

## **Partial retirement Q & A (to support Civil Service pension reform newsletter 3)**

Q Where can I get hold of the booklet (“Partial retirement – a guide for scheme members”)?

A It is on the Pension Reform pages of the Civil Service Pensions website (see below) to read or download as a PDF document. We are producing the designed version of the booklet and will post it on the website as soon as it is available. If you need a hard copy and cannot download it from the web, please ask your pensions administrator for a copy.

Q I’ve read the booklet and want to know how much pension I will get before I put in my application and commit myself to reducing my hours.

A Look at the calculator on the website to see the effect of taking different amounts of pension. You need to put in information about your pension from your annual benefit statement, and pensionable earnings for your current and reshaped job, to see the results.

Q. I can’t access the calculator on the website.

A. If you cannot access the website, speak to your pensions administrator who will do so for you.

Q I haven’t had an annual benefit statement.

A If you have not had a statement, you should contact your pensions administrator for the necessary information.

Q I definitely want to reduce my hours from 1 March – when can I apply and when will I get my pension quote?

A Talk to your employer and see if it is possible to agree a reshaped job. Once you have agreed the details and looked at the calculator on the website to see what the financial implications might be, complete the application form and give it to your employer. Your employer can then authorise your pensions administrator to give you a pension quote. Your pensions administrator will be able to provide pension quotes from mid-February. Please bear in mind that they may receive a lot of applications at first so may not be able to reply immediately. In the meantime, look at the calculator on the Civil Service Pensions website to see what the financial implications of partial retirement might be.

Q I have a **partnership** pension account and would like to take partial retirement – can I do it?

A You can choose to buy a pension with your **partnership** pension account 'pot' at any time after age 50 (55 from April 2010) while you are still working whether you reshape your job or not. You can ask your **partnership** pension provider for an estimate of the pension you can buy. (If you do wish to change your working hours or grade, you should of course talk to your employer).

Q I reduced my pay by 20% last year – can I take some of my pension now?

A. If you were over pension age when you reduced your pay, then you may apply to take some or all of your pension, regardless of when you made the reduction. You must apply by 31 May 2008 and any pension you take will be backdated to 1 March 2008. Further details are contained in the booklet, "Partial retirement – a guide for scheme members".

Q. I'm 57 – can I apply for partial retirement?

A Yes, but you should note that any pension you take will be reduced for early payment (typically by around 5% for every year that you take it before pension age). So any pension you take at age 57 will be reduced by about 15%. The reduction is permanent – the pension you take early will not go back up to the full amount when you reach 60.

Q. What is abatement and how may it affect me?

A Abatement is the reduction or suspension of your pension. The Civil Service pension scheme rules do not allow you to earn more in pension and salary from an organisation covered by the scheme than the salary you were earning before you took your pension.

If you take partial retirement you will continue to work for an organisation covered by the scheme, so abatement will potentially apply to you. See the leaflet, 'What is abatement?', on the Civil Service Pensions website for more information. Any abatement will end once you stop working for an organisation covered by the Civil Service pension arrangements.

Q I want to take as much lump sum as possible but don't want to lose any of my pension – what can I do?

A. You won't "lose" your pension. To take all of your lump sum, you must take all of the pension you have built up. Your pension may be abated while you are working (see question above) but it will increase to the full amount

when you finally retire. Look at the calculator on the Civil Service Pensions website to see how the numbers work out for you.

Q I have reserved rights to formal retirement – can I apply for partial retirement?

A From 1 March, formal retirement will only be possible for pre-Fresh Start prison officers – they will not be able apply for partial retirement.

Q If I downgrade or take a job with less responsibilities, will the decrease in my pay affect my pension on final retirement?

A. It could do. If you are in **classic**, **classic plus** or **premium**, the rules provide for your best year's pensionable earnings to be used to work out your pension. The definition of "best year" (and therefore how far back in time it can go) varies between the schemes - **classic** looks back over your last 3 years, while **premium** and **classic plus** look back over your last 12 full scheme years. The possibility of your best year (used to work out your pension on final retirement) relating to your higher pay before you downgraded will therefore depend on how long you work on before you finally retire, and on which scheme you are in. The calculator on the Civil Service Pensions website may help you understand the consequences for you.

Q How do I apply?

A Read the booklet "Partial retirement – a guide for scheme members" and check any guidance issued by your employer.

Civil Service pensions website:

[www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk),