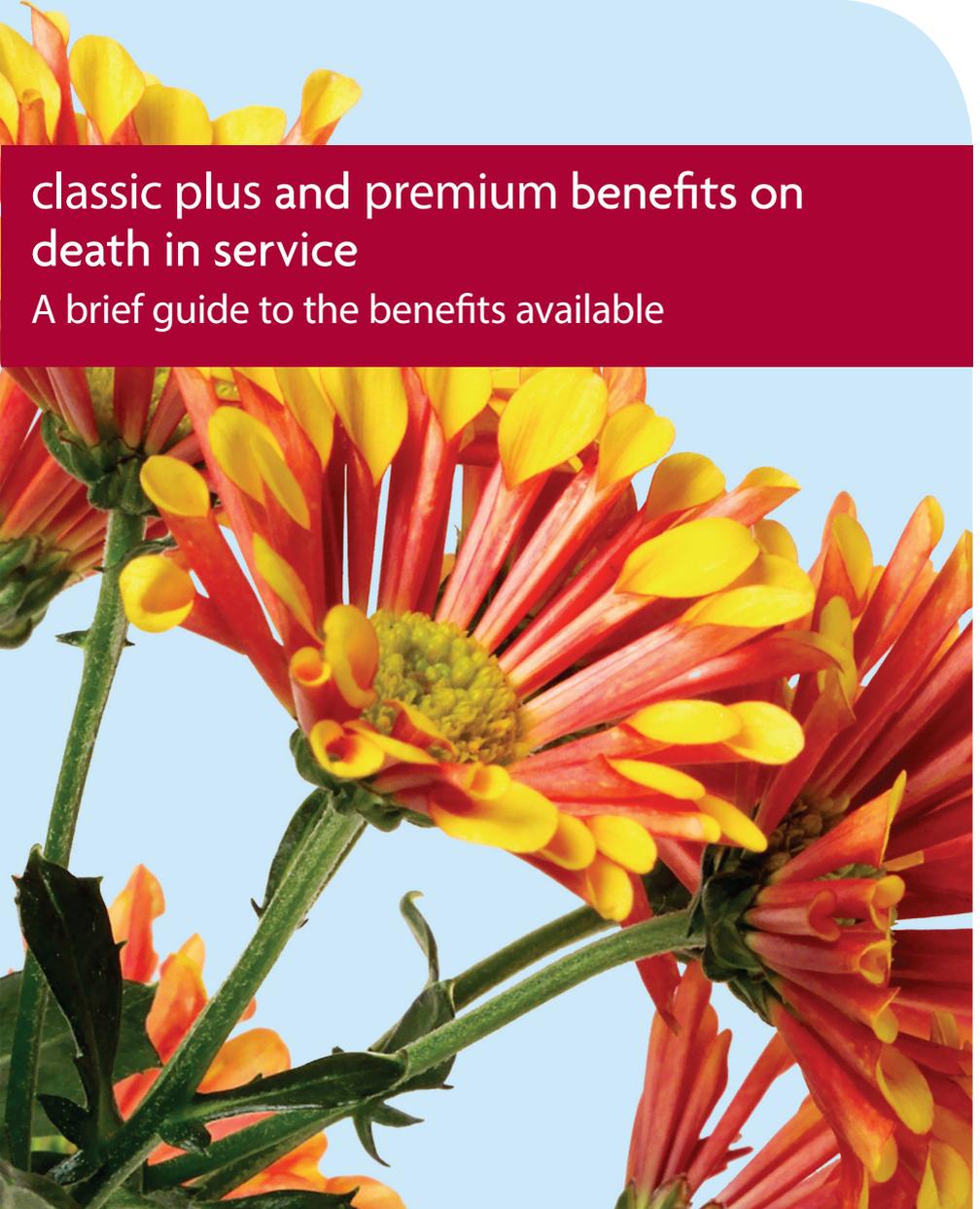




Civil Service Pensions

classic plus and premium benefits on death in service

A brief guide to the benefits available





We have prepared this booklet to give you a brief guide to the benefits that may be available following the death of a **classic plus** or **premium** pension scheme member.

Who are 'we'?

This booklet is produced by the scheme managers. However, pension records are held by the **MyCSP** Pension Service Centre on behalf of the member's employer. If you are a member, a dependant of a member or **personal representative** and would like more information after you have read this booklet, please contact the **MyCSP** Pension Service Centre.

We have tried to use as little jargon as possible. Any technical terms we have used are shown in bold and explained at the back of the booklet.

The booklet does not cover every aspect of death in service benefits. The full details are contained only in the rules, which are the legal basis of the scheme. You should note that nothing in this booklet can override the rules and, in the event of any difference, the rules will apply.



What do we mean by ‘benefits’?

classic plus and premium provides death benefits in the form of:

- a lump sum
- an adult dependant pension – this is paid to a widow, widower, civil partner or **partner**, and
- children’s pensions.

Death benefit lump sum

How much is the lump sum?

The lump sum is usually equal to three years of the member’s **final pensionable earnings**. The sum may be reduced in certain circumstances, for example, if the member had taken a lump sum on **partially retiring**.

Who gets the lump sum?

If the member had nominated someone to receive the lump sum, we will usually pay it to that person. If the member had not nominated anyone, we will pay the lump sum to the member’s **personal representative**. Where the member nominated more than one person, we will split the lump sum according to the member’s wishes.

Adult dependant pension

What are the conditions for getting an adult dependant pension?

We will pay an adult dependant pension to an eligible widow, widower, civil partner or **partner** if the member had at least two years’ scheme membership.

How is it worked out?

The pension is based on the member’s **final pensionable earnings** and years of service, which we may then **enhance**. We will work out the **enhancement** by taking the lower of:

- the member’s **reckonable service**
- 10 years
- projected reckonable service to **pension age** (or to end of contract for a fixed term appointee).



We may, however, reduce the pension if the adult dependant is more than 12 years younger than the member.

In **classic plus**, the civil partner's pension is based on the member's service from 6 April 1988 only. The pension for a **partner** is worked out using service from 1 October 2002.

Appendix A gives a more detailed explanation on how we work out **classic plus** and **premium** adult dependant pensions.

How long is the pension paid for?

The **premium** adult dependant pension is paid for life.

Under **classic plus**, the **premium** part of the adult dependant pension is paid for life. We will pay the classic part as long as the adult dependant stays unmarried, does not enter a civil partnership and does not live with someone else as though they were married to or in a civil partnership.

Children's pension

What are the conditions for claiming a pension for children?

We pay pensions for children who were the member's natural or adopted children or any other child who was financially dependent on the member at the date of death.

How much are children's pensions?

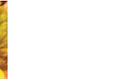
The level of pension depends on:

- whether an adult dependant pension is to be paid, and
- how many children there are.

Appendix B explains how the pensions are worked out.

How long are the pensions paid for?

We will pay for children up to age 18 (bearing in mind the financial limit – see Appendix B) and will continue to pay for children up to age 23 while they are in full-time education or vocational training. In these cases, we will need to see a letter from the school, college or university where they are studying,



confirming the start and end dates of the course.

We will pay a pension for life to a child who was financially dependent on the member and, in the opinion of the pension scheme medical adviser, is likely to be permanently unable to engage in gainful employment because of a physical or mental disability.



Your questions answered

Following my son's death, I am now the guardian of my two grandchildren. Am I entitled to any benefits?

We may pay a children's pension for your grandchildren. We cannot pay you a pension.

My husband [wife, civil partner or partner] was paying into the Civil Service Additional Voluntary Contribution Scheme. What happens about this?

If your husband contributed to a CSAVCS policy there are a number of providers that this could have been held with:

- Legal & General
- Standard Life
- Scottish Widows
- Equitable Life

Please contact the provider directly if you believe your husband may have held a CSAVCS policy with one or more of them.

Contact details can be found on The Civil Service Additional Voluntary

Contribution Scheme (CSAVCS) FAQ page on the Civil Service Pensions website.

www.civilservicepensionscheme.org.uk

My husband [wife, civil partner or partner] was paying into a stakeholder pension through the Civil Service arrangements with Standard Life. What happens about this?

You should contact the provider directly. They will advise you about benefits due under the scheme following individual arrangements your husband made.

Will you continue to pay my pension and the children's pension if I move abroad?

Yes.

I am pregnant. Can I claim a pension for my unborn child?

As long as the conditions for receiving a children's pension are met, then yes. You will need to bear in mind that we have to take account of all eligible children against the financial limit.



Are pension payments increased every year in line with the cost of living?

When there is an increase in the cost of living, yes.

I'm too young to be retired myself. What happens if I'm not a pensioner and still earning?

If you are entitled, we will pay you the lump sum and/or a pension.

I, too, am a civil servant – does this make any difference?

No. If you are entitled, we will pay you the lump sum and/or a pension.

My husband [wife, civil partner or partner] was divorced from a previous marriage [civil partnership]. Are the benefits affected?

A court may, at the time of a divorce or dissolution, make special attachment orders (called 'earmarking' orders) against benefits under a pension scheme. This may include paying some or all of the death benefit lump sum to the former spouse or civil partner. We will pay any balance that may be due to the nominee or (in the absence of

a valid nomination) to the member's personal representative.

Is it possible to claim a refund of Widow's/Widower's Pension Scheme (WPS) contributions?

The personal representative may request a refund of **WPS contributions** if the member was single on 30 September 2002 and had remained single since that date. The refund will be worked out on the member's service up to and including 30 September 2002.

What about tax?

Please see the booklet 'Death benefits and tax – a guide for personal representatives'. This is available to download on the Civil Service pensions web site:

www.civilservicepensionscheme.org.uk.



What happens now?

How quickly are benefits paid?

We give priority to authorising the payment of death benefit lump sums, and will aim to have them paid within one week of receiving the death certificate and any other evidence or information we might have requested. We will ask the executor or **personal representative** to complete a pensions claim form and provide any other relevant documentation so that we can then work out and arrange payment of any pension benefits that may be due. We cannot process any benefits without this form.

How are the benefits paid?

Lump sums and pensions are paid on behalf of Civil Service Pensions by the paying agent, MyCSP. Appendix C tells you about how the payment process works and gives the contact details for MyCSP.

The lump sum is paid into the bank or building society account of the nominated beneficiary/ies.

The pension is paid into your bank account or building society if you are the widow, widower, civil partner or **partner** of the deceased member.

The Children's pension is paid into the bank or building society account of the person who is the legal carer. Alternatively, a pension may be paid into an account in the name of the child.

If a pension is to be paid directly into the bank account of a child, you will need to include the account details when you return the pensions claim form.

Please note that if you want a pension paid into a bank in the Irish Republic or overseas, you will need to contact MyCSP to discuss this.

MyCSP cannot pay a pension direct to an account with the National Savings Bank.



What if I have a question about my pension once it is being paid?

MyCSP will deal with any queries you may have about your pension. (Their contact details are in Appendix C.) They will give a unique Pension Reference number when they first write to you. Please quote that number should you need to contact them for any reason.

We suggest you make a note of your number here:

You must let MyCSP know if your circumstances change, for example, if

- you change address
- wish to change your bank details
- any of your children reach the age of 18, or are aged 18 or over, and leave full-time education or vocational training
- the end date of any full-time education or vocational training, that any of your children aged 18 or over are undertaking, changes
- if any of your children are in full-time education or vocational training and reach the age of 23



Technical terms

Enhance/enhancement/enhanced is an increase applied to a member's pension if they retire due to ill health. (We use this level of pension when working out benefits for widows, widowers, civil partners, partners and children.)

Final pensionable earnings is the amount of pay used to work out pension benefits. Please note that the amount used to work out a death benefit lump sum may be different from that used to work out a pension.

MyCSP is the organisation that holds your pension records and administers your pension on your employer's behalf, including working out and arranging pension payments.

Partial retirement allows members who are approaching, or who are over scheme pension age, to reshape their job and take some or all of their pension while they carry on working. Conditions apply, and job reshaping must be approved by the employer.

Pension age is the earliest age at which the member can choose to leave and receive immediate payment of their

pension without it being reduced. (This is age 60 for most **premium** and **classic plus** members.)

Personal representative is the person who has the power to dispose of the deceased member's estate. This can be more than one person. If the member left a will when they died, the personal representative will be the executor(s). If the member died without leaving a will, the personal representative(s) will be named in the Letters of Administration (Confirmation of Executor in Scotland) which you or your solicitor can apply for.

Reckonable service is the service that counts towards a pension. Part-time service is based on the number of hours worked.

WPS contributions are contributions that **classic plus** members would have paid before 1 October 2002, to pay for a widow's, widower's or civil partner's pension.



Appendix A

How much is an adult dependant's pension?

SCHEME: premium

$1/160 \times \text{enhanced reckonable service}^* \times \text{final pensionable earnings}$

Example:

Manny dies in service, aged 45, leaving a wife, Estelle. He had 20 years' **reckonable service**. His **final pensionable earnings** were £30,000

An extra 10 years can be added to the **reckonable service** (as an **enhancement**)

So: $1/160 \times 30$ (**reckonable service** including **enhancement**) \times £30,000 =
Adult dependant's annual pension of £5,625.00.

SCHEME: classic plus

Because **classic plus** is a hybrid of the **classic** and **premium** schemes, there are two parts to the calculation. The result of these parts are then added together.

A = $1/160 \times \text{enhanced reckonable service}^*$ from 1/10/2002 \times **final pensionable earnings**

B = $1/2 \times$ member's pension based on service before 1/10/2002 but only for the years for where the member paid **WPS contributions**.

NOTE 1 For a civil partner, the calculation in part B is $1/2 \times$ member's pension based on service from 6/4/1988 to 30/9/2002.

NOTE 2 A partner will only get part A of the calculation.

* Enhanced reckonable service is the lower of:

- A Reckonable service excluding added years
- B 10 years, or
- C Projected reckonable service to pension age (or to end of contract for a fixed Term Appointee).



Appendix B

How much is a children's pension?

Scheme	Condition	Level of children's pension (where there are up to 2 children)*
premium	Adult dependant pension to be paid to surviving wife, husband, civil partner or partner	0.3 x member's pension based on enhanced reckonable service
premium or classic plus	No adult dependant pension to be paid	0.5 x member's pension based on enhanced reckonable service
classic plus	Adult dependant pension to be paid to surviving wife, husband, civil partner	0.3 x member's pension based on enhanced reckonable service
classic plus	Adult dependant pension to be paid to partner	Parts A and B added together A= 0.3 x member's pension based on reckonable service from 1.10.02 plus the enhancement B= 0.5 x member's pension based on reckonable service up to 30.9.02

* There is a financial limit, based on the amount we can pay for two children. If there are more than two children, we will pay an equal proportion of the limit for each child.



Appendix C

Payment process

MyCSP will pay the pension monthly, in arrears. They will tell you what the monthly payment date will be, either before or with the first payment of the pension. When a payment date falls on a weekend or an English bank holiday, the payment date will be the preceding working day.

The amount due for part of a month is worked out proportionately according to the number of days in the full pension month.

MyCSP will not send you a monthly payment advice note; they will only send you an advice note when the amount of your pension or your tax code changes. The note will show the monthly gross amount payable and the tax that will be deducted from next month's payment. The net amount may vary slightly due to the effect of the PAYE tax tables.

MyCSP contact details are:

MyCSP
PO Box 2017,
Liverpool,
L69 2BU

Telephone 0300 123 6666
Email contactcentre@mycsp.co.uk

What about income tax?

Pensions are assessed as earned income. MyCSP will deduct income tax using the tax code notified by HM Revenue & Customs. The deduction may be provisional until MyCSP receives the proper code.

MyCSP has no part in deciding your tax liability or code, so you should direct any enquiry about your tax code to:

Civil Service Pensions
HMRC
Customer Operations PO 4000
Cardiff
CF14 8HR

Telephone: 0845 300 0627

MyCSP will send you a P60 form each year to show the amount of pension paid and tax deducted in the previous tax year.



NOTES:



NOTES:

www.civilservicepensionscheme.org.uk

This leaflet has been produced by MyCSP
on behalf of Cabinet Office.



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