

# Options Exercise

Some members will have a decision to make about when to join the new scheme - alpha

# Overview

The Options Exercise does not affect everyone.

You will only receive an Options Pack if you are eligible for the Options Exercise.

The Options Packs will be sent out in October 2014.

This tells you what is going to happen and when.



# Will the Options Exercise affect you?

A new pension scheme – alpha – will  
be introduced on 01 April 2015.



# A new pension scheme – alpha – will be introduced on 01 April 2015.



You may have a decision to make about when you join alpha. This will depend on several factors, including how close you were to your Normal Pension Age (NPA) on 01 April 2012 and what your pension arrangements were on 31 March 2012.

The PCSPS includes the classic, classic plus, premium, and nuvos pension schemes

This information will apply to almost all members who are eligible for the Options Exercise, but there will be some exceptions. For example:

- You may have a different NPA if you have been compulsorily moved into the Principal Civil Service Pension Scheme (PCSPS) from another public service pension scheme. If you think this may apply to you, please check with your employer or MyCSP.  
<http://www.civilservicepensionscheme.org.uk/contact-us/>
- If you joined from another public service scheme that only had one enrolment date for their new scheme.

# Not all members will take part in the Options Exercise.



If on 31 March 2012, you were a member of a public service pension scheme (including the PCSPS) then the length of time you had until your current Normal Pension Age (NPA) was checked on 01 April 2012.

- Members who were less than 10 years from their NPA are unlikely to move into alpha. These members will remain in their current schemes and won't take part in the Options Exercise.
- Members who were more than 13.5 years from their NPA are likely to move into alpha on 01 April 2015 and won't take part in the Options Exercise.
- Members who were between 10 and 13.5 years from their NPA are likely to take part in the Options Exercise.

**The standard NPA in classic, classic plus, and premium is age 60 and in nuvos, this is age 65**

# If you take part in the Options Exercise you will have an important decision to make about when you join alpha.



If you were between 10 and 13.5 years from your Normal Pension Age (NPA) on 01 April 2012 you will have an important decision to make about when you will join alpha.

If the eligibility criteria do not apply to you, you will not take part in the Options Exercise.

NPA varies depending on which PCSPS scheme you are in:

Your current scheme	Your current standard NPA	You will take part if you were born between
classic, classic plus, premium	60	02 April 1962 and 01 September 1965 (inclusive)
nuvos	65	02 April 1957 and 01 September 1960 (inclusive)

# What is the decision?

Anyone who is eligible for the Options Exercise will be offered two options.



# Anyone who is eligible for the Options Exercise will be offered two options:



## Option 1

Join alpha on your alpha enrolment date – this is based on how far you were away from your NPA on 01 April 2012.

This date will be between 01 June 2015 and 01 February 2022. Your alpha enrolment date will be shown on the personalised statement in the Options Pack issued in October 2014.

You can see a full list of the alpha enrolment dates here.

[www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/how-will-this-affect-me/active-members/dates-that-you-will-move-to-the-new-scheme/](http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/how-will-this-affect-me/active-members/dates-that-you-will-move-to-the-new-scheme/)

## Option 2

Join alpha on the day it is introduced – 01 April 2015.



# Contributions



From 01 April 2015 all members will pay the same level of pension contributions for their salary band (based on their actual earnings), no matter if they are a member of classic, classic plus, premium, nuvos or alpha.

There is one exception. Anyone who is a member of classic immediately before April 2015 and has actual earnings of £15,000 a year or less from 01 April 2015 onwards, will see their contribution changes introduced over three years.



Information about contributions can be found here

[www.civilservicepensionscheme.org.uk/members/contribution-rates](http://www.civilservicepensionscheme.org.uk/members/contribution-rates)



# What will happen when I retire?



Whichever date you choose, once you have moved into alpha, your total pension at retirement will be made up of two portions:

- A portion from your membership in your current scheme.
- A portion from your membership in alpha.

If your current scheme is classic, classic plus or premium, this portion of your benefits will be based on the service you built up before you move into alpha and your pensionable earnings at or near your retirement date, not what you are earning on the date you move to alpha.

If your current scheme is nuvos, the pension that you have built up before your move into alpha is banked and will continue to be re-valued to keep it in line with inflation.

# What do I have to do?



There is no action for you to take unless you receive an Options Pack in October 2014.

This slide pack is an introduction to how the exercise will work and should help you to start thinking about what it will mean for you. You cannot register your decision until your Options Pack arrives in October.

This decision will be personal to you, but here are some things you may wish to consider:

- The age you are thinking of taking your pension benefits, such as early retirement.
- How you expect your pay to increase by the time you retire.
- How alpha will work. The main features are outlined in the 'An introduction to alpha' slide pack. [www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/where-can-i-get-more-information/](http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/where-can-i-get-more-information/)
- How alpha compares to your current scheme, by using the 'at a glance' guides. [www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/where-can-i-get-more-information/](http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/where-can-i-get-more-information/)
- You have to be a member of alpha to take up the available benefits. alpha has some scheme features that aren't available in your current scheme, and vice versa.
- The impact this decision will have on your pension and your future.

**Once you have chosen either Option 1 or Option 2, you will not be able to change your decision.**

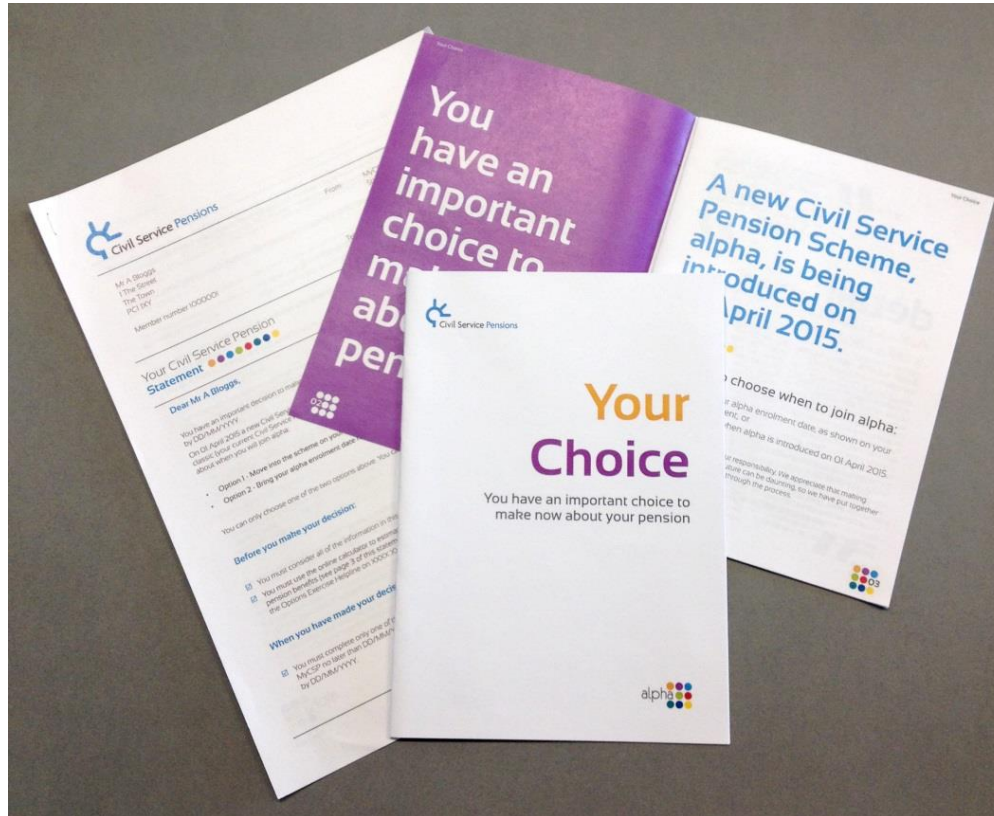


# Where can I get more information?



- In September 2014 we will publish more information about the Options Exercise.
- If you are eligible to take part in the Options Exercise, we will send you an Options Pack in October 2014. This will contain a booklet to guide you through the process and a statement to help you understand the impact for you.
- You may wish to speak to a financial adviser before you make your choice. See the Financial Conduct Authority site for tips on finding an adviser. [www.fca.org.uk/consumers/financial-services-products/investments/financial-advice/finding-an-adviser](http://www.fca.org.uk/consumers/financial-services-products/investments/financial-advice/finding-an-adviser)

# What happens next?



Look out for your Options Pack, if you are eligible, you will receive this in October 2014.



# Overview of the Options Exercise

Although you do not have to make your decision yet, it is the right time to look into how alpha will work and think about your options

**Jul  
2014**

Eligible members will receive their Options Pack

**Oct  
2014**

This is the deadline for you to tell us which option you have chosen


**Dec  
2014**

We will acknowledge your decision

**Jan  
2015**


# Questions and answers






I think I should have received an Options Pack and I haven't.  
What should I do?

The Options Packs will be sent out in October 2014. If you have checked the eligibility criteria and think you should have received one, but haven't, you will be able to find a specific Options Exercise helpline phone number on the scheme website from October.



What happens if I don't reply in time?

If you do not let us know your decision before the date set out in your Options Pack then Option 1 will apply automatically. You will move into the scheme on your alpha enrolment date as shown in your Options Pack.









Will I be able to choose a different date to move to alpha?

No, you can only choose either Option 1 – your alpha enrolment date, or Option 2 – 01 April 2015.



Do I still need to take part in the Options Exercise if I am planning to leave my job before 01 April 2015?

Yes, your choice could affect you if you return to a job covered by a public service pension scheme (including the PCSPS) within 5 years.



For more Q&As about alpha, please see the Q&A page.

[www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/2015-pension-changes-faq/](http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/2015-pension-changes-faq/)