CSP(NI)
Civil Service Pensions (Northern Ireland)

Department of Finance
An Roinn Airgeadais
www.finance-ni.gov.uk

Section 05
Claiming your pension

This guide uses as little jargon as possible but where it has to use specific technical terms, they have been explained in plain English.

This section provides a guide to claiming your pension. But it does not cover every aspect of the scheme; full details will be set out in the regulations, which are the legal basis of the scheme.

Nothing in this guide can override the alpha regulations. We have made every effort to make this guide as accurate as possible, but in the event of any difference, the regulations will apply.

This guide is based on the alpha regulations current at the time of publication and there is no guarantee that any part of the regulations will not change in the future.

You should not take anything in this section as financial advice. You might want to consider contacting an Independent Financial Adviser (IFA) to discuss your retirement planning. You can find tips on finding an IFA by visiting the Financial Conduct Authority website: www.fca.org.uk

This section explains:

05A. Thinking about retirement
Information you should find helpful if you are thinking about retirement.

05B. Partial retirement
A guide to taking partial retirement, and the benefits you could get.

05C. Full retirement
A guide to taking full retirement, and the benefits you could get.

05D. Ill-health retirement
Claiming your pension when you leave work before your Normal Pension Age because of your health.

05E. Payment of pensions A brief guide on how to get your alpha pension put into payment.

05F. Exchanging pension for a lump sum
How much you can get, and when you can claim your lump sum.

05G. Re-employment after receiving your pension
A guide to how re-joining alpha would affect your pension in payment.

Section 05A
Thinking about retirement

When can I claim my pension?

You can claim your full alpha pension benefits if you retire when you reach your alpha Normal Pension Age (NPA).

The NPA in alpha is the later of age 65 or your State Pension age (SPA). If your SPA changes, your alpha NPA will also change.

NPA is the earliest you can take your pension in full. You can apply for your alpha pension at any time from age 55 but your alpha pension will reduce because the pension will be paid for longer.

What do I have to do to claim my pension?

At least four months before you plan to retire you should discuss your plans with your employer so they know the date you plan to leave.

Your employer/HRConnect will let Civil Service Pensions know the date you intend to retire. You will receive a quote showing the pension you should expect to receive, and some forms to complete. You should use the Personal Details Form to confirm the details like your address, marital status and also your bank or building society information.

You also need to supply the details of any other pension arrangements you have. This should include any pensions that you have already taken, or are about to take. These figures and your alpha pension will be checked against your Lump Sum Allowance (LSA). For further information see Section 07A – Your pension and tax.

How and when do I get my pension paid to me?

Your pension will be paid into the bank or building society you confirmed on your Personal Details Form.

Your pension is paid monthly in arrears. If you have requested a lump sum, it will be paid after your retirement once all the necessary documentation has been received and your benefits have been processed. You should not enter into any financial commitments until you have received the payment.

Can I carry on working after I claim my pension?

Partial retirement is the only way you can claim some of the pension you have built up and continue to work and build up more alpha pension. If you want to know more, details can be found in Section 05B – Partial retirement.

How much pension will I get?

You will receive an annual benefit statement, this shows how your pension is building up, and what you could get when you retire.

Your benefits are made up of an annual pension and an option to exchange part of the pension for a tax-free lump sum. You can get a lump sum by exchanging some of your pension. Your pension will be lower if you choose this option.

If you have bought any added pension, or an EPA portion of your pension, it will be paid with your pension when you retire. You will get your pension paid for life.

Section 05A
Thinking about retirement with an alpha and Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] pension

This section only applies to members who were in the PCSPS(NI) (classic, classic plus, premium, or nuvos) before 01 April 2015, and then moved from that scheme into alpha.

It does not cover every aspect of the scheme; full details are set out in the scheme rules, which are the legal basis of the scheme. You can find copies of the PCSPS(NI) scheme rules on the CSP(NI) website.

Nothing in this guide can override the scheme rules. Every effort has been made to make this guide as accurate as possible, but in the event of any difference, the rules will apply. This guide is based on the rules current at the time of publication and there is no guarantee that any part of the rules will not change in the future. You should be aware that tax rates and limits are subject to change.

If this section applies to you, please read it carefully to understand what happens to both parts of your pension.

If you have banked service in classic, classic plus, or premium or banked benefits in nuvos, your pension from that scheme will normally come into payment when you claim your alpha pension.

If you have some banked service in classic or classic plus, you will receive an automatic lump sum from these arrangements of the PCSPS(NI).

You will still get the option of taking an additional lump sum in exchange for part of your pension from any of these arrangements of the PCSPS(NI) as well as the option to exchange some of your alpha pension for a lump sum.

Section 05B
Partial retirement

What is partial retirement?

Partial retirement is for members who want to start accessing their pension, and move gradually from work to retirement.

Why would I partially retire instead of fully retiring?

Partial retirement lets you take some or all of the pension you have built up and continue to work. While you stay in work, you can continue to build up more pension.

Can I partially retire?

Partial retirement is available for all active members subject to agreement from your employer, but you must:

- Be over your minimum pension age
- Have built up some alpha pension
- Be able to reduce your earnings by at least 20%.

Because partial retirement involves making changes to your job to reduce your earnings, you must have the agreement of your employer. If your employer agrees to the changes, you can apply.

Do I have to wait until my Normal Pension Age (NPA)?

No. You could partially retire from alpha's minimum pension age which is currently age 55. But if you do partially retire before your alpha NPA, your pension will be reduced because it is likely to be paid for a longer time.

How do I reduce my earnings by 20%?

This can be done in one of two ways.
- Changing your job – to a lower paid role.
- Changing how much time you work – dropping your contracted hours.

If I change to a lower paid job, does it have to be with the same employer?

No. Both employers must be covered by the Northern Ireland Civil Service (NICS) pension schemes and you must not have a break in service between jobs. Because you are changing where you work will need to get both employers to sign your application.

How does partial retirement work?

After your employer agrees to you changing your job so you are able to partially retire, the scheme administrators will give you a quote of the pension you have built up, and the forms you will need to complete to apply for partial retirement. You must give at least three months' notice.

You can decide how much of your alpha pension you want to take. This can be up to 100% of what you have built up so far. Once you have made your choice, you will need to complete and return the forms.

The scheme administrators will put your chosen pension into payment as close to your partial retirement date as possible.

You will remain at work, earning at least 20% less, and receiving your pension too. If you choose to remain in alpha, you will build up a further pension that you can claim when you fully retire.

How many times can I partially retire?

You can only partially retire once using your alpha pension benefits.

Will my alpha pension be reduced (abated) because I am still earning?

No. Any alpha pension you receive will be paid in addition to your salary. alpha pensions are not subject to abatement.

What if I have an Effective Pension Age (EPA) or a Club transfer in?

Each EPA part of your pension is adjusted for late or early payment independently; see Sections 02E and 02F for more details on late payment and early payment. A Club transfer is adjusted in the same way.

In these situations your alpha pension can be made up of multiple portions. Your main alpha pension, any EPA portion of your pension you have bought, and any Club transfers you have brought in.

You can choose one of these portions, and then select to use any amount from that portion for your partial retirement. This can be anything up to 100% of that portion of your pension.

For each of the remaining portions, you can choose to take all of it, or leave it until you fully retire. You cannot take a percentage of these other portions.

For example:

If you have built up your main alpha pension and an EPA portion of your pension you can choose to use the EPA portion, and you can select to take any percentage of this portion.

The remaining portion, the main alpha pension, can either be taken in full at partial retirement or left for you to claim when you fully retire.

Can I still exchange some alpha pension for a lump sum?

Yes. This is based on your pension that will be coming into payment. You will get the details of the maximum amount you can take with your partial retirement quote. This is subject to the usual limits set by HM Revenue & Customs. Your alpha pension will be less if you take a lump sum.

What about tax?

When your pension comes into payment it will be checked against the Lump Sum Allowance (LSA) to see how much of the LSA it uses up. If your pensions go over 100% of the LSA you will have to pay an additional tax charge.

Pensions in payment are taxed as an income, so the exact amount you pay is determined by how much you get. Any lump sum that you choose is usually tax-free.

Section 05B

Partial retirement and the Principal Civil Service Pension Scheme (Northern Ireland) PCSPS(NI)]

This section only applies to members who were in the PCSPS(NI) (classic, classic plus, premium, or nuvos) before 01 April 2015, and then moved from that scheme into alpha.

It does not cover every aspect of the scheme; full details are set out in the scheme rules, which are the legal basis of the scheme. You can find copies of the PCSPS(NI) scheme rules on the CSP(NI) website.

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If this section applies to you, please read it carefully to understand your options at partial retirement from both your alpha and PCSPS(NI) pension.

If you have either banked benefits, or banked service, from the PCSPS(NI) your total pension will be made from different portions; your PCSPS(NI) benefits and your alpha pension (and any EPA portions of your pension or Club transfers you have).

What pensions can I claim at partial retirement?

You can choose to claim some, or all, of your pension at partial retirement.

You can choose to claim either the PCSPS(NI) part of your pension, the alpha part of your pension, or both at the same time when you partially retire.

Can I choose to partially retire only using my PCSPS(NI) pension?

Yes. You still need to meet the requirements of reducing your earnings by 20%, be over your minimum pension age and your employer must agree.

My PCSPS(NI) minimum pension age is 50. Can I partially retire at that age?

Yes, but only using your PCSPS(NI) pension, and your employer must agree.

Can I choose to partially retire and not take any of my PCSPS(NI) pension?

Yes. You can choose to leave your PCSPS(NI) benefits to be claimed at a later date and take your alpha benefits only as long as you are over your alpha minimum pension age.

How many times can I partially retire?

You can only partially retire once using your alpha pension benefits and once using your PCSPS(NI) pension benefits.

If you choose to take the alpha and PCSPS(NI) parts of your pension at the same time, you can only partially retire once.

If you choose to claim only your PCSPS(NI) pension at partial retirement, you can, at a later date, choose to partially retire only using your alpha pension.

You can do this the other way round too, if you partially retire only using your alpha pension, you can partially retire at a later date using only your PCSPS(NI) pension.

If you choose to partially retire a second time using the other part of your benefits, you must meet all the criteria again. Your employer must agree, you must be over the minimum pension age, and you must reduce your earnings by a further 20%.

My PCSPS(NI) pension was based on a final salary. When is this worked out?

This is worked out at, or close to, the date you claim your pension.

Do I get a lump sum from the PCSPS(NI) part of my benefits?

In premium and nuvos, you get the option to exchange some of your pension for a lump sum. If you were a classic or classic plus member you will still get the automatic lump sum and you may have an option to exchange some of your pension for an additional lump sum.

I was in classic / classic plus. Can I get a refund of Widows Pension Scheme (WPS) contributions?

You can receive a refund of your WPS contributions, if you were always single while a member and have remained single until you claim your pension. You may also get a refund if your marriage / civil partnership ended while you were a classic / classic plus member and have remained single until you claim your pension. The scheme administrators will check your eligibility when working out your pension.

Your refund will be paid when you claim all of your PCSPS(NI) pension. It can be paid at partial retirement, if you claim 100% of your PCSPS(NI) pension.

What is abatement and will it apply to me?

If you partially retire using your PCSPS(NI) benefits your pension may be abated while you continue to work. This is because your pension and new salary added together cannot be more than your salary before you partially retired.

Section 05C
Full retirement

What is full retirement?

Full retirement is for members who want to start accessing their pension, and are ready to leave work completely

Can I fully retire?

Full retirement is available for all active members, but you must:
• Be over your minimum pension age (current age 55)
• Have built up some alpha pension.

Do I have to wait until my Normal Pension Age (NPA)?

No. You could retire from alpha's minimum pension age. But if you do take it before your alpha NPA, it will be reduced because it is likely to be paid for a longer time.

How does retirement work?

Civil Service Pensions will give you a quote of the pension you have built up, and the forms you will need to complete to claim it.

You need to complete and return the forms and documentation to confirm the requested information and your chosen option. Your pension will be payable monthly in arrears and any lump sum will be paid once the correct documents are received and the scheme administrator has processed your benefits. You should not enter into any financial commitments until you have received the payment.

What if I have an EPA or a Club transfer in?

Each EPA portion of your pension is adjusted for late or early payment independently; see Sections 02E and 02F for more details on late payment and early payment. A Club transfer is adjusted this way too.

Can I exchange some alpha pension for a lump sum?

Yes. This is based on your pension that will be coming into payment. You will get the details of the maximum amount you can take with your retirement quote. This is subject to limits set by HM Revenue & Customs.

What about tax?

When your pension comes into payment it will be checked against the Lump Sum Allowance (LSA) to see how much of the LSA it uses up. If your pensions go over 100% of the LSA you will have to pay an additional tax charge.

Pensions in payment are taxed as an income, the exact amount you pay is determined by how much you get. Any lump sum that you choose is usually tax-free.

Section 05C

Full retirement and the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]

This section only applies to members who were in the PCSPS(NI) (classic, classic plus, premium, or nuvos) before 01 April 2015, and then moved from that scheme into alpha.

It does not cover every aspect of the scheme; full details are set out in the scheme rules, which are the legal basis of the scheme. You can find copies of the PCSPS(NI) scheme rules on the CSP(NI) website.

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If this section applies to you, please read it carefully to understand your options at retirement from both parts of your pension.

If you have either banked benefits, or banked service, from the PCSPS(NI) your total pension will be made from two different parts; your PCSPS(NI) benefits and your alpha pension.

Can I claim my PCSPS(NI) pension at retirement?

Yes. Your pension will come into payment when you claim it at retirement.

My PCSPS(NI) minimum pension age is 50. Can I retire at that age?

Yes, but only claiming your PCSPS(NI) pension. This means when you leave employment, your alpha pension will be preserved to be claimed at a later date.

My PCSPS(NI) pension was based on a final salary. When is this worked out?

This is worked out at, or close to, the date you retire.

Do I get a lump sum from the PCSPS(NI) part of my benefits?

In premium and nuvos you get the option to exchange some of your pension for a lump sum. If you were a classic or classic plus member you will still get the automatic lump sum and you may have an option to exchange some of your pension for an additional lump sum.

I was in classic / classic plus. Can I get a refund of Widows Pension Scheme (WPS) contributions?

You can receive a refund of your WPS contributions, if you were single when you left classic / classic plus and have remained single until you claim your pension. You may also get a refund if your marriage / civil partnership ended while you were a classic / classic plus and have remained single until you claim your pension. The scheme administrators will check your eligibility when working out your pension. Your refund will be paid when you claim all of your PCSPS(NI) pension.

Section 05D
Ill-health retirement

If you have to leave work before your Normal Pension Age (NPA) because of your health, you can apply for ill-health retirement.

How do I qualify for ill-health retirement?

You have to satisfy the following two criteria:

• You must have enough qualifying service to be eligible for a pension.
This means that you have worked for an employer that offers membership of the NICS pension scheme schemes, and been a member for at least two years.

• Your health must, in the opinion of the Scheme Medical Adviser (SMA), permanently prevent you from being able to do your current job or any other similar role.

Permanent means until you reach your predicted State Pension age (SPA). The SMA will take into account any planned changes to SPA when making this decision.

How do I apply for ill-health retirement?

You should speak to your employer, usually your manager or HR department.

Both you and your employer will need to complete sections of the ill-health retirement application form. The form will ask for your details and your permission for the Scheme Medical Adviser (SMA) to contact your doctor and any other specialists who have been involved in your care.

Your employer will send the application to the SMA, with information about your job, and any details they hold about your health, including your sickness record.

All the records that pass between your employer, your doctors, and the SMA are treated in the strictest confidence.

Who is the Scheme Medical Adviser (SMA)?

The SMA for the NICS pension schemes is the Occupational Health Service, appointed by Civil Service Pensions to provide independent medical advice.

After I have completed my application, what happens next?

As part of your application you may be invited for an assessment by the SMA, or asked to provide some further details about your health.

If the medical adviser agrees that you qualify for an ill-health pension, there are two levels of ill-health retirement pension which could apply, depending on your ability to work.

Lower tier - To qualify for a lower tier pension the SMA must agree that you are permanently incapable of doing your own job, or another similar role.

Upper tier - To qualify for an upper tier pension the SMA must agree that you are permanently incapable of working in any kind of employment.

If you have already partially retired you can only qualify for a lower tier ill-health pension.

If you have already reached your NPA you will not be eligible for ill-health retirement terms.

The SMA may find that your health does not keep you from working, and may turn down your application.

Can I appeal against the SMA's decision?

Yes, you can appeal against a decision not to grant you ill-health retirement, or a decision to only give you a lower tier pension.

There are time limits if you want to appeal, and you will need some new medical evidence to support your case.

Details of how to appeal, and the time limits you have to meet, will be supplied with your decision letter from the medical advisers, and you can ask your employer/HRConnect for information about the appeal process.

What happens if ill-health retirement is granted?

The SMA will send a certificate to your employer confirming that you meet the criteria for ill-health retirement, and which of the two levels you qualify for.

Your employer will then set your retirement date, including any period of notice, and inform the scheme administrator who will give you details of your pension.

What will my pension be?

If you qualify for **lower tier,** your pension will be made up of:

- The total alpha pension you have built up to date
- Any EPA portions of the pension you have built up
- Any added pension you have bought
- Any alpha pension from benefits you have transferred in from another pension scheme.

All these elements will be paid without any reduction for early payment. If you have any added pension bought by lump sum in the year before you retire, or a transfer in to your pension that happened less than two years before you retire, this will not be paid out but will become preserved. You can claim this at a later date, or immediately if you are already over the minimum pension age. This is subject to the usual payment rules, if you claim it early, it will be reduced for early payment.

If you qualify for **upper tier**, your pension will be made up of:

- All the lower tier pension and
- An increased alpha pension.

The increase is worked out in the following way:

The alpha pension you have built up by your ill-health retirement date is divided by the number of years you were a member of the scheme. This gives us the average amount you added to your alpha pension each year.

This average amount is then multiplied by the number of years remaining from your ill-health retirement to your predicted NPA. If you are employed on a fixed-term appointment / contract, the number of years until the end of your appointment / contract is used.

This is the increase you receive as part of the upper tier pension, on top of the lower tier pension.

What do I have to do to claim this payment?

CSP(NI) will send you a quote and the claim forms you will need to complete. Your pension cannot be paid until you have returned the claim forms.

Do I get a tax-free lump sum?

Yes. Under current rules you can choose to exchange some of your pension for a tax-free lump sum, subject to limits set by HM Revenue & Customs. The maximum amount of lump sum you can take will be shown on your quote. You can choose to take any amount of lump sum up to this maximum. If you take a lump sum your pension will be reduced.

I was given a provisional pension award by the SMA. What does this mean?

The SMA was unable to decide if your health permanently met the conditions for an ill-health retirement pension, so decided you should have a provisional ill-health retirement instead.

CSP(NI) will then make a provisional award at the tier the SMA decided was most appropriate to your condition at the time you applied. But the SMA will need to review your case at a later date.

The SMA will set a review date that can be up to five years after the original decision.

What happens after a review of my provisional pension?

At a review, the SMA can confirm that their original decision about your condition was correct, or change it.

If the SMA recommends that your pension is reduced (dropping from a higher to lower tier) or removed, you will get three months' notice before your payments change.

If the SMA recommends an increase to your pension, it will be backdated to the date of the review.

Can I appeal against the SMA's decision to reduce a provisional pension?

Yes. You can appeal a decision to change a provisional award. There are time limits if you want to appeal, and you will normally need some new medical evidence to support your case.

Is my ill-health retirement pension paid for life?

A lower tier pension will be paid for the rest of your life.

An upper tier pension will be reviewed regularly by the SMA, at least every five years. The reviews stop once you reach your alpha NPA.

If your health improves and you no longer meet the conditions for an upper tier pension, it will be changed to the lower tier. You will get three months' notice before your payments change.

Ill-health retirement after leaving

There is no ill-health retirement option for members who have left with a preserved pension.

If you want to claim a preserved pension early due to ill-health, you can as long as you are over the minimum pension age. This will be under the usual payment rules, and your pension will include an early payment reduction if it is claimed before your NPA.

If you are terminally ill with a limited life expectancy, of under 12 months, you can access your benefits as a one-off payment at any age. You should contact Civil Service Pensions who will guide you through the application process.

Ill-health retirement and terminal illness

Are there special arrangements if I am terminally ill?

If your doctors confirm, and the SMA agrees, that you have a life expectancy of less than 12 months, you can apply to exchange all of your pension benefits for a one-off lump sum. You should contact Civil Service Pensions who will guide you through the application process.

This is available to active members and those who have left the scheme with a preserved pension.

You must make the request before you receive any pension payments, this means if you are already retired and claiming your pension, you cannot apply to receive this one-off payment.

The payment is five times your annual pension, and if you take it you will not get any further annual pension. The pensions that can be paid to your dependants are unaffected by your choice.

The total amount of pension and lump sum that you get may be higher if you do not opt for these terms. If you are a re-employed pensioner or partially retired, the lump sum will not include any pension that you are already getting.

Section 05D
Ill-health retirement and the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]

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If this section applies to you, please read it carefully to understand what happens to both parts of your pension if you retire on ill-health.

Ill-health retirement when you have banked service from one of the final salary arrangements (classic, classic plus, or premium) or banked pension benefits from nuvos follows the same process.

I was in classic / classic plus / premium and have been granted ill-health retirement. What happens to my banked service?

Your pension is worked out at your retirement date.

Your final pensionable earnings at, or close to, your retirement date are used with your banked service to work out the PCSPS(NI) part of your pension.

I was in nuvos and have been granted ill-health retirement. What happens to my banked benefits?

If you have banked benefits from nuvos, your pension is worked out at your retirement date.

It includes all the increases based on prices that were added to your banked benefits since you joined alpha.

How does the PCSPS(NI) part of my pension get paid?

You receive a payment equal to the classic, classic plus, premium, or nuvos part of your pension with the alpha part.

Like the alpha part, it is not reduced for early payment if you are granted ill-health retirement.

The amount you get is not increased or enhanced in any way, but it will be adjusted in line with prices once it is in payment.

Under alpha regulations, classic, classic plus, premium, or nuvos parts of your pension will not be paid when you retire on ill-health.

Members with PCSPS(NI) parts to their pension get a payment equal to the value of their classic, classic plus, premium, or nuvos pension paid to them.

This payment is replaced automatically by their actual PCSPS(NI) pension once they reach the Normal Pension Age of that scheme usually age 60 or age 65.

Your pension will replace the payment you are receiving without you having to take any action.

You only get the lump sum option once (at the date you retire), so you will not get a second lump sum option when you reach the scheme’s Normal Pension Age.

If you have not reached the Normal Pension Age in classic, classic plus, premium, or nuvos you could still choose to transfer out that part of your pension. But if you do, the payment you are receiving in respect of those benefits will stop, meaning the overall amount of pension that you get will reduce to just the alpha part of your benefits.

Section 05E
Payment of pensions

How do I claim my pension?

If you are an active member, claiming your pension starts by discussing it with your employer/HRConnect.

How do I claim my preserved pension?

If you are a deferred member and you have a preserved pension, claiming your pension starts by contacting Civil Service Pensions.

How much notice should I give to get my pension?

If you are retiring as an active member, you should contact your employer at least four months before the date you are thinking of retiring.

Civil Service Pensions will need around three months' notice to put a pension into payment. This allows time for any details to be checked and for you to make your lump sum decisions.

Do I have to fill in any forms?

Yes. When you start the process to claim your pension you will get a quote showing the details of your pension and lump sum. You will also get the following forms that you need to complete and return with the relevant documentation: A personal details form, and a lump sum option form.

What information do I need to provide?

You will need to supply the following information when you claim your pension:

- Details of any other pensions that you are claiming / receiving – this is to check against the Lump Sum Allowance.
- Confirmation of your bank or building society account – where you would like your pension and lump sum paid.
- Confirmation that we hold your correct marital status, address, and death benefit nominee information.
- Certified copies of birth and marriage certificates.

When will I get my first payment?

Your pension will be paid monthly in arrears once you have retired.

Any lump sum you requested is paid into your account once all the documentation is received and your benefits have been processed.

You should not enter into any financial commitments until you have received the lump sum payment in your bank account.

Section 05F
Exchanging pension for a lump sum

In alpha you have the option to exchange part of your annual pension for a one-off lump sum.

How much lump sum do I get for my pension?

You get £12 of lump sum for every £1 of pension you give up.

What is the maximum lump sum I can get?

There are limits set by HM Revenue & Customs; this is currently a lump sum of 25% of the total value of your pension benefits.

Your maximum lump sum will be shown on any quotes you receive when you start the process of claiming your pension.

Can I exchange all of my pension for a lump sum?

Not usually. In most circumstances you will get the option to take the maximum lump sum and an ongoing pension. You can choose an amount of lump sum from nil to the maximum.

However, there are some very limited circumstances where this can be done. Where the total value of all of your pension benefits is very low, it may be possible to exchange all of your pension for a lump sum. This is called 'trivial commutation'. The scheme administrator will tell you if this option is available to you when you claim your pension.

If you have been diagnosed with a limited life expectancy you may be able to exchange your pension for a one-off payment. There is more information on this in Section 05D – Ill-health retirement.

What about trivial commutation?

HM Revenue & Customs sets the rules that allow small pensions to be exchanged for a one-off lump sum payment.
You can request information on trivial commutation, and check if it is an option for you, when you claim your pension. Taking this one-off payment means you will not get any further pension payments.

Section 05F
Exchanging pension for a lump sum and the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]

This section only applies to members who were in the PCSPS(NI) (classic, classic plus, premium, or nuvos) before 01 April 2015, and then moved from that scheme into alpha.

It does not cover every aspect of the scheme; full details are set out in the scheme rules, which are the legal basis of the scheme. You can find copies of the PCSPS(NI) scheme rules on the CSP(NI) website.

Nothing in this guide can override the scheme rules. Every effort has been made to make this guide as accurate as possible, but in the event of any difference, the rules will apply. This guide is based on the rules current at the time of publication and there is no guarantee that any part of the rules will not change in the future. You should be aware that tax rates and limits are subject to change.

If this section applies to you, please read it carefully to understand your lump sum options from both parts of your pension.

My PCSPS(NI) pension was classic / classic plus. Do I still get my automatic lump sum?

Yes. If your PCSPS(NI) pension included an automatic lump sum, usually of three times the classic part of your pension, this will be paid when you claim your pension.

If your pension was classic plus, the automatic lump sum will only be based on the service you built up while you were in classic (up to 30 September 2002).

My PCSPS(NI) pension was premium / nuvos. Do I get an automatic lump sum?

No. nuvos and premium pensions do not have an automatic lump sum.

Can I exchange some of my pension for more lump sum?

Yes. You may be able to exchange your pension for more lump sum up to the limits set by HM Revenue & Customs. You will get the details of the maximum you can exchange when you claim your pension. Your pension will be lower if you select this option.

Section 05G
Re-employment after retirement

I was re-employed after partial retirement. What happens to my pension benefits?

Partial retirement always includes you being employed while you are receiving some pension payments.

Being re-employed after taking partial retirement does not have any effect on your alpha pension in payment.

I was re-employed after full retirement. What happens to my pension benefits?

If you are re-employed this can affect your pension, depending on how long your break was between the periods of employment.

If you are re-employed within 28 days of the date you retired you are treated as if you did not retire. This means your pension will be cancelled, and the pension and lump sum you may have already received must be repaid.

You will become an active member again, and you will still have all the pension you have built up ready to be claimed at a later date.

What about abatement?

Abatement is when your pension is reduced because your re-employed pay and your pension are more than the pay you received before claiming your pension.

No abatement is applied to the alpha pension.

Section 05G
Re-employment after retirement and the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]

This section only applies to members who were in the PCSPS(NI) (classic, classic plus, premium, or nuvos) before 01 April 2015, and then moved from that scheme into alpha.

It does not cover every aspect of the scheme; full details are set out in the scheme rules, which are the legal basis of the scheme. You can find copies of the PCSPS(NI) scheme rules on the CSP(NI) website.

Nothing in this guide can override the scheme rules. Every effort has been made to make this guide as accurate as possible, but in the event of any difference, the rules will apply. This guide is based on the rules current at the time of publication and there is no guarantee that any part of the rules will not change in the future. You should be aware that tax rates and limits are subject to change.

If this section applies to you, please read it carefully to understand the effect of reemployment after retirement on both parts of your pension.

I was re-employed, what happens to my pension benefits?

When you are re-employed after getting your pension, any PCSPS(NI) pension that is in payment will be checked with your new earnings to see if any abatement must be applied.

What about abatement?

Abatement is when your pension is reduced because your re-employed pay and your pension are more than the pay you received before claiming your pension.

If you are re-employed, your PCSPS(NI) pension may be reduced due to abatement. Any alpha pension in payment will not be considered when assessing whether abatement applies.