

FREQUENTLY ASKED QUESTIONS

Classic Scheme (known as PCSPS up to 30 September 2002)

Q1	How is my widow(er)'s pension worked out?
A	<p>We base our calculations for widow(er)'s benefits on information provided to us by the Authorised Pension Administration Centre that is linked to your husband or wife's last employer. The amount of your pension will depend on what contributions they paid and the period they paid them for. If they joined classic on or after 1st June 1972 (male scheme members) or 1st July 1987 (female scheme members), your pension is one half of their pension.</p> <p>If you are a widow you will get a pension of:</p> <ul style="list-style-type: none">• one half of the pension your husband would have got based on his service on or after 1 June 1972; plus• one third of what he would have got based on his service before then. <p>If he paid extra contributions for service before 1 June 1972 you will get a half rate pension for that period instead a third rate pension.</p> <p>If you are a widower you will get a pension of one half of the pension your wife would have got based on her service on or after 1 June 1987. If she paid extra contributions for service before 1 June 1987 you will get the additional benefit she paid for.</p> <p>We will pay a short term increase to your pension for the first 91 days (longer if you have children) to bring your total pension up to the same rate as your husband or wife's pension.</p>
Q2	My husband left service after 1 June 1972. Why is there little or no pension payable to me?
A	<p>If you were married before he retired. If he was in service before 1 July 1972 he could opt out of paying contributions for a widow's pension in certain circumstances. In such cases there would be no widow's pension payable.</p> <p>This option was no longer available after 6 April 1978. Therefore, for male scheme members who had opted not to pay widows' benefit contributions and left service after that date, the widow's pension paid would only be based on service after 6 April 1978.</p> <p>If you were married after he retired. Payment of widow's benefits for post-retirement marriages was introduced on 6 April 1978. The pension in these cases is worked out using service after that date only.</p>
Q3	I married my wife after she retired. What pension do I get?
A	Your pension is one half of your wife's pension based on her service from 6 April 1988.
Q4	How is my civil partner's pension calculated
A	Your pension is one half of your civil partner's pension based on their service from 6 April 1988.

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Q5	I receive the short-term increase at the same rate as my late spouse/civil partner's pension. Why do I receive a different net pension amount?
A	<p>This will be because your personal tax code is used instead of your spouse/civil partner's tax code.</p> <p>In addition, as the member's pension is paid up to and including the date of death, the first payment due to you is worked out from the day after the date of death to the date of your first payment, which is unlikely to be one exact month.</p>

Q6	Why is there no short-term increase payable to me?
A	You will not get a short term increase if your husband left service before this was introduced on 1 June 1972.

Q7	My pension seems to have been reduced twice. How can that happen?																		
A	<p>When your short term increase period ends your pension will reduce. Rate changes rarely happen on the same day as you are paid. This means that there will often be one month where your money is worked out, partly at the higher, and partly at the lower rate. Please see the example below that illustrates a breakdown of payments made in a typical widow(er)'s pension:</p> <p>This shows the payments made assuming a short-term increase of £12000.00 per annum from 1 July and a continuing rate of pension of £6000.00 from 30 September. The pension is paid on the 12th of each month:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Date</th> <th style="text-align: left;">Amount</th> <th style="text-align: left;">Calculation</th> </tr> </thead> <tbody> <tr> <td>12 July</td> <td>£400.00</td> <td>12 days at £12000 annual rate</td> </tr> <tr> <td>12 August</td> <td>£1000.00</td> <td>Full Month at £12000 annual rate</td> </tr> <tr> <td>12 September</td> <td>£1000.00</td> <td>Full Month at £12000 annual rate</td> </tr> <tr> <td>12 October</td> <td>£783.34</td> <td>17 days at £12000 p.a. & 13 days at £6000 p.a.</td> </tr> <tr> <td>12 November</td> <td>£500.00</td> <td>Full Month at £6000 annual rate</td> </tr> </tbody> </table> <p>Payments from 12 November onwards will remain at £500.00 per month until the next annual Pensions Increase review.</p>	Date	Amount	Calculation	12 July	£400.00	12 days at £12000 annual rate	12 August	£1000.00	Full Month at £12000 annual rate	12 September	£1000.00	Full Month at £12000 annual rate	12 October	£783.34	17 days at £12000 p.a. & 13 days at £6000 p.a.	12 November	£500.00	Full Month at £6000 annual rate
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Q8	You have stated that my husband's/wife's/civil partner's pension was paid after the date of death causing an overpayment, yet my bank returned the payment to you.
A	We are sorry if this has happened. Sometimes there is a delay before we find out that the bank has sent the payment back to us. If you tell Capita this has happened to you, we will ask the bank or building society about the payment and then let you know whether or not there is an overpayment.

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Q9	My husband/wife/civil partner was already getting his/her pension. Will I get a lump sum paid to me?																
A	<p>The classic scheme guarantees payment of five times the member's gross annual pension on retirement. This means that if your spouse/.civil partner dies within approximately two years of retiring, you may be entitled to a lump sum payment. The original retirement lump sum (normally three times the annual pension rate) and the gross amount of pension paid to the date of death are taken into account in working out whether there is an amount due. Lump sum death benefits are paid to the person that the member nominates to receive the death benefit lump sum. If there is no nomination on file, this is paid to the executor of the estate. Examples are shown below:</p> <p><i>Example 1</i></p> <p>Mrs Smith retired on 6 April 2002 on a pension of £10,000 per year and received a lump sum of £30,000 at retirement. The pension at the date of death had increased in line with inflation to £10,170 per year. Mrs Smith died on 1 July 2003, the lump sum death benefit is calculated like this:</p> <table border="1" style="margin-left: 40px;"> <tr> <td>5 X pension in payment at date of death</td> <td style="text-align: right;">£50850.00</td> </tr> <tr> <td>Less retirement lump sum</td> <td style="text-align: right;">£30000.00</td> </tr> <tr> <td>Less pension paid to date of death</td> <td style="text-align: right;">£12428.20</td> </tr> <tr> <td>Lump sum death benefit payable to nominee</td> <td style="text-align: right;">£8421.80</td> </tr> </table> <p><i>Example 2</i></p> <p>Mr Jones retired on 6 April 2001 on a pension of £10,000 per year and received a lump sum of £30,000 at retirement. The pension increased in line with inflation to £10,342.89 per year. Mr Jones died on 31 May 2003, the lump sum death benefit is calculated like this:</p> <table border="1" style="margin-left: 40px;"> <tr> <td>5 X pension in payment at date of death</td> <td style="text-align: right;">£51714.45</td> </tr> <tr> <td>Less retirement lump sum</td> <td style="text-align: right;">£30000.00</td> </tr> <tr> <td>Less pension paid to date of death</td> <td style="text-align: right;">£21748.83</td> </tr> <tr> <td>Lump sum death benefit payable to nominee</td> <td style="text-align: right;">-£34.38 (nothing payable)</td> </tr> </table>	5 X pension in payment at date of death	£50850.00	Less retirement lump sum	£30000.00	Less pension paid to date of death	£12428.20	Lump sum death benefit payable to nominee	£8421.80	5 X pension in payment at date of death	£51714.45	Less retirement lump sum	£30000.00	Less pension paid to date of death	£21748.83	Lump sum death benefit payable to nominee	-£34.38 (nothing payable)
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H M Revenue and Customs Form D6

You may be required to complete Form D6 by H M Revenue and Customs in order to assess any liability for Inheritance Tax. A guide to the answers needed in relation to this scheme is shown below:

#1. Question 1 may always be answered **No**. There is no provision in the Civil Service pension scheme for payments to continue beyond the member's death. (Any payment beyond the death is an overpayment that will need to be returned by the personal representatives.)

#2. If there is a lump sum death benefit payable, details will be shown on the letter issued to you. If the member has received a lump sum death benefit, the answer to the question is **Yes**, but you would need to support this answer with the following commentary.

"As payment of the lump sum death benefit from the Civil Service pension scheme is discretionary the payment does not form part of the member's estate."

#3. Question 3 may always be answered **No**.

#4. Question 4 may always be answered **No**.

#5. Question 5 may always be answered **No**. The Civil Service Pension Scheme is not 'alternatively secured'.

#6. Not applicable, due to answering No to Question 5.

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#7. Question 7 may always be answered **No**, as the Civil Service Pension Scheme is not 'unsecured'.

#8. Not applicable, due to answering No to Question 7.