also have one opportunity to switch back from a partnership pension account to **nuvos**. We only allow you to switch on 1 April and 1 October each year and you must give us three months' notice in writing.

You can choose to opt out of **nuvos** at any time by giving notice in writing to us. Your decision to opt out will take effect from the next convenient pay period. If you choose to opt out you will be giving up a valuable range of benefits for yourself and your family. You may wish to take independent financial advice before you decide to opt out of the scheme.

If you decide to opt out, your **nuvos** pension will be treated as if you had resigned (see questions 64-65). You may rejoin **nuvos** at any time, if you are still eligible to be a member (see question 2) by writing to us. You will be re-entered into **nuvos** from the next pay period.

74. Can the scheme rules change in future?

There is no guarantee that any part of the rules will not change in the future. Before we make changes to the rules, we consult with the NI Civil Service unions. Under the Superannuation (NI) Order 1972 we must get the agreement of the unions for any changes to the rules that affect benefits that members have already earned. Any changes we make to the rules are laid before Parliament.

75. Who should I contact if I have a query about my pension?

Your first point of contact should always be ourselves as we hold your pensions records.

If you no longer work for a NI Civil Service employer, or have already started to draw your **nuvos** pension, you should contact us directly.

76. Can the CSP give me advice about my options?

No, we cannot give you advice. If you need advice you should contact an **Independent Financial Adviser (IFA)**. A number of membership organisations provide access to financial advice, or you can find an adviser in your area on www.unbiased.co.uk

77. Who manages the pension scheme?

The scheme managers are Civil Service Pensions. Our address is:

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

78. What do you do with the information you hold about me?

The Data Protection Act 1998 requires all data users to register the nature and use of both manual and computerised data which they control.

In order to provide **nuvos** benefits for you and your **dependants**, we will need to hold information about you including personal data. This may include information about your earnings, your health, your dependants and your family circumstances. We may need to pass this information to others who are involved in administering **nuvos**, including your employer, professional advisers and insurance companies.

Membership of **nuvos** is conditional on your agreement that we may hold and process data about you and use it for the purposes described above. We will not use your data for other purposes. If you want to know more about the information we hold or arrangements for keeping it secure you should contact us directly.

79. Can I lose my pension?

There are certain limited circumstances in which your pension could be withheld either completely or partly, such as if you were convicted of treason, of an offence under the Official Secrets Act 1911, or of an offence certified by a Minister as likely to bring the NI Civil Service into disrepute. You could also lose pension if you owed the NICS money as a result of a criminal act. Family benefits may be withheld from any person convicted of the manslaughter or murder of the member.

Finding out more

80. Where can I get more information about my pension?

You can find out more information about **nuvos** on our website, www.civilservicepensions-ni.gov.uk. If you do not have access to the website, or cannot find what you need to know, you should contact us.

We have a range of booklets and leaflets covering the following topics.

For prospective employees :-

- Pension Choices, **nuvos** or **partnership** - an overview
- **partnership** pension account – an overview

For new entrants:-

- Pension Choices: **nuvos** or **partnership**

Main scheme booklets:-

- **partnership** pension account

Boosting your pension:-

- Adding to your **nuvos** pension
- Stakeholder pensions
- The Northern Ireland Civil Service Additional Voluntary Contribution Scheme (NICSAVCS)

Age retirement

- **nuvos** retirement benefits

Leaving early

- Leaving **nuvos** with more than two years' service
- Leaving **nuvos** before pension age with less than two years' service

Other issues

- Civil Service Pensions Injury Benefits Scheme (Northern Ireland)
- If you have a complaint about your pension
- Pensions for partners: a guide
- Pensions and divorce
- Medical guidance notes
- Your pension and tax
- What is abatement?

We will be adding to this list and will advertise new booklets and leaflets on our website, www.civilservicepensions-ni.gov.uk. You can download all these titles from the website, or ask us for a copy.

81. How do I find out more about State pensions?

You can find out more from www.thepensionservice.gov.uk (this is a website of the Department for Work and Pensions (DWP) or contact the DWP through their local Pensions Centre, or phone 0845 606 0265.

If you have a complaint

82. What if I have a complaint about my pension?

If you have a problem with any part of your **nuvos** pension benefits, you should try to sort it out with us. Often a phone call or email will be enough. If you cannot sort out the problem to your satisfaction, we operate a statutory complaints procedure known as internal dispute resolution (IDR). This entitles you to a written explanation from us and then, if you are still not satisfied, to have your complaint investigated by the Scheme Manager (Head of Civil Service Pensions Branch). You can also contact the Pensions Advisory Service (TPAS) at any stage during the IDR procedures. TPAS is an independent organisation set up to help with sorting out disagreements between scheme members and the administrators or trustees of their scheme.

You can write to TPAS at:

11 Belgrave Road
London
SW1V 1RB
or telephone them on 0845 6012923.

You can also contact them via their website, www.pensionsadvisoryservice.org.uk or email them at enquiries@pensionsadvisoryservice.org.uk

83. What if my complaint is not resolved?

If you have gone through the IDR and your complaint has still not been resolved satisfactorily, you can contact the Pensions Ombudsman. For more information see their website www.pensions-ombudsman.org.uk

You can write to the Pensions Ombudsman at:
11 Belgrave Road
London
SW1V 1RB

To find out more about IDR, ask us for the leaflet “If you have a complaint about your pension” or visit our website at www.civilservicepensions-ni.gov.uk

84. Are there any other organisations that look after pension schemes?

The Pensions Regulator 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 606 3636

Email:
customersupport@thepensionsregulator.gov.uk
Website:

www.thepensionsregulator.gov.uk
The DWP operates a central tracing agency to help people keep track of any pension arrangements they had in the past. You can contact them through the DWP website www.thepensionservice.gov.uk or write to them at:

Pension Tracing Service
The Pension Service
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA
Tel: 0845 600 2537

Glossary

Abatement, abated

If you are re-employed by the NICS after you have drawn your pension we may reduce or stop paying your pension. This is called abatement. The Scheme rules require that your new salary and your pension, when added together, may not normally be more than your salary when you retired.

Active member

An active member is a nuvos scheme member who is in employment with a PCSPS(NI) employer.

Actuarially reduced

Members aged 55 or over with an entitlement to a nuvos pension can choose to retire early. Benefits are paid immediately but are reduced because they will be paid for longer. The reduction is determined by the scheme actuary.

Added pension

Added pension is an additional amount of pension that you can buy (see questions 34-40).

Annual Allowance

The Annual Allowance is a limit set by HMRC on the increase in value of pension benefits during the tax year.

AVCs, Additional Voluntary Contributions

AVCs are money purchase arrangement to provide an additional pension, where contributions are paid to a pension provider for investment in a fund or selection of funds. The accumulated investment fund is used to buy an annuity - a pension for life. Members can choose to take up to 25% of their fund as a tax free lump sum subject to the Lifetime Allowance.

Civil partner

This is someone of the same sex as you, with whom you have registered your relationship under the Civil Partnership Act 2004.

classic

classic is part of the PCSPS(NI) pension arrangements; it is a defined benefit occupational pension scheme based on final salary. It was open to civil servants from 1972 to 2002 and is now closed to new entrants. The name classic came into effect in October 2002.

Club

see Public Sector Transfer Club

Commutation, commute, commuting

This means the exchange of pension for a lump sum.

Contracted out

If you join nuvos, you will contract out (opt out) of the State Second Pension. You and your employer will pay a lower rate of National Insurance contributions.

Dependant

A dependant is a member of your family or anyone else who relies on you financially.

Earnings cap

This is HMRC's limit on earnings which can count for your pension. It only applies in nuvos to benefits calculated on a final salary basis.

Family

Family means your husband, wife, civil partner or nominated partner and your dependent children.

Final pay

Your final pay is the pay used to calculate the lump sum payable if you die in service.

Final pensionable earnings

Final pensionable earnings are the pensionable earnings used to work out any benefits (such as benefits from a Club transfer) which are worked out on a final salary basis.

Flexible retirement

The flexible retirement rules allow you to draw your nuvos pension whilst you continue to work for your PCSPS(NI) employer. You will only be allowed to do this if you have reduced your earnings by at least 20%, for example by moving to part time working.

Highest scheme earnings

Your highest scheme earnings are the pensionable earnings used to work out the maximum pension you can have in nuvos (see question 21).

HMRC

Her Majesty's Revenue & Customs

Independent Financial Adviser

An Independent Financial Adviser (IFA) is a qualified person or firm that can give independent advice on matters such as life assurance and pensions. IFAs are regulated by the Financial Services Authority. You can find out more on www.fsa.gov.uk

Lifetime Allowance

The Lifetime Allowance, or LTA, is a limit set by HMRC on the total value of all pension benefits (except the State pension) that can be taken without paying additional tax. The value of benefits is assessed at the time that the pension is taken. It does not limit the total amount of pension benefits that an individual can be paid in their lifetime.

Money purchase

A money purchase pension arrangement, also called a defined contribution or DC scheme, is one where you contribute to build up a pension pot (together with any employer contributions) and you use the pot to buy an annuity – a pension for life - when you retire. partnership pension account partnership is a defined contribution (money purchase) stakeholder pension with an employer contribution.

Pension age

Pension age is the earliest age at which you can choose to leave and receive immediate payment of your pension without it being reduced because of early payment. Pension age is currently age 65 in nuvos.

Pension Choices

This is the form attached to the introduction letter in your Starter Pack.

Pensionable earnings

Pensionable earnings are the pensionable pay which you receive during the scheme year.

Pensionable pay

Pensionable pay includes all earnings that could count towards your pension. They can include non-cash items, for example, uniforms or accommodation.

premium

premium is part of the PCSPS(NI) pension arrangements; it is a defined benefit occupational pension scheme based on final salary. It was closed to new entrants from July 2007.

Preserved

A preserved pension is pension benefits from an earlier period of service in the PCSPS(NI) arrangements that will come into payment at a later date, usually at pension age. If you leave nuvos with more than two years' service you can leave the pension benefits you have built up in the scheme to be payable at your pension age.

Public Sector Transfer Club or “The Club”

The Club is a group of defined benefit occupational pension schemes, mainly within the public sector, that offer special terms for transferring benefits. Members include the NHS, local government and teachers' pension schemes. You can find a full list of Club schemes on www.civilservicepensions-ni.gov.uk

Retail Price Index (RPI)

The Retail Price Index (RPI) is one of the official indices used to measure price inflation. It is used to set increases for pensions in payment, and for revaluing your nuvos pension each year before it comes into payment. The figure used is generally the September RPI.

Scheme actuary

The Scheme actuary is the professional adviser who works out what pension benefits will cost and what contributions will be needed to pay for them, taking into account factors such as life expectancy, interest rates and inflation.

Scheme year

1st April to 31st March.

Stakeholder pension

A Stakeholder pension is a form of personal pension which operates under rules that limit its charges and make it easier to transfer the pension to another provider. You may have a stakeholder pension as well as being in nuvos; this is called a concurrent stakeholder pension.

State Pension Age

State Pension Age is 65 for men, and for women born on or after 6th April 1955. Women born before 6th April 1950 will have State Pension Age of 60; women born between those dates will have a State Pension Age on a sliding scale between 60 and 65. See www.thepensionsservice.gov.uk for a calculator.

It is expected that the State Pension Age will rise from 65 to 68 between 2020 and 2050. This will affect anyone born after 5th April 1959, though only those born after 5th April 1978 will have to wait until 68 for their state pension.

State Second Pension (S2P)

This is the additional State pension (on top of the basic State pension) that used to be called State Earnings-Related Pension (SERPS). The amount you receive depends on your National Insurance contributions.

Transfer value

A transfer value is the amount paid as a transfer payment when a member takes their benefits from one pension scheme to another.

Trivial commutation

HMRC allow small pensions to be commuted (exchanged) for a lump sum payment; this is known as trivial commutation.

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