Chapter 27: House of Commons Staff Pension Schemes

1. About this Chapter

1.1 This chapter provides general information about the pension schemes for House of Commons staff.

1.2 The former House of Commons Staff Pension Scheme (HOCSPS) became part of the Civil Service Pension Scheme Arrangements (CSPS) on 1 April 2014. A new Civil Service pension scheme was introduced for the majority of staff on 1 April 2015. For further information please see CSPS website.

1.3 The information set out in this chapter represents a summary of the CSPS. Please note that in any case of conflict, the prevailing rules of the pension scheme will take precedence over the contents of this Staff Handbook.

The rules of the CSPS can be found on the CSPS website.

1.4 If you have any questions, please put them to the House of Commons Staff Pension Section or the pension administrators, MyCSP (administrators of the CSPS). Contact details are at the end of this chapter.

2. Schemes Available and Automatic Enrolment

2.1 There are six pension schemes available:

**Defined Benefit Schemes**

- **Alpha**: for staff who joined on or after 1 April 2015 and who do not have a reserved right to join one of the other schemes; and current staff who did not have the right to remain in the scheme they were enrolled into prior to 1 April 2015
- **Nuvos**: for staff who joined on or after 30 July 2007 and before 1 April 2015
- **Premium**: for staff who joined on or after 1 October 2002, and before 30 July 2007; also for staff in service before 1 October 2002 and who opted to join this scheme from this date
- **Classic**: for staff in service before 1 October 2002
- **Classic Plus**: for staff in service before 1 October 2002 who opted to join this scheme from this date

**Defined Contribution Scheme**

- **Partnership Scheme**: offered as an alternative option to the Premium scheme for staff who joined between 1 October 2002 and 29 July 2007, the Nuvos scheme for staff who joined between 30 July 2007 and 31 March 2015 and the Alpha scheme for staff who joined after 1 April 2015.

2.2 These schemes offer equal access to spouses and partners of either sex (including same-sex couples) as well as benefits for members. Please refer to paragraph 4.13 below.
2.3 For an outline of the schemes available and to whom please contact the House of Commons Staff Pension Section.

2.4 All new employees who have a contract with, and are paid directly on a PAYE basis, by the House of Commons are entered automatically into the CSPS. This applies regardless of the length of the contract and complies with the automatic enrolment provisions of the Pensions Act 2008, operational from 1 August 2013. New staff will receive a starter pack explaining that they may, if they wish, opt out of the CSPS or join the Partnership scheme instead.

2.5 Since 1 August 2013 the House of Commons has been legally obliged to re-enrol any existing staff who are not in the pension scheme. The House must repeat this at three-yearly intervals and in some specific cases, earlier. If you are not in the pension scheme you will receive a letter explaining that you have been enrolled and that you may opt out or join the Partnership scheme instead.

3. The Pension Schemes (Defined Benefit)

Please refer to the CSPS website for details of all the schemes, or contact MyCSP.

4. Features of the Schemes (Defined Benefit)

4.1 There are some common features, but the provisions, benefits and details of those features vary from scheme to scheme. The following is an outline-only guide; please refer to the guides on the CSPS website for further and current details, or contact the Staff Pension Section.

Contributions

4.2 Your contribution rate will be a percentage of your pensionable earnings and will increase as your salary and any permanent pensionable allowances increase. This percentage is deducted from all your pensionable earnings, not just permanent earnings unless you are a member of the Classic scheme. This is your contribution towards all the benefits in the scheme. You receive tax relief on your contribution, so the net cost to you is less. Your pensionable earnings consist of your basic salary, plus any other pensionable payments. The cost to the House of Commons is also salary related and is determined by the Cabinet Office. The rate the House pays on your behalf varies according to the cost of providing benefits for the CSPS as a whole.

Pension

4.3 Your pension will build up in line with your length of service and/or your pensionable earnings depending on the rules of your scheme. Please refer to the relevant guide on the CSPS website for details and worked examples, or consult the Staff Pension Section or MyCSP.

Lump sum

4.4 The schemes contain the option to take a tax-free lump sum on retirement, subject to the scheme rules and limits. Please refer to the relevant guide on the CSPS website for details and worked examples, or consult the Staff Pension Section or MyCSP.

Pension Increase

4.5 There is provision within each scheme for increases linked to price inflation once your pension comes into payment. Please refer to the relevant guide on the CSPS website for details or consult the Staff Pension Section or MyCSP.
Scheme Pension Age

4.6 This is the age at which you become eligible to receive the full pension you have built up without any reduction for early payment, and differs from scheme to scheme:

- Alpha: the scheme age is your state pension age
- Nuvos: the scheme pension age is 65
- Premium: the scheme pension age is 60
- Classic: the scheme pension age is 60
- Classic Plus: the scheme pension age is 60

4.7 This refers only to pension entitlement and does not amount to a “retirement age.” The House of Commons Service does not have a retirement age for its employees. Please see chapter 26 of this Handbook for further details and paragraph 4.9 below on retirement after scheme pension age.

Early retirement

4.8 The schemes have provision for you to retire before you reach the scheme pension age; for further details such as earliest retirement ages, please refer to the relevant guide on the CSPS website or contact the Staff Pension Section or MyCSP. If you were to retire before scheme pension age, your benefits would permanently be reduced to take into account the likelihood of your pension being in payment over a longer period.

Retirement after scheme pension age

4.9 Please see the details for your particular scheme, as some contain an upper limit for the number of years of pensionable service.

Ill-health retirement

4.10 The schemes provide for ill-health pensions which are payable at any age. Ill health retirement is subject to the fulfilment of medical criteria.

Please see chapter 26 for further details on ill-health retirement.

Death

4.11 The schemes feature benefits for dependents or other nominees, in the event of your death in service, or after leaving the scheme. These benefits are subject to service conditions and vary in provision from scheme to scheme; you should refer to the relevant guide on the CSPS website for your scheme or consult the Staff Pension Section or MyCSP for further details.

4.12 You should complete a nomination of death benefit form. You can download this from the CSPS website forms page or obtain one from the Staff Pension Section or MyCSP. Please send your completed form to the Staff Pension Section. If you were to die without having made a nomination, any lump sums would be paid to your estate and may be subject to inheritance tax.

Partners

4.13 If you are not married or in a civil partnership, but nevertheless live with someone as your partner, you may be able to nominate them to receive a pension (except for the Classic scheme which will only pay benefits to your partner if you are married or in a civil partnership). You should download a partner declaration form from the CSPS website or obtain one from the Staff Pension Section or...
MyCSP. Please send your completed form to the Staff Pension Section. Your partner will not receive a pension after your death if you have not completed a partner declaration form.

**Boosting your pension**

4.14 You can top up your pension by any or all of the following methods, subject to contribution limits laid down by HMRC:

- added pension
- Effective Pension Age (EPA) for members of Alpha
- Money Purchase Civil Service Additional Voluntary Contributions Scheme (CSAVCS)
- the CSPS’s designated stakeholder pension scheme with Standard Life
- your own savings arrangements, including stakeholder pensions

4.15 Added pension may be purchased either on a monthly basis or by lump sum. The amount a fixed sum will buy depends on your age and current interest rates

4.16 EPA may be purchased either on a monthly basis or by lump sum. The number of years bought depends on your state pension age and the amount of your contribution.

4.17 The CSAVC Scheme gives you the opportunity to make additional contributions under a money purchase arrangement to secure additional pension. Please contact the Staff Pension Section or MyCSP for details. These benefits are in addition to those you receive under the CSPS.

4.18 Further information, booklets on these top-up methods and calculators are available on the Member Calculators page MyCSP.

4.19 If you are interested in buying added pension, EPA or AVCs, you should contact MyCSP or the Staff Pension Section.

**Note:** Before 29 February 2008 it was possible to buy added years of service. If you have an added years contract, you should put any enquiries about it to MyCSP.

**5. Partnership Scheme (Defined Contribution) and its features**

5.1 The following is an outline-only guide. Please refer to the Members Partnership Guide for further and current details, including worked examples and tables, or contact MyCSP.

5.2 Partnership is a money purchase stakeholder scheme, also known as a defined contribution scheme. It is available as an alternative to Premium, Nuvos and Alpha. You have a choice of two pension providers: Scottish Widows and Standard Life.

**Contributions**

5.3 The House of Commons will pay age–related contributions for you and the amounts vary according to your age at each 1 April. The contributions range from 8% at age 21 to 14.75% at age 46 and over and will apply regardless of whether you make your own contributions.

5.4 If you do opt to contribute, the House of Commons will also match your contributions up to 3% of your pensionable earnings. You receive tax relief on your contribution, so the net cost to you is less. You can pay up to 100% of your pensionable earnings into your pension. Your pensionable earnings consist of your basic salary, plus any other pensionable allowances.
5.5 The contributions are paid into your chosen provider, who invests them on your behalf. Each provider offers a range of investment funds, including a ‘default’ and ‘lifestyle’ option where the funds are selected for you.

**Pension**

5.6 The amount of your pension on retirement depends on:

- the amount of money that you and the House of Commons contribute
- the investment returns on the invested contributions
- the amount of any lump sum you take
- the type of pension you choose
- annuity rates at retirement

You decide on retirement whether you want a pension for yourself only, or if you wish to also provide a pension for your spouse, civil partner or partner after death.

**Lump sum**

5.7 You can usually choose to take up to 25% of your pension fund as a tax-free lump sum.

**Pension increase**

5.8 You can choose to have a pension that will increase in payment for the rest of your life or one that is paid at a flat rate.

**Retirement**

5.9 You can draw your Partnership pension at any time between the ages of 55 and 75. You do not have to cease working at the House of Commons to take your Partnership pension benefits.

**Ill-health retirement**

5.10 An ill-health lump sum may be payable before age 60, subject to the medical adviser agreeing that you cannot do your job because your health has broken down permanently. It may also be possible to draw your pension early, but your pension is likely to be reduced because of early payment. If you are so ill that you have a shorter life expectancy, your pension provider may take this into account when calculating your pension.

5.11 Please see [chapter 26](#) for further details on ill-health retirement.

**Death**

5.12 The scheme gives the option for you to provide an income for your dependents in the event of your death. Please refer to the guide on the [CSPS website](#) for details or contact the Staff Pension Section.

**Boosting your pension**

5.13 Since 6 April 2006, it is possible for anyone to contribute to one or more stakeholder or personal pension schemes, regardless of earnings, and in addition to their employer’s pension scheme. You may contribute up to 100% of your earnings towards your pension benefits or £3,600 if lower. You may also pay more into your Partnership pension. However, please refer to the [CSPS website](#) regarding Annual Allowance.
6. State Pension

6.1 Prior to April 2016 the State Pension had two parts: Basic and State Second Pension (S2P). Membership of CSPS (except for Partnership) gave entitlement to Basic only, but members paid reduced “contracted out” National Insurance contributions. Members of Partnership built up rights in S2P as well as Basic, but paid higher National Insurance contributions. For further information please see Working State Pension.

6.2 The CSPS had to guarantee that the pension paid in respect of service from 6 April 1978 to 5 April 1997 will be at least equivalent to the pension foregone by being contracted out of the S2P. This pension is known as the Guaranteed Minimum Pension (GMP) and must be paid at State Pension Age, or within five years of SPA. The GMP forms part of the CSPS pension. For service after 6 April 1997 the CSPS must provide a pension that is at least as good as the State Second Pension foregone.

6.3 From 6 April 2016, contracted out pension schemes no longer exist as the new single tier state pension has been introduced. This means that all employees regardless of whether they are in the pension scheme or not will pay contracted in National Insurance contributions.

7. Annual Benefit Statements

7.1 Members of Classic, Classic Plus, Premium, Nuvos and Alpha receive annual benefit statements each year from MyCSP. Annual benefit statements are sent to home addresses. If you move house it is important for you to update HAIS or notify Payroll Services. Change in marital status may also have an impact on your pension benefits, so you should similarly ensure your personal details are updated if you marry or register a civil partnership, or divorce or dissolve a civil partnership.

7.2 If you think your statement is incorrect, please contact the Staff Pension Section or MyCSP.

7.3 If you are in the Partnership scheme, you will receive annual benefit statements each year from your chosen provider. You should raise any queries directly with your provider.

8. Transfer of Pension Benefits

8.1 If you have pension benefits with a previous employer or in a personal pension plan that you are considering transferring into the CSPS, please note the following transfer time limits:

- **All schemes**: transfer in of public sector club benefits (for example Local Government Pension Scheme) – you must request the transfer within 12 months of joining the House of Commons
- **All schemes except Nuvos and Alpha**: transfer in of non-club pension benefits from a previous employer’s (occupational) scheme – you may request the transfer up to one year before pension age 60. This includes transfers from schemes in the public sector transfer club, which are outside the 12-month limit.
- **Nuvos and Alpha**: all transfers in – you must request the transfer within 12 months of joining the pension scheme and the transfer must be accepted by you within 12 months of joining.

8.2 If you previously worked and built up pension benefits in the Civil Service, you are a ‘rejoiner’. You will be given different options about what you wish to do with your previous CSPS benefits, including joining your two periods of service together. You should also note that if your CSPS pension is in payment, abatement may apply (see paragraph 11).

8.3 Please contact MyCSP if you wish to transfer any pension benefits.
9. Previous membership of public sector pension schemes

9.1 All staff must complete a pension questionnaire before starting work with the House of Commons, so that previous members of any public sector pension scheme can be identified.

9.2 Rejoiners should contact the Staff Pension Section or MyCSP.

10. Re-employment after taking a pension

10.1 This section applies to you if you worked previously for the House of Commons or an employer participating in the CSPS and joined the House after 1 April 2014, and have received any of the following:

- a pension (this includes only receiving a lump sum) or
- an annual compensation payment (ACP) or
- a compulsory early severance (CES) package that included a reserved rights ‘top up’ payment

Note: ACP and CES were benefits that were paid prior to 2010 under the previous compensation scheme.

10.2 If any of the above applies to you, your pension may be subject to abatement upon re-employment. Abatement is the reduction or suspension of your pension if you are re-employed and your pension plus salary when you left your previous employment exceed your new re-employed salary.

10.3 Abatement is fully explained in the booklet ‘What is Abatement’ on the CSPS Pensions website. If you require further guidance please contact the Staff Pension Section.

10.4 You are responsible for notifying the House of Commons, by completing the form given to you during the recruitment process, if you are a re-employed pensioner, so that a check may be done to see whether or not abatement applies in your case. Failure to do this may mean an overpayment of pension which will later have to be recovered.

11. Opting Out of the Scheme

11.1 As a new employee you will be automatically entered into the CSPS under the Automatic Enrolment provisions. You may opt out of the CSPS but you should seek independent financial advice before doing so.

12. Injury Benefits

12.1 The Civil Service injury benefit scheme provides for injury benefits to be paid to bring your income up to a guaranteed level if you are injured or killed while on duty. It may be paid to you or your dependants. The injury benefits scheme rules set out who can receive the benefits and the level of the guaranteed income.

12.2 If you would like further details on the injury benefit scheme please refer to the guide on the CSPS website or contact MyCSP.
13. Internal Dispute Resolution Procedure

13.1 If you have a problem with your benefit entitlement, the best way to resolve it is to discuss it with the Staff Pension Section, or to telephone MyCSP. If you are a union member you may also contact your Trade Union Representative for assistance.

13.2 House Trade Unions have regular meetings with the Staff Pension Section to discuss general pension issues. Other meetings on concerns relating to an individual or a specific group of staff may also take place. If, however, matters cannot be sorted out in that way, you may use the formal complaints procedure, known as internal dispute resolution (IDR). Please contact the Staff Pension Section for details of this. If you are a Trade Union member you may also contact your Trade Union Representative for details and assistance with this procedure. Please contact the Trade Union Side Administrator, who will be able to advise you of contact details for representatives (extension 5611, email: tusa@parliament.uk).

14. Useful Addresses and Contact Details

**People and Culture**

**Staff Pension Section**
House of Commons
London SW1A 0AA
Phone: 0207 219/2656/1588/4839
Email: PensionsHOCstaff@parliament.uk.

**MyCSP**  
(Please quote your National Insurance number when contacting MyCSP)  
MyCSP Ltd  
PO Box 2017  
Liverpool L69 32BU  
Phone: 0300 123 6666  
Email: contactcentrec@mycsp.co.uk

**Pension pages on the Parliamentary Intranet**  
http://intranet.parliament.uk/finances/pensions/commons-staff-pensions/

**Civil Service Pensions website**  
http://www.civilservice.gov.uk/pensions

**Department for Work and Pensions website**  
http://www.dwp.gov.uk

**The Pensions Advisory Service**  
http://www.pensionsadvisoryservice.org.uk/

**Trade Union Side Administrator (TUSA)**  
For further details on Trade Union Representatives  
ext. 5611 or tusa@parliament.uk