

## Hot Topics – Summer Edition FAQs

- If a member takes Partial Retirement and chooses not to take all their legacy benefits e.g. they have 30 years Reckonable Service in Classic but choose only to take 20 years at the point of partial retirement and also decide to take a lower grade, as the final salary link is retained for legacy schemes, would the final amount of reckonable service for the Classic they have left in the "Pot" at final retirement be based on their lower salary?

Partial retirement may affect your final salary. Reshaping your job by either reducing your hours or moving to a role with fewer responsibilities can also have an impact. Your final pension will be made up of 2 parts; the pension you take on partial retirement will be calculated on your pensionable earnings at that time. This part of your pension will go up with rises in the cost of living from the date of your partial retirement.

The extra pension you take on final retirement will be based on your new service length, plus any reckonable service which you don't take on partial retirement and will reflect your pensionable earnings when you fully retire. Pensionable earnings will be based on your best year (this will vary between pension schemes)

- Do you tell the member at quotation stage that they only get a refund if they take 100%?

The quotation stage will only quote the member based on what marital status we currently hold on our system at that time. If the member is holding as married at quote stage, no refund will be calculated. This will be factored in at finalisation stage. Regarding the percentage, the personal details form does not actually state that the member will only get a refund if they take 100% of their PCSPS benefits, however this is explained on the Civil Service Pensions Website under Partial Retirement – section 05B.. If you do not claim 100%, any WPS refund will be paid when you fully retire but may be subject to extra tax or need to be converted into pension.

- NIGO - can you give an example regarding the planned start date, what are people getting wrong and what should they put down (can you give an example).

This is shown on the slides but as an example if the member changes their hours from 01/09/23, the planned end date would be the 31/08/23 and the planned start date would be 01/09/23. The dates must be consecutive.

- I always thought it was just Alpha that wasn't included in the abatement calculation, but at the start you also mentioned Nuvos. Can you clarify please?

Only pension benefits from alpha are not subject to abatement. Abatement applies in nuvos as outlined in the slides.

- Can you confirm if pay awards would affect abatement?

Normal pay awards would not affect abatement, but backdated pay awards could. More information can be found in the 'What is Abatement Guide'.

- How would the CSP13 be affected by annual pay awards - would this increased salary be picked up via the interface?

If a backdated pay award is applied then once the information is interfaced a CSP13 should also be completed to notify MyCSP.

- How long before the retirement date does the quote come in to the employee?

If the RFS is received on time, then the employee should receive their quote 8 weeks before retirement.

- Is the death in service lump sum calculated differently if someone has taken partial retirement?

Yes, it will take into account that the member has already received some of their benefits at partial.

- how quickly will the pension benefits have recalculated following a change in salary?

If this relates to a backdated pay award, the abatement will be re-assessed on receipt of a CSP13.

- What if it's backdated to before their PR date?

As above, a CSP13 would be required.

- Are quotes only issued once a partial date has been agreed? is there anyway a member can get a quote without a date being agreed?

Members should use their ABS, the retirement modeller and the partial retirement calculator to assist them. A quote will not be produced until the CPS15 is agreed and provided by the employer.

- At the beginning of the presentation three months lead in time was stated, is it 3 months or 4 months?

Members are asked to provide 4 months' notice for retirements

- If there's a retrospective CSP13 is submitted, and the member is subsequently abated, does MyCSP liaise with the member directly?

Yes, MyCSP would advise the member.

How do you know if a revision is needed? Do you rely on revised CSP13?

A CSP13 would be required to notify MyCSP of any backdated changes or any other changes which may impact the level of abatement. E.G a promotion. Details can be found in the 'What is Abatement' guide.

- Is Nuvos subject to abatement?

Yes

- If Alpha isn't affected by abatement, why is the reduction by 20% still required?

The 20% reduction is one of the criteria to take partial retirement. Many members partially retiring will also be dual members.

- If someone decides to partially retire but does not do this immediately i.e they do it a month later but have already reduced their hours by 20%. How do they notify MyCSP/Employer? how does this make sense, can email if not.

The partial retirement process would need to be followed, with the member ensuring the 3 month window is still met. Please refer to the partial retirement criteria in the slides.

- Can a member take all their PCSPS benefits and leave the Alpha benefits behind?

Yes, members will be given the option within their paperwork

- So taking a larger lump sum would also help to avoid the chances of abatement being applicable?

No – any abatement is calculated on the benefits before commutation. Taking a larger lump sum will not help to avoid abatement.

- There isn't any abatement for Alpha, then if the member gets a promotion, there is abatement?

Abatement does not apply to alpha benefits, but would apply to PCSPS benefits. E.G If a member was in classic and moved to alpha, then a promotion could impact the level of abatement on the classic pension.

- How are Alpha lump sums in partial retirement calculated?

The member will be given the option to give up some of their pension to obtain a lump sum in alpha. For every £1 of pension the member gives up, they will receive £12 of lump sum, up to the maximum amount quoted to them.

- When is the member notified of a WPS Refund?

When their benefits are finalised if they have taken 100% of their PCSPS benefits at partial.

- Will the 2015 Remedy impact abatement calculations in any way if people have already taken partial retirement?

Yes potentially, more information is expected on this as the Remedy project progresses.

- Would I be correct in thinking that higher earners at the point of partial, are more likely to avoid abatement? especially if they were promoted soon before they applied

– The same rules apply to high earners and they would be assessed for abatement in the same way

- For any members who have a preserved award and want to take partial retirement but they only want to take the benefits from the preserved award how do they do this?

To claim a deferred award, the member will have to fill in the deferred claim form on our website and send to us. The deferred award will be assessed for abatement as the member would also be taking partial retirement so will still be classed as an active pensioner. A member cannot partially retire by only claiming their deferred award, partial retirement is from the current scheme.