

PCSPS(NI)

Principal Civil Service Pension
Scheme (Northern Ireland)



Department of
**Finance and
Personnel**

www.dfpni.gov.uk

partnership - An overview



Civil Service Pensions

This overview leaflet tells you about **partnership**, the benefits it offers and how to apply.

This leaflet does not cover every aspect of the scheme and you should not rely on it to make decisions. 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 difference, the rules will apply.

Technical terms are shown in **bold** and explained in the Glossary Section.

What is partnership?

Partnership is a stakeholder pension, which is a type of personal pension. It is open to most people who join the Northern Ireland Civil Service (NICS). It is not open to existing **classic** members or members who opted for **premium** or **classic plus** in 2002.

How much do I have to pay?

You can open a partnership account without having to pay contributions if you don't want to. Or you can, if you wish, pay up to 100% of your **pensionable earnings**.

What benefits does partnership provide?

- Your employer will pay contributions to your partnership account, even if you decide not to contribute. They will pay:
 - an age-related contribution, from between 3 and 12.5% and
 - a matching contribution, payable if you do decide to contribute - of up to an extra 3% of your pensionable earnings.
- You will receive tax relief on any contributions you make.

- You will have, subject to conditions:
 - redundancy cover
 - access to an ill health retirement lump sum
 - a ‘death in service’ lump sum of 3 x pay payable to named people of your choice should you die in service.
- You:
 - get a pension which you can take at any age between 50 (55 from 2010) and 75.
 - can choose the type of pension you want
 - may be able to take a tax free lump sum of up to 25% of your fund
 - can use your fund to make provision for your dependants.

How does partnership work?

You choose a pension provider from our panel of providers. They are:

- Scottish Widows
- Standard Life
- TUC / Prudential

Each provider offers an extensive range of investment funds. You choose which fund or funds you want your money to go into. If you choose a provider but do not specify an investment fund, all your contributions will be invested in the provider’s default fund.

The providers cannot advise you on which funds to invest in but they have calculators on their websites which will help you to find the most suitable fund or funds. Alternatively, you can consult an independent financial adviser. You may have to pay for any advice you receive.

How to join

If you are a new entrant, your employer will issue you with a New Entrant Pack which includes more information about **partnership** and contact details for each provider.

If you are an existing employee and are eligible to switch to partnership, ask your employer for a switch form and a copy of our booklet ‘partnership pension account’. Alternatively, you can download these from our website (address at back of leaflet). The booklet tells you more about partnership and includes contact details for each provider.

Drawing your pension

The contributions paid into your fund may grow with investment returns over the years and you use the fund to buy your pension, which is an income for the rest of your life. When you draw your pension you may be able to take up to 25% of your pension fund as a tax-free lump sum but you must use the remainder to buy a pension. You do not have to take your pension with the provider you have your investments with. The size of your pension will depend on the:

- amount of money that you and your employer contribute;
- investment returns in your selected fund (or funds);
- amount of lump sum you take;
- type of pension you choose, and the
- rate used to convert your pension fund into an annual income when you retire. (This is called the ‘annuity rate’.)

You can, currently, take your pension at any time between ages 50 (55 from 2010) and 75. You choose the timing to fit with your personal circumstances – you don't have to retire from work to take your pension.

Contact your employer for further information or visit our website at:

www.civilservicepensions-ni.gov.uk

Glossary

classic. An occupational pension scheme based on final salary. It was open to NI civil servants from 1972 to 2002 and is now closed to new entrants. The name classic came into effect in 2002.

classic plus. An occupational pension scheme based on final salary. It was available for staff in post on 30 September 2002. It is closed to new entrants.

pensionable earnings. All earnings that could count towards your pension. This will include salary and can include non-cash items, for example, uniforms or accommodation.

premium. A final salary occupational pension, introduced 2002. Although it is now closed to new entrants, some re-employed staff can join depending on eligibility.

More information

For more information please contact us at the address shown.

You can find more information about the PCSPS(NI) pension arrangements, including the other publications referred to in this leaflet, on the website:

www.civilservicepensions-ni.gov.uk

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