

## Information for Civil Service Pension Scheme members

**Title:** **Buying added pension and EPA**

Annual reminder and deadline dates

**Date:** December 2021

**Audience:** If you are in **classic, classic plus, premium, nuvos** or **alpha** you may choose to buy added pension to top up your pension benefits. You can buy added pension by making monthly contributions from your pay and/ or by paying with a lump sum.

Members of **alpha** are also able to buy an EPA (by monthly contributions only). An EPA allows members of **alpha** to take part of their pension earlier than their Normal Pension Age without any early payment reduction.

The possible impact of tax on pensions is explained below.

**Action:** Read the information on the [dedicated webpages](#), as well as the [added pension leaflet](#) from the forms page of the Civil Service Pension website or (if you are in alpha) [Section 02 – Taking control of your retirement planning](#) for added pension and EPA information.

See the [added pension calculators](#) and [EPA estimator](#) on the Civil Service Pensions website to see how much you can buy and how much it will cost.

To apply for added pension or an EPA, after reading the available information, complete and return the relevant [application form\(s\)](#).

### Need to know

#### Paying by monthly contributions

The scheme you are in when you apply for Added Pension will determine what scheme the Added Pension amount is credited to. Please see specifics below:

- I. For members in classic, classic plus, premium or nuvos who have an existing added pension or added years contract, these will continue when you move into alpha. If you would like your Added Pension contract to become an alpha one, you will need to cancel and reapply in April 2022. Please note you can purchase alpha Added Pension by lump sum during 2022/23.
- II. If a member is in classic, classic plus, premium or nuvos, and they apply for added pension between now and the March deadline (see

below), they will be purchasing classic, classic plus, premium or nuvos added pension from 1 April 2022.

- III. If a member is due to transition into alpha on 1 April 2022, and they want to buy added pension in alpha, they will need to apply to buy it in April 2022 and their application will be backdated to 1 April 2022. These members can purchase alpha Added Pension by lump sum during 2022/23.
- IV. Existing alpha members will need to apply for added pension between now and the March deadline (see below).
- V. Existing alpha members who hold added pension or EPA contracts will continue as normal.

If you are already a member of alpha and you want to start buying added pension or an EPA from 1 April 2022, or you are in the PCSPS and you want to start a monthly added pension contract in your current scheme from 1 April 2022 you must send your completed application form to the Scheme Administrator (MyCSP) by **11 March 2022**:

**Civil Service Pensions**  
**PO Box 2017**  
**Liverpool**  
**L69 2BU**

This is to ensure that the Scheme Administrator can tell your payroll in time to enable them to start taking payments from your April salary onwards. If your application reaches the Scheme Administrator after this date, you may not be able to buy added pension or an EPA by monthly contributions in the 2022-23 scheme year.

#### **Paying for added pension by lump sum**

Unless you have been a member of the scheme for less than 12 months, you can make a lump sum payment at any time in the scheme year through your salary. If you want to make a lump sum payment in the 2021-22 scheme year, you must send your completed application form to the Scheme Administrator at the above address by **11 February 2022**. This is to ensure that the Scheme Administrator can tell your payroll in time to take the payment from your March salary. If your application reaches the Scheme Administrator after this date, it might not be processed in the current scheme year.

The 12-month restriction on Lump Sum purchases of Added Pension has been removed for members who are moving or have moved to alpha from the classic, classic plus, premium or nuvos schemes. This will allow this group of members to purchase Added Pension by Lump Sum under alpha immediately.

Please note that, in light of the continued restricted access to offices, **this year we are encouraging members to not pay by cheque**. With this in mind, please note that members can pay via their payroll or BACS, and only if these options are not available to them then they should pay by cheque. If you do need to pay by cheque, your cheque should

be made payable to 'CO Civil Superannuation' and the completed application form must be with the Scheme Administrator by **14 January 2022**. If your application reaches the Scheme Administrator after this date, it might not be processed in the current scheme year. **Please note that cheques must be sent to the Scheme Administrator and not to your employer or the Scheme Manager (Cabinet Office).**

**Before applying to buy added pension with a lump sum, please make sure you understand the potential for an Annual Allowance tax charge by reading the section on the Annual Allowance below:**

### Limit on added pension

For purchases before 1 April 2022, the maximum amount of added pension that members can buy is as follows:

Membership	Maximum amount of added pension
classic	£5,900 (plus lump sum of £17,700)
classic plus, premium and nuvos	£7,300
alpha	£7,300*

\*this limit may be reduced if you are also buying EPA

The limit will increase in 2022/23 to:

Membership	Maximum amount of added pension
classic	£6,100 (plus lump sum of £18,300)
classic plus, premium and nuvos	£7,600
alpha	£7,600*

\*this limit may be reduced if you are also buying EPA

The Scheme Administrator will check any application to buy added pension falls within the relevant maximum limit.

### Limit on EPA

If you are in alpha you cannot buy EPA if you have bought the maximum amount of added pension. Otherwise, there is no limit on the amount of an EPA you can buy. However, the amount of EPA bought counts towards the limit on added pension that you can buy.

### Tax relief

To get tax relief, if you buy added pension by cheque, you will need to tell HM Revenue & Customs about your contribution and explain you did not receive any tax relief from the pension scheme in relation to the added pension purchase.

### Annual Allowance

Please note that buying added pension will increase the value of your pension from one year to the next, and you could potentially become liable to an Annual Allowance tax charge. The standard Annual Allowance amount for the tax year 2022/23 is £40,000. The Annual Allowance is a personal tax responsibility and your employer or pension administrator cannot provide financial advice.

Defined benefit pension schemes such as **classic, classic plus, premium, nuvos** and **alpha** are valued by multiplying the pension built up in the year by 16 and adding the increase in any automatic lump sum (if applicable) over the year. The calculation includes a measure to adjust for the effect of inflation. The Annual Allowance tax charge will normally only affect higher earners, but buying added pension directly affects the amount that your benefits increase from one year to the next, so you should ensure that you are aware of the potential for an Annual Allowance tax charge before applying.

You should also note that, if you are in one of the final salary sections of the PCSPS or have linked final salary service and receive a promotion or large pay rise above the level of inflation then this will increase the value of your pension both in that year and the subsequent year. This may limit the amount of added pension you can buy without incurring a tax charge. If you do exceed the Annual Allowance, you can offset the excess against unused Annual Allowance from the previous three years (if you have bought added pension, or received a large pay increase in previous years this will also reduce the amount of unused Annual Allowance you have from previous years). For more information on the Annual Allowance please see the HM Revenue & Customs website:

<https://www.gov.uk/tax-on-your-private-pension/annual-allowance> and the information available on the Civil Service Pensions webpage at:

[www.civilservicepensionscheme.org.uk/members/pensions-and-tax/](http://www.civilservicepensionscheme.org.uk/members/pensions-and-tax/)

#### **How much added pension can I afford?**

Please see the [added pension calculators](#) on the calculator page of the Civil Service Pensions website which illustrates the costs.

#### **Index Linking**

The amount of added pension you buy will be adjusted each year in line with prices until you take your pension.

#### **New Entrants**

If you have joined your organisation in the last 12 months, please contact the Scheme Administrator to check if you are eligible to buy added pension.

#### **The Scheme Administrator Contact details**

If your email contains GSI/GSE/PNN please send it to [contactcentre@mycsp.gse.gov.uk](mailto:contactcentre@mycsp.gse.gov.uk)

From any other email addresses please use [contactcentre@mycsp.co.uk](mailto:contactcentre@mycsp.co.uk)

Tel: **0300 123 6666** (or **+44 1903 835902** from overseas)

**Civil Service Pensions**  
**PO Box 2017**  
**Liverpool**  
**L69 2BU**

Please provide your National Insurance number and/or membership number as well as attaching any supporting documents that will help the Scheme Administrator to answer your question.