

PCSPS(NI)

Principal Civil Service Pension
Scheme (Northern Ireland)

partnership

Pension Choices

partnership pension account



Department of
**Finance and
Personnel**



INTRODUCTION

What is a **partnership pension account**?

The **partnership pension account** is a stakeholder pension with employer contributions. This is a type of personal pension. You do not have to make any payments to have a **partnership pension account** but your employer will make contributions on your behalf anyway. If you do choose to contribute, your employer will match your payments up to a further 3% of your pensionable salary.

How does it work?

These contributions are invested for you by your chosen provider. Over the years, your pension fund should grow with investment returns (the money earned by your investments), and you use the resulting 'pot' to either buy a pension when you retire or to leave to someone on your death.

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NOTE: Text in bold in this booklet has an entry in the glossary on page 20

Paying into your pension

Why open a **partnership pension account**?

It needn't cost you anything!

Your employer will pay in a monthly contribution to your **partnership pension account** depending on your age and salary. If you do wish to pay something, your employer will match any regular contributions you make (up to 3% of your salary) and your fund will grow faster giving you a bigger 'pot' to buy your pension when you choose.

You will also be able to take up to 25% of this 'pot' as a tax-free lump sum if you wish at any time after age 50 even if you are still working.

If you leave the NICS you can take this pension with you, it is yours for life. In addition, opening a **partnership pension account** also gives you access to other NICS benefits. If you are unable to work through ill health, a lump sum may be payable, or if you were to die in service, a lump sum would be payable to your dependants. By not joining **partnership** you will miss out on these benefits.

We have chosen three **partnership** pension providers to give you plenty of choice on how to invest your money:

Standard Life,

Scottish Widows and

TUC (Prudential).

How much should I pay?

You do not have to contribute anything. Your employer will pay your age-related contribution anyway (see Table 1 on page 3). But if you do, your employer will pay an additional amount to match your contributions up to 3% of your **pensionable earnings**. So if you decide to contribute 2% of your **pensionable earnings**, your employer will pay an extra 2% on top of the age-related contribution. If you decided to contribute 5%, your employer would pay an extra 3%, as the extra matching contributions are limited to 3%. Your contributions will be based on your **pensionable earnings** so if you are receiving reduced pay, you will only pay contributions on the pay you actually receive.

See Annex A on page 15 for ready reckoners that show what different contribution rates mean, in terms of both the cost to you in take-home pay each month and also of the total amount that will go into your pension 'pot'.

What will my employer pay?

If you open a **partnership pension account**, your employer will make a contribution as a percentage of your **pensionable earnings**. This varies according to your age as at the beginning of the tax year (that is, as at the last 6 April) and so it may increase in the future. Current contribution rates are shown in the Table 1 on page 3.

Table 1
Employer contributions

Age at 6th April (last)	Percentage of your pensionable earnings
Under 21	3
21 to 25	4.5
26 to 30	6.5
31 to 35	8
36 to 40	10
41 to 45	11.5
46 or over	12.5

The **partnership pension account** offers you the opportunity of having a 'free' pension.

Your employer will make these contributions even if you decide not to pay anything into your account. See the table in Annex A 'Employer contribution if you pay nothing' to check how much money could be going into your account each month.

You can always decide to pay money in yourself as well, at a later stage. If you do, you will benefit from even more contributions from your employer. They will match any regular payments you choose to make, up to 3% of your **pensionable earnings**. But your employer cannot pay any contributions until you open an account, so first of all, you need to choose a provider and fill in the application forms.

What earnings are pensionable?

The definition of '**pensionable earnings**' is the same for both the **premium pension scheme** and the **partnership pension account**. As a general rule, only permanent items of pay are pensionable. This will include any allowances which your employer tells you are pensionable, but will not include payments such as overtime.

Bonus payments do not normally count as **pensionable earnings**, but if you receive **pensionable bonus** payments, your employer (and you, if you choose to contribute) will pay contributions on them. You may also have some non-cash **pensionable earnings**. For example, some people may receive a 2% uniform allowance and others may have an allowance for accommodation. In these circumstances, your employer (and you, if you choose to contribute) will also pay contributions based on the equivalent cash value of these non-cash **pensionable earnings**.

If you are on reduced pay during maternity leave, and in certain other circumstances, your employer will make contributions to your **partnership pension account** based on the pay that you would have expected to have had if you had still been working.

Paying into your pension (cont)

How much am I allowed to pay?

The HM Revenue & Customs (HMRC - previously known as the Inland Revenue) currently limits the total amount that you and your employer pay between you.

The current limit is the greater of £3,600 a year (£300 a month) and an age-related proportion of your taxable earnings. These limits apply to gross contributions – that is, including tax relief paid into your pension ‘pot’ (see Table 2 below). This table shows the most that you can pay into your account each year up to April 2006, depending on your age. So you could contribute up to £3,600 a year or the age-related scale shown in Table 2 if that works out to a higher amount.

New tax rules from 6 April 2006

From 6 April 2006 new tax arrangements for pension schemes have been introduced. HMRC will no longer limit the amount that you and your employer pay into your **partnership pension account**. You will receive tax relief on any contributions you make up to 100% of your taxable earnings or £3,600, whichever is the higher.

You – and your employer – can currently only pay contributions on earnings up to a limit set by the HMRC. This limit is called the ‘**earnings cap**’. This is set each year by the HMRC and is on their website:

www.hmrc.gov.uk/rates/pensions.htm

Alternatively, you can contact us at the address on page 14 of this booklet.

Table 2 – HMRC contribution limits (until 5 April 2006)

Age at 6th April (last)	Maximum total gross contribution by you and your employer Percentage of gross taxable earnings (or £3,600 a year, if this is more)	Maximum contribution that you can make (after allowing for your employers age-related and matching contributions) Percentage of gross taxable earnings
Under 21	17.5	11.5
21 to 25	17.5	10
26 to 30	17.5	8
31 to 35	17.5	6.5
36 to 40	20	7
41 to 45	20	5.5
46 to 50	25	9.5
51 to 55	30	14.5
56 to 60	35	19.5

Examples

1. Darren is 30 and earning £20,000 a year. The age-related scale shows that he and his employer can together pay 17.5% of his earnings. This would be £3,500 a year. But Darren could pay an extra £100 if he wanted to, as everyone can pay at least £3,600 a year into his or her pension 'pot'.
2. Claire is 40 and she earns £35,000 a year. According to the age-related scale, she and her employer can together pay 20% of her earnings. This would be £7,000. Claire and her employer can therefore together pay £7,000 into her account as her age-related amount is larger than the £3,600 limit.

Do I get tax relief?

Your employer's contributions are based on your pay before tax (your gross pay). But your own contributions are taken from you after you have paid tax. You pay a reduced contribution which takes account of the tax relief which the pension provider will claim back on your behalf.

So, for example, if you wanted to pay £100, we would take £78 from your net pay (£100 less £22 basic-rate income tax). The pension provider would then claim back £22 from the HMRC, so the total amount going into your pension fund based on your contributions would be £78 + £22 = £100.

The contributions in Table 2 on page 4 will apply in the same way whether you pay income tax at basic rate, higher rate or only at lower rate. If you are a higher-rate taxpayer, you should claim the extra tax relief on your yearly tax return.

If you are a lower-rate taxpayer, you effectively get credited with more tax than you have paid, so you win!

Example

Sue has **pensionable earnings** of £1,500 (gross) in the month. Sue was 28 at the beginning of the current tax year and has chosen to pay contributions of 2%. Sue's contribution is taken from her pay after basic-rate income tax at 22% has been taken off.

$$2\% \times £1,500 \times (100-22) \div 100 = £23.40$$

Sue's employer contributes:

- an age-related contribution of $6.5\% \times £1,500 = £97.50$; and
- a matching contribution of $2\% \times £1,500 = £30$.
Total employer contribution = $£97.50 + £30 = £127.50$

Sue's pension provider claims back the tax on Sue's contribution.

$$\text{Tax claimed back} = £23.40 \times 22 \div (100-22) = £6.60$$

$$\text{Total payment into Sue's pension fund} = £23.40 + £127.50 + £6.60 = £157.50$$

Paying into your pension (Cont)

How do I make my payments?

Your employer will normally take regular contributions from your pay and pay it automatically to your chosen provider. We ask all employers to make payments within three days of the pay date.

If you are not receiving earnings from us (for example, if you are on a career break), you may continue to make contributions up to £3,600 a year. Your employer will not normally be contributing, so the best way to make contributions is probably to set up a direct debit to your **partnership pension account** from your bank account.

What about National Insurance?

You pay National Insurance (NI) contributions at the standard rate. These contributions will entitle you to the basic State Retirement Pension and **State Second Pension (S2P)** (the new name for the State Earnings-Related Pensions (SERPS)). The current rates are available on the HMRC website:

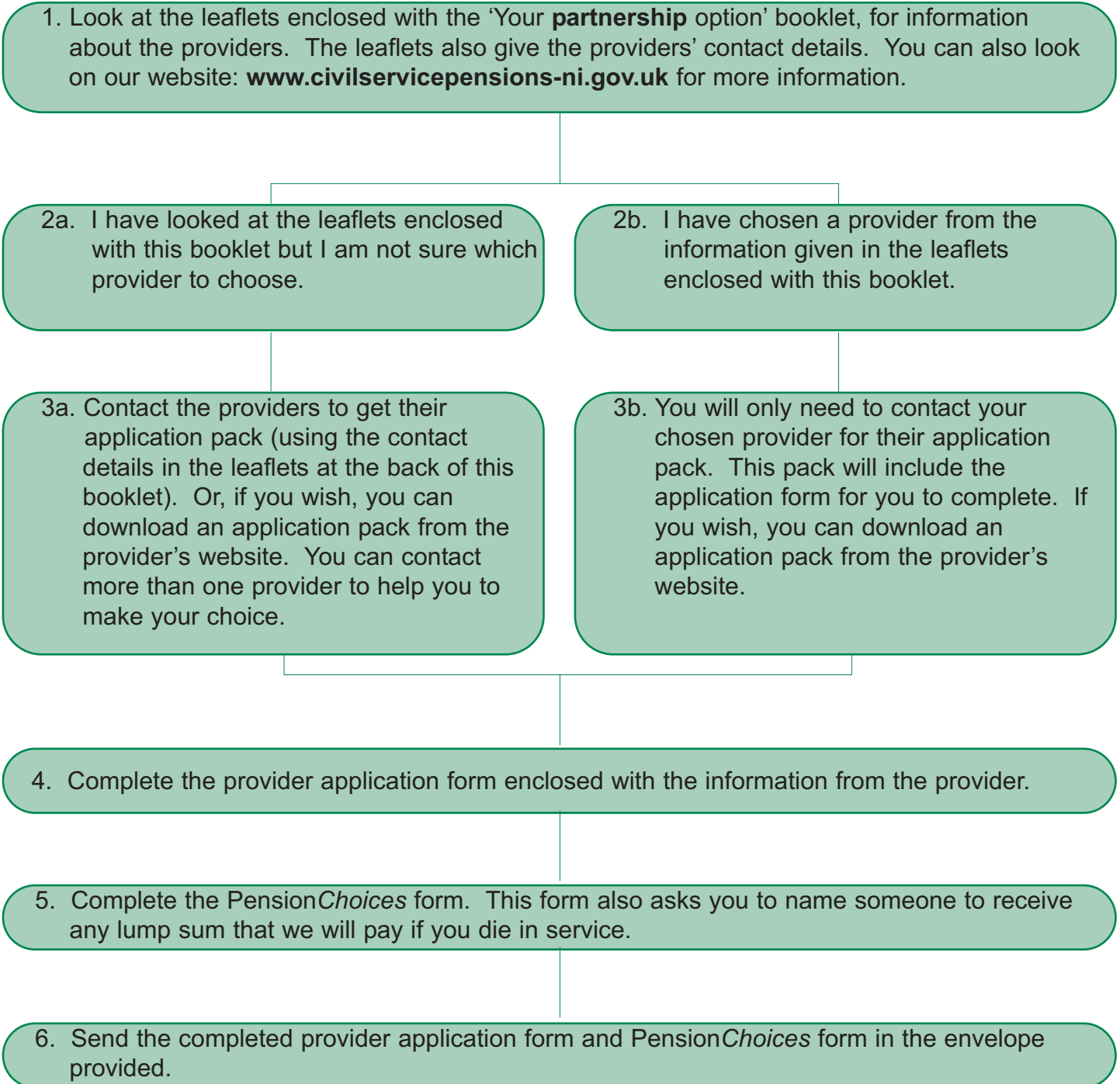
www.hmrc.gov.uk/rates/pensions.htm

How to open a **partnership pension account**

If you are in **premium** – obtain switch form from us at the address on page 14 of this booklet, complete it and follow the steps below.

If you have opted out – contact employer so that they can send you a **partnership pack**, once you've received this, follow the steps below.

If you are a new entrant, follow the steps below.



We will then contact your chosen provider to set-up your **partnership pension account** and arrange for payments to be made to them.

When this is complete, you will receive confirmation from your chosen provider.

Choosing your pension fund

What choice do I have?

You need to choose with which stakeholder pension provider you want to invest your, and your employer's, contributions.

Stakeholder pensions are a type of personal pension which offer reduced charges and make it easier for you to move your pension from job to job. We have chosen a panel of stakeholder pension providers to offer the **partnership pension account** based on their financial strength, their funds, their charges, their administration and their willingness to work with us to provide the pension account. The providers are as follows.

- Scottish Widows
- Standard Life
- TUC/Prudential

Your Starter Pack contained more information about each of the providers including details of how to contact them for more details.

Where do I start?

Read the leaflets about the providers and decide which of them you want to contact for more information. You can contact as many of the providers as you like. They will send you a full information pack within a few days. Or, you might want to do some research on the Internet. You can either go direct to the providers' websites (details in leaflets) or use the links from our website at:

www.civilservicepensions-ni.gov.uk

The things you might want to think about when choosing your pension provider might include:

- the sort of organisation offering the stakeholder pension;
- the types of funds on offer;
- the funds' performance; and
- the level of charges.

You must choose just one provider, but remember that you don't have to invest all your money in a single fund.

The providers' application forms allow you to split your contributions across a range of funds if you want.

Do I have to choose an investment fund?

You will see from the providers' information that each provider offers a wide range of investment funds, including a 'default' option. If you choose a provider but don't want to choose an investment fund, all contributions made by you or your employer will be invested in the provider's default fund.

Read the providers' information to find out about the different funds on offer. When looking at past performance, remember that it may not be a reliable guide to performance in the future.

How do I choose a fund?

A successful investment is not simply one that delivers high returns (the money your investments earn). It is also one that gives you the right balance of investment return and security for your money. What is the 'right' balance will vary from one person to another and will also vary with age.

Choosing your pension fund (cont)

You must remember that the value of some investments can go down as well as up, and this is often shown in the returns available to investors. Put simply, if you are guaranteed that the amount you have invested can never go down, you cannot expect to get very high returns.

On the other hand, if you are prepared to take the risk that your investment might go up and down in value, you would expect the possibility of higher returns as the price to pay for that risk.

As a general rule, if you have many years before you retire, you may wish to consider having at least part of your pension fund invested in investments which are 'riskier', but as you approach retirement, you may wish to move into investments which are guaranteed. This makes sure that your pension 'pot' will not fall in value just before you retire, when you want to use it to buy yourself an '**annuity**' (the income you buy with your pension). Every situation is different and what is right for someone else may not be right for you.

The most appropriate funds for you will be those which most closely match your attitude to risk and investment. Your attitude to investment might also include things like the type of industries you are happy to invest in. For example, you might prefer to have your pension in an 'ethical' fund which does not invest in certain companies or sectors of industry. We suggest that you read the providers' information packs and, if you need to, talk through with the providers the differences between the funds they offer.

You may wish to consult an independent financial adviser. You are likely to have to pay for their advice, but if you belong to a union, you may want to ask them if they have access to independent financial advice at special rates.

What are 'lifestyle' funds?

Many providers offer a '**lifestyle**' option for people who don't want to have to choose a fund. The basic idea is that your money is invested mainly in company shares (or 'equities') while you are young and then switched into safer investments as you approach retirement. You could, of course, manage your investments for yourself along these lines, but the '**lifestyle**' option means that the switching happens automatically.

If you think that a '**lifestyle**' option sounds like a good idea for you, remember that the details will vary from one provider to another. In particular, you need to be happy that you like the sound of the fund (or funds) used for investing when you are young and that the system for switching you into safer investments looks appropriate for you.

If you choose a '**lifestyle**' option, it is very important that your pension provider knows when you plan to draw your pension, as this affects when they start switching you into safer investments. The retirement age for everyone choosing the **partnership** pension will be set at 60 to begin with (or 65 if you join after you are 60). You should make sure you tell your provider in good time if you plan to draw your pension much earlier or later than this.

Choosing your pension fund (cont)

How will I find out how my fund is performing?

Your provider will send you a statement each year. This will show the value of your fund and the contributions paid, together with a rough idea of what this may mean in pension terms at pension age. You can also view the performance of each of the funds on the providers' websites. We will also constantly review the investment and administrative performance of all the providers, and will report on this to unions and to employers every year.

All the providers have secure online facilities where you can track the performance of your fund.

Will the Government guarantee my pension?

The Government cannot guarantee your pension. Your pension will depend on a range of factors:

- the amount of money invested in your fund;
- the performance of your investment fund;
- when you decide to take your pension – that is, how long the money remains invested;
- what type of **annuity** you choose;
- the cost of annuities at the time you choose to retire. (The cost of an **annuity** is subject to market forces.)

Your employer will make contributions into your chosen pension investment on the basis of an age-related contribution and a matching contribution, if you choose to contribute, and this will build up your fund.

Retiring

How big will my pension be?

The amount of your pension will depend on:

- the amount of money invested in your fund;
- the performance of your investment fund;
- when you decide to take your pension – that is, how long the money remains invested;
- what type of **annuity** you choose;
- the cost of annuities at the time you choose to retire. (The cost of an **annuity** is subject to market forces.)

It is important that you give your pension fund a regular 'health check' over the years to make sure you are on track to get the sort of retirement income you want. You will receive annual statements that show the value of your fund, to help you with this. And remember that contributions made while you are young are going to have more years to grow with investment returns.

When can I draw my pension?

Under current legislation, you can draw your **partnership** pension at any time between the ages of 50 and 75.

You choose the timing to fit in with your personal circumstances. You also decide whether or not you want to provide a pension after your death for your dependants.

When you draw your pension, you can choose to take up to 25% of your pension 'pot' as a tax-free lump sum.

What happens when I retire? How do I get my pension?

You will need to contact your provider to start the process. Remember that you choose when you start to draw your pension. It doesn't have to be when you 'retire' from the NICS – in theory, you can currently draw your pension at any age from 50 to 75. But you may want your pension to start as soon as your NICS pay finishes.

When you come to retire, you will need to turn your pension 'pot' into an income for life – a pension. This is also known as an **annuity**. Insurance companies sell annuities, but you do not have to buy your **annuity** from the pension provider you have used over the years. Your provider will give you an illustration of the amount of **annuity** your pension 'pot' would buy with them, but you will have an 'open-market option'. This means that you can shop around for the best deal. You may wish to consult an Independent Financial Adviser to help you with this.

When you come to buy your **annuity**, you will have a lot of flexibility in the sort of pension you want and you may want to get quotes for different scenarios.

Things to think about will include the following: tax-free cash

You can usually take up to 25% of your pension 'pot' as a tax-free lump sum when you retire. But obviously, as this reduces the lump sum you have available to buy an **annuity** with, your pension income will be smaller.

Retiring (cont)

Who do you want a pension for?

You may choose to buy an income for just yourself, or you may want your spouse, civil partner or partner to continue to get an income after you die. If you want to provide an ongoing income for your dependants, what percentage of your own income should this be?

Pension increases in retirement

You will need to choose the way in which your income will increase from year to year. If you choose your pension to be a fixed amount of money, it will reduce in value as inflation goes up each year. However, if you choose a pension that goes up with inflation each year, you will find that the pension is quite a bit less to start with than the pension you would get if you choose a pension of a fixed amount each year.

These are only some of the things you should think about when nearing retirement. If your pension 'pot' is very large, you may be interested in '**income draw down**', where you can draw income from your fund and delay buying an **annuity**.

Turning your pension 'pot' into income is an important decision and one where you might want to get independent financial advice, particularly if your pension 'pot' is the whole of your pension savings.

Can I carry on working after I draw my pension?

Yes. Drawing your pension doesn't have to be linked to retiring from work.

What about State benefits?

You will receive a basic State Retirement Pension linked to the number of years when you have paid National Insurance contributions. On top of this, you will receive the **State Second Pension (S2P)**. If you want to, you can choose to opt out of (leave) **S2P**. If you do opt out, although you and your employer continue to pay the higher rate of National Insurance contributions, the State will pay an age-related rebate (refund) into a separate pension 'pot' for you. This is called '**contracting out**'.

Ask one of the pension providers for more details if you think you might be interested in this. Make sure you understand what you are giving up and what you might receive in the future before you decide. In particular, you should be aware that you will not have as much flexibility in choosing the sort of pension that you would like.

Note: From April 2006, everyone will have a lifetime allowance (LTA) – this is the total capital value of all pension benefits (except the State pensions) before you pay extra tax. If your pension takes you over your LTA, you will have to pay tax on the excess benefits. Your pension provider will tell you about this and you should ask them for any further information.

Leaving the NICS

What happens if I die before I retire?

If you die before you draw your pension, your pension provider will pay the value of your pension 'pot' to the person you have named on the pension application form and/or provider's form.

The value of your pension 'pot' will be the contributions that you and your employer have made, plus investment returns over the years.

If you die before you leave the NICS, we will also pay a lump sum of three times your **pensionable earnings** to the person you have named, either on your PensionChoices form, or on a later amendment. If you want to change your nomination at any time, you can do this using the Death Benefit Nomination form available on our website:

www.civilservicepensions-ni.org.uk

You will find the form under 'Resources'. Alternatively you should contact us at the address on page 14 of this booklet.

What happens if I become too ill to work?

If you have to leave the NICS before you are 60, and our medical adviser agrees that you cannot do your job because your health has broken down permanently, we may pay you a lump sum when you leave. We will work this out as 20% of your pensionable pay for every year of service, up to a limit of three years' pay. We will only pay the lump sum if you have worked for the NICS for at least two years, and it cannot be more than the pay you would have had if you had continued in work until you were 60. The only other restriction is that you must have filled in a satisfactory health declaration. Your Personnel Department send you a health declaration to complete when you first join the NICS.

If you leave the NICS because of ill-health, you may want to consider drawing your pension early. This is usually possible, but your pension is likely to be reduced because of early payment. If you are so ill that you are expected to have a shorter life expectancy, your pension provider will take this into account when they work out the amount of your pension.

What happens if I leave my job?

If you resign, your employer's contributions will stop.

Your pension fund is yours, no matter what your job.

Depending on the pension arrangements in your new job, you may be able to carry on paying into your pension account or you may just leave it to earn investment returns. Or, you may want to transfer your fund to another pension provider or to your new employer's pension scheme. The choice is yours, but if you are considering transferring your fund to another provider or to a new employer's pension scheme, make sure you understand what you are giving up and what you are getting in return.

What happens if I am made redundant?

Your employer will pay you compensation for loss of employment. Your employer's contributions into your pension account will stop when you leave work, but your fund will continue to earn investment returns. You may be able to carry on paying in if you want to. You can draw your pension whenever you like after you reach 50, but your pension is likely to be higher if you draw it later.

You can ask us for more details about redundancy payments, but talk to your pension provider if you want to draw your pension early.

Making changes to your **partnership** pension

Can I change to another investment fund?

You can change investment funds whenever you want to – just contact your provider.

Can I change my contributions?

You can change the level of your regular monthly contributions when you like, but you should give your employer three months' notice in writing. You can make extra contributions whenever you like during the year, but your employer will not pay matching contributions. The best way of making extra contributions is to send a cheque to your provider.

Can I change to a different pension provider?

If you want to change to a different pension provider on our panel, you can only do this from 1 April or 1 October in any year. You need to give us at least three months' notice.

Can I move to the premium pension scheme?

As long as you are eligible, you may want to consider switching to the **premium** pension scheme. The **premium** pension scheme provides a pension based on your years of service and on your salary in the years up to retirement.

See the booklet '**premium** pension scheme' to find out more.

During your time in the NICS, you have one opportunity to switch from the **partnership pension account** to the **premium** pension scheme.

You also have one opportunity to switch back from the **premium** scheme to (or back to) a **partnership pension account**.

We only allow you to switch on 1 April and 1 October each year, and you must give us at least three months' notice in writing.

Finding out more

Who do I go to for help?

For questions about investment choices and your pension fund, contact your pension provider.

- To find out more about '**contracting out**' of (leaving) the **State Second Pension (S2P)**, ask any of the pension providers.
- To find out more about ill-health or death benefits, ask your employer or contact us at the address below.
- To find out more about switching into the **premium** pension scheme, contact us at the address below.

Our contact details.

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

Tel: 028 7131 9000
Fax: 028 7131 9234

email: cspensions.cpg@dfpni.gov.uk

Web: www.civilservicepensions-ni.gov.uk

Annex A

Your choice of contribution level

Your pensionable earnings in a year	1%		2%		3%	
	Monthly cost to you	Amount going into your pension fund	Monthly cost to you	Amount going into your pension fund	Monthly cost to you	Amount going into your pension fund
£5,000	£3.25	£8.33	£6.50	£16.67	£9.75	£25.00
£6,000	£3.90	£10.00	£7.80	£20.00	£11.70	£30.00
£7,000	£4.55	£11.67	£9.10	£23.33	£13.65	£35.00
£8,000	£5.20	£13.33	£10.40	£26.67	£15.60	£40.00
£9,000	£5.85	£15.00	£11.70	£30.00	£17.55	£45.00
£10,000	£6.50	£16.67	£13.00	£33.33	£19.50	£50.00
£12,000	£7.80	£20.00	£15.60	£40.00	£23.40	£60.00
£14,000	£9.10	£23.33	£18.20	£46.67	£27.30	£70.00
£16,000	£10.40	£26.67	£20.80	£53.33	£31.20	£80.00
£18,000	£11.70	£30.00	£23.40	£60.00	£35.10	£90.00
£20,000	£13.00	£33.33	£26.00	£66.67	£39.00	£100.00
£25,000	£16.25	£41.67	£32.50	£83.33	£48.75	£125.00
£30,000	£19.50	£50.00	£39.00	£100.00	£58.50	£150.00
£35,000	£22.75	£58.33	£45.50	£116.67	£68.25	£175.00
£40,000	£26.00	£66.67	£52.00	£133.33	£78.00	£200.00
£45,000	£29.25	£75.00	£58.50	£150.00	£87.75	£225.00
£50,000	£32.50	£83.33	£65.00	£166.67	£97.50	£250.00
£60,000	£39.00	£100.00	£78.00	£200.00	£117.00	£300.00
£70,000	£45.50	£116.67	£91.00	£233.33	£136.50	£350.00
£80,000	£52.00	£133.33	£104.00	£266.67	£156.00	£400.00
£90,000	£58.50	£150.00	£117.00	£300.00	£175.50	£450.00

Employer contribution if you pay nothing

Your pensionable earnings in a year	Your employer's standard monthly contribution to your pension fund at different ages						
	Under 21	21 to 25	26 to 30	31 to 35	36 to 40	41 to 45	46 or over
£5,000	£12.50	£18.75	£27.08	£33.33	£41.67	£47.92	£52.08
£6,000	£15.00	£22.50	£32.50	£40.00	£50.00	£57.50	£62.50
£7,000	£17.50	£26.25	£37.92	£46.67	£58.33	£67.08	£72.92
£8,000	£20.00	£30.00	£43.33	£53.33	£66.67	£76.67	£83.33
£9,000	£22.50	£33.75	£48.75	£60.00	£75.00	£86.25	£93.75
£10,000	£25.00	£37.50	£54.17	£66.67	£83.33	£95.83	£104.17
£12,000	£30.00	£45.00	£65.00	£80.00	£100.00	£115.00	£125.00
£14,000	£35.00	£52.50	£75.83	£93.33	£116.67	£134.17	£145.83
£16,000	£40.00	£60.00	£86.67	£106.67	£133.33	£153.33	£166.67
£18,000	£45.00	£67.50	£97.50	£120.00	£150.00	£172.50	£187.50
£20,000	£50.00	£75.00	£108.33	£133.33	£166.67	£191.67	£208.33
£25,000	£62.50	£93.75	£135.42	£166.67	£208.33	£239.58	£260.42
£30,000	£75.00	£112.50	£162.50	£200.00	£250.00	£287.50	£312.50
£35,000	£87.50	£131.25	£189.58	£233.33	£291.67	£335.42	£364.58
£40,000	£100.00	£150.00	£216.67	£266.67	£333.33	£383.33	£416.67
£45,000	£112.50	£168.75	£243.75	£300.00	£375.00	£431.25	£468.75
£50,000	£125.00	£187.50	£270.83	£333.33	£416.67	£479.17	£520.83
£60,000	£150.00	£225.00	£325.00	£400.00	£500.00	£575.00	£625.00
£70,000	£175.00	£262.50	£379.17	£466.67	£583.33	£670.83	£729.17
£80,000	£200.00	£300.00	£433.33	£533.33	£666.67	£766.67	£833.33
£90,000	£225.00	£337.50	£487.50	£600.00	£750.00	£862.50	£937.50

combined figures 1% contribution

Your pensionable earnings in a year	Your monthly contribution (1%)	Total monthly amount going into your pension fund at different ages						
		Under 21	21 to 25	26 to 30	31 to 35	36 to 40	41 to 45	46 or over
£5,000	£3.25	£20.83	£27.08	£35.42	£41.67	£50.00	£56.25	£60.42
£6,000	£3.90	£25.00	£32.50	£42.50	£50.00	£60.00	£67.50	£72.50
£7,000	£4.55	£29.17	£37.92	£49.58	£58.33	£70.00	£78.75	£84.58
£8,000	£5.20	£33.33	£43.33	£56.67	£66.67	£80.00	£90.00	£96.67
£9,000	£5.85	£37.50	£48.75	£63.75	£75.00	£90.00	£101.25	£108.75
£10,000	£6.50	£41.67	£54.17	£70.83	£83.33	£100.00	£112.50	£120.83
£12,000	£7.80	£50.00	£65.00	£85.00	£100.00	£120.00	£135.00	£145.00
£14,000	£9.10	£58.33	£75.83	£99.17	£116.67	£140.00	£157.50	£169.17
£16,000	£10.40	£66.67	£86.67	£113.33	£133.33	£160.00	£180.00	£193.33
£18,000	£11.70	£75.00	£97.50	£127.50	£150.00	£180.00	£202.50	£217.50
£20,000	£13.00	£83.33	£108.33	£141.67	£166.67	£200.00	£225.00	£241.67
£25,000	£16.25	£104.17	£135.42	£177.08	£208.33	£250.00	£281.25	£302.08
£30,000	£19.50	£125.00	£162.50	£212.50	£250.00	£300.00	£337.50	£362.50
£35,000	£22.75	£145.83	£189.58	£247.92	£291.67	£350.00	£393.75	£422.92
£40,000	£26.00	£166.67	£216.67	£283.33	£333.33	£400.00	£450.00	£483.33
£45,000	£29.25	£187.50	£243.75	£318.75	£375.00	£450.00	£506.25	£543.75
£50,000	£32.50	£208.33	£270.83	£354.17	£416.67	£500.00	£562.50	£604.17
£60,000	£39.00	£250.00	£325.00	£425.00	£500.00	£600.00	£675.00	£725.00
£70,000	£45.50	£291.67	£379.17	£495.83	£583.33	£700.00	£787.50	£845.83
£80,000	£52.00	£333.33	£433.33	£566.67	£666.67	£800.00	£900.00	£966.67
£90,000	£58.50	£375.00	£487.50	£637.50	£750.00	£900.00	£1,012.50	£1,087.50

combined figures 2% contribution

Your pensionable earnings in a year	Your monthly contribution (2%)	Total monthly amount going into your pension fund at different ages						
		Under 21	21 to 25	26 to 30	31 to 35	36 to 40	41 to 45	46 or over
£5,000	£6.50	£29.17	£35.42	£43.75	£50.00	£58.33	£64.58	£68.75
£6,000	£7.80	£35.00	£42.50	£52.50	£60.00	£70.00	£77.50	£82.50
£7,000	£9.10	£40.83	£49.58	£61.25	£70.00	£81.67	£90.42	£96.25
£8,000	£10.40	£46.67	£56.67	£70.00	£80.00	£93.33	£103.33	£110.00
£9,000	£11.70	£52.50	£63.75	£78.75	£90.00	£105.00	£116.25	£123.75
£10,000	£13.00	£58.33	£70.83	£87.50	£100.00	£116.67	£129.17	£137.50
£12,000	£15.60	£70.00	£85.00	£105.00	£120.00	£140.00	£155.00	£165.00
£14,000	£18.20	£81.67	£99.17	£122.50	£140.00	£163.33	£180.83	£192.50
£16,000	£20.80	£93.33	£113.33	£140.00	£160.00	£186.67	£206.67	£220.00
£18,000	£23.40	£105.00	£127.50	£157.50	£180.00	£210.00	£232.50	£247.50
£20,000	£26.00	£116.67	£141.67	£175.00	£200.00	£233.33	£258.33	£275.00
£25,000	£32.50	£145.83	£177.08	£218.75	£250.00	£291.67	£322.92	£343.75
£30,000	£39.00	£175.00	£212.50	£262.50	£300.00	£350.00	£387.50	£412.50
£35,000	£45.50	£204.17	£247.92	£306.25	£350.00	£408.33	£452.08	£481.25
£40,000	£52.00	£233.33	£283.33	£350.00	£400.00	£466.67	£516.67	£550.00
£45,000	£58.50	£262.50	£318.75	£393.75	£450.00	£525.00	£581.25	£618.75
£50,000	£65.00	£291.67	£354.17	£437.50	£500.00	£583.33	£645.83	£687.50
£60,000	£78.00	£350.00	£425.00	£525.00	£600.00	£700.00	£775.00	£825.00
£70,000	£91.00	£408.33	£495.83	£612.50	£700.00	£816.67	£904.17	£962.50
£80,000	£104.00	£466.67	£566.67	£700.00	£800.00	£933.33	£1,033.33	£1,100.00
£90,000	£117.00	£525.00	£637.50	£787.50	£900.00	£1,050.00	£1,162.50	£1,237.50

combined figures 3% contribution

Your pensionable earnings in a year	Your monthly contribution (3%)	Total monthly amount going into your pension fund at different ages						
		Under 21	21 to 25	26 to 30	31 to 35	36 to 40	41 to 45	46 or over
£5,000	£9.75	£37.50	£43.75	£52.08	£58.33	£66.67	£72.92	£77.08
£6,000	£11.70	£45.00	£52.50	£62.50	£70.00	£80.00	£87.50	£92.50
£7,000	£13.65	£52.50	£61.25	£72.92	£81.67	£93.33	£102.08	£107.92
£8,000	£15.60	£60.00	£70.00	£83.33	£93.33	£106.67	£116.67	£123.33
£9,000	£17.55	£67.50	£78.75	£93.75	£105.00	£120.00	£131.25	£138.75
£10,000	£19.50	£75.00	£87.50	£104.17	£116.67	£133.33	£145.83	£154.17
£12,000	£23.40	£90.00	£105.00	£125.00	£140.00	£160.00	£175.00	£185.00
£14,000	£27.30	£105.00	£122.50	£145.83	£163.33	£186.67	£204.17	£215.83
£16,000	£31.20	£120.00	£140.00	£166.67	£186.67	£213.33	£233.33	£246.67
£18,000	£35.10	£135.00	£157.50	£187.50	£210.00	£240.00	£262.50	£277.50
£20,000	£39.00	£150.00	£175.00	£208.33	£233.33	£266.67	£291.67	£308.33
£25,000	£48.75	£187.50	£218.75	£260.42	£291.67	£333.33	£364.58	£385.42
£30,000	£58.50	£225.00	£262.50	£312.50	£350.00	£400.00	£437.50	£462.50
£35,000	£68.25	£262.50	£306.25	£364.58	£408.33	£466.67	£510.42	£539.58
£40,000	£78.00	£300.00	£350.00	£416.67	£466.67	£533.33	£583.33	£616.67
£45,000	£87.75	£337.50	£393.75	£468.75	£525.00	£600.00	£656.25	£693.75
£50,000	£97.50	£375.00	£437.50	£520.83	£583.33	£666.67	£729.17	£770.83
£60,000	£117.00	£450.00	£525.00	£625.00	£700.00	£800.00	£875.00	£925.00
£70,000	£136.50	£525.00	£612.50	£729.17	£816.67	£933.33	£1,020.83	£1,079.17
£80,000	£156.00	£600.00	£700.00	£833.33	£933.33	£1,066.67	£1,166.67	£1,233.33
£90,000	£175.00	£675.00	£787.50	£937.50	£1,050.00	£1,200.00	£1,312.50	£1,387.50

Glossary

Annuity

A pension for life. When you want to draw your pension, you will use your pension 'pot' to buy an **annuity** which will provide your income during retirement.

Contracting out

You can opt out or '**contract out**' of (leave) the **State Second Pension (S2P)**. Although you and your employer continue to pay the higher rate of National Insurance contributions, the State will pay an age-related rebate (refund) into a separate pension 'pot' for you.

Earnings cap

This is the HMRC's limit on earnings on which you can contribute to your pension.

Income draw down

This is an option to draw income from your fund and delay buying an **annuity**.

Lifestyle

This is an investment approach where money is switched from company shares to safer investments as you get nearer to retirement.

partnership pension account

In this scheme, 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 bonuses

Bonus payments do not usually count towards your pension, but your employer may have agreed that they can.

pensionable earnings

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

premium pension scheme

In this scheme, your pension is based on your years of service and final **pensionable earnings**. Contributions are currently 3.5% of your **pensionable earnings**.

State Second Pension (S2P)

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



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