

# 2011

UNISON

Pensions Unit [pensionsm@unison.co.uk](mailto:pensionsm@unison.co.uk)



## [WOMEN AND PENSIONS GUIDE]

This is an interim version of a guide specific to the pension issues facing women specifically for National Delegate Conference

# **WOMEN AND PENSIONS**

## **INTRODUCTION**

The aim of this booklet is to help women understand more about the structure of the pension system as historically its women who reach retirement age with insufficient pension savings and hence as a union with a very significant female membership we regard it as vitally important that women across the union have a basic understanding of pensions and the specific pension issues that are relevant to women. This could not be more important given UNISON's current Protect our Pensions Campaign in response to the many threats that currently face public service pension schemes.

This guide is an interim version aimed at increasing understanding and a more comprehensive version will be distributed as the full scale of the Coalition Government's pension reforms becomes clearer and are implemented.

The Prudential's Class of 2011 Survey revealed some very scary findings, most strikingly that 1 in 5 of those who retire today have no pension savings and have to rely on the State to provide for them in retirement. Of direct relevance to women is that this is skewed to the detriment of women. 28% of women reaching retirement today have to rely on state sponsored assistance in contrast to 10% of men.

It is clear therefore that women in particular are facing a pensions shortfall and this urgently needs to be addressed.

## **SAVINGS PRIORITIES**

The amount people save is the single most significant factor in producing income in retirement. A considerable number of women with children under the age of five do not work or work fewer hours. Consequently, women suffer as they usually start saving later in life. As a general rule, every pound you put away in your 20's is worth two in your 30's and four in your 40's.

Research highlights the barriers preventing women from saving. 78% say that they have little or no disposable income to enable them to save for retirement. This is coupled with the fact that savings will not generate sufficient income in retirement. Those that save regularly use methods such as instant access or regular saving schemes.

The implications of these and other factors become evident when one looks at the Government's own statistics; income for women is so low that 65% are reliant on the Pension Credit. (Out of the 1.3 million women eligible for Pension Credit, a third don't even claim it).

## STEPS TO UNDERSTANDING

### The Basic State Pension

The Basic State Pension is sometimes called “universal” but it is only paid to those who have contributed towards it. To get the full Basic State Pension you will need to pay sufficient National Insurance Contributions for a minimum of 30 years.

The full Basic State Pension is currently £102.15 a week. The way the Basic State Pension is increased each year has changed. After decades of campaigning by the TUC and Pensioner groups the pension increases will in future be based on the greater of increases in the average earnings, 2.5% or increases in prices. The increase is based on how earnings and prices have changed over 12 months meaning the September inflation figure determines the April increases. It then takes 6 months to implement the increase from next April.

So, for example, at April 2011 the change in the Retail Price Index (RPI) for September 2010 was 4.6% which was far higher than the increases in average earnings and higher than the minimum 2.5%, so the increase this year will be 4.6%.

The Government has announced that from April 2012 changes in prices will be based on another index called the Consumer Prices Index (CPI). This is calculated another way and doesn't take account of housing costs and interest rates so it is usually far lower. If it has been used for the 2011 increase the Basic State Pension would have gone up by just 3.1% - a third less!

UNISON is opposed to the change from RPI to CPI and you can get further details from our briefings on the pension website – see:

<http://www.unison.org.uk/acrobat/19736.pdf>

<http://www.unison.org.uk/acrobat/19737.pdf>

Currently, anyone of State Pension Age can decide to defer drawing their state pension, whether they are working or retired. In return, the rate of pension is increased until it is eventually drawn. The Pensions Act 2004 enhances the increase so that the rate of interest will be 10.4% a year and there is no limit to the number of years you can defer. In addition, a deferred state pension can be taken as a lump sum. For most, this will be tax free and have no effect on means tested benefits, such as the Pension Credit.

Prior to 1977, a married woman could opt to pay a “reduced rate” of National Insurance Contributions (NIC). On the retirement of her husband, a woman would be able to receive a Basic State Pension of £61.20 a week. Once the decision to pay lower rate NIC is made, it remains in force, unless a request is made to pay the full rate. There are additional components if your income is low and further information is available from the Department for Work and Pensions.

The Pension Service aims to send out pension application forms four months before an individual's State Pension Age. If this does not happen then you should get in touch with The Pension Service and tell them that you want to make a claim. There is a website: [www.direct.gov.uk](http://www.direct.gov.uk) which allows you to do this online, or you can fill in a form over the phone: 0800 731 7898

### **National Insurance Shortfalls**

A person's working life starts in the tax year of her/his 16<sup>th</sup> birthday. National Insurance records count from this date until a person reaches State Pension Age.

Employees pay Class 1 National Insurance Contributions (NIC) through the PAYE system and accrue state pension entitlements. Earnings fall between two thresholds, known as the Upper and Lower Earnings Limits (UEL/LEL). These contributions are collected on earnings above the LEL (which is currently £102 per week) and below the UEL ( which is currently £817 per week). If you do not earn more than the LEL in any one year, you will not qualify for Basic State Pension for that year, even if you have paid NIC for part of the year.

A reduced Basic State Pension can be paid if individuals have at least paid minimum National Insurance Contributions. It is generally possible to only pay back six years of National Insurance Contributions (NIC) in order to enhance a Basic State Pension record. However, it can be possible to go as far back as 12 years and interested parties should check their position directly with the National Insurance Contributions Office, which they can do by calling 0845 302 1479 or by going to [www.hmrc.gov.uk/nic](http://www.hmrc.gov.uk/nic)

### **Home Responsibilities Protection (HRP)**

Since 1978, a protection called Home Responsibilities Protection (HRP) has existed to help to safeguard the pensions of those taking time away from employment to look after their family which has now been replaced by a new credit system of carers credits set out below.

### **National Insurance Credits**

The Basic State Pension (BSP) is based on the number of qualifying years you have on your National Insurance contribution record. Those qualifying years are made up of years you may have paid NI contributions through employment and been credited with having paid NI contributions through certain State Benefits.

## **Eligibility**

The following are circumstances where you may be credited with having paid NI contributions:

- You are incapable of working because of illness or disability
- You are receiving Carer's Allowance
- You are getting Working Tax Credit
- You are getting Statutory Maternity Pay
- You are getting Statutory Adoption Pay
- You are employed and available for, and actively seeking work
- You are doing Jury Service
- You have served a prison sentence for a conviction, which was subsequently quashed

## **Carers' Credits**

On 6 April 2010, a new credit system was introduced to replace Home Responsibilities Protection (HRP). Each whole year of credit built up will go towards your BSP.

If you reach your State Pension Age (SPA) on or after 6 April 2010, you will build up credits for whole years that you:

- Are a foster carer
- Care for one or more severely disabled persons for 20 hours a week or more; or
- Get Child Benefit for a child under 12 years of age

Any whole years of HRP that you may have built up before 6 April 2010 (up to a maximum of 22) will be converted into a qualifying year for the BSP.

This credit is not available if you reached your SPA before 6 April 2010. You may have been entitled to HRP instead.

## **Auto-Credits For Men**

This is relevant for those women that claim a BSP based on their husbands NIC's. Since April 1983, men with no liability to pay Class 1 or 2 NI contributions, have been credited automatically for the tax year they reach 60 and the four following years, provided they are not absent from the UK for more than six months.

These Auto-Credits for men will be phased out between April 2010 and April 2019 in accordance with the following table. The proposal to extend the Auto-Credits scheme to women has been rescinded.

<b>Date of Birth</b>	<b>Auto-Credit Entitlement</b>
On or before 5 Oct 1950	5 years
6 Oct 1950 to 5 Oct 1951	4 years
6 Oct 1951 to 5 Oct 1952	3 years
6 Oct 1952 to 5 Oct 1953	2 years
6 Oct 1953 to Oct 1954	1 year
On and after 6 Oct 1954	Nil

You cannot get automatic credits for any tax year when:

- You spend more than 182 days outside the UK
- You have to pay National Insurance Contributions as an employed or self-employed person; or
- You are entitled to another credit, for example Incapacity Benefit or Employment and Support Allowance

### **Credits For Young People**

Young people with no liability to pay Class 1 or 2 contributions can also get credits automatically for the tax year in which they reach 16 and the two following years.

You will also be treated as paying National Insurance contributions if you are working and earning between £102 and £139 a week from a single employer, although you will not actually have to pay anything.

## **State Second Pension that the government calls S2P**

The government pays in addition an earnings related pension on top of the Basic State Pension (BSP) for those who are not in an employer's pension scheme that is contracted-out of the S2P. For example both the NHS Pension Scheme (NHSPS) and the Local Government Pension Scheme (LGPS) and most other pension schemes that our members belong to are contracted-out so the amount of benefit the member would have got from S2P forms part of the pension they get from their employer's pension scheme.

Until April 2002, it was known as SERPS (State Earnings Related Pension Scheme) and depended solely on the National Insurance Contributions (NICs) you paid as an employee.

From 6 April 2002, SERPS was reformed to provide a more generous additional pension for low and moderate earners, carers and people with a long-term illness or disability. The reformed SERPS, now known as S2P is based upon earnings on which standard rate Class 1 NICs are paid or treated as having been paid.

S2P provides a top-up to the BSP not just based on your actual pay but also 'deemed earnings' if you fall into one of the groups mentioned above. All employees with qualifying earnings have to contribute towards the S2P unless they make alternative arrangements by contributing to an occupational or personal pension scheme which is contracted-out of S2P.

## **Graduated Retirement Benefit**

This was the forerunner to SERPS and the amount of pension earned depends on the number of units of graduated contributions you paid between April 1961 and April 1975 and the value of the unit at the time you come to claim your pension.

## **State Pension Age**

The State Pension Age (SPA) for women has been steadily rising since April 2010 at a rate of one month for every two months post April 2010 meaning that the current State Pension Age for women is broadly 60 ½ (May). Originally the SPA was going to be equalised at age 65 by April 2020 but now the Coalition Government has moved the goalposts meaning that the rate of increase will be speeded up so that by November 2018 the SPA will be equalised at 65 and from April 2020 the SPA for both men and women will be 66. Under existing legislation it will increase to 67 between April 2034 and 2036 and 68 between 2044 and 2046.

The Government has brought forward the timetable for equalising the SPA for men and women as stated below. Dates are grouped in one-month periods. If you were born towards the end of one of these periods, you will have a slightly younger pension age than someone born at the beginning

### **Proposed Changes for Women**

<b>Date of Birth</b>	<b>Date State Pension age reached</b>
6 April 1953 to 5 May 1953	6 July 2016
6 May 1953 to 5 June 1953	6 November 2016
6 June 1953 to 5 July 1953	6 March 2017
6 July 1953 to 5 August 1953	6 July 2017
6 September 1953 to 5 October 1953	6 March 2018 your 65 <sup>th</sup> birthday
6 October 1953 to 5 November 1953	6 July 2018
6 November 1953 to 5 December 1953	6 November 2018
6 December 1953 to 5 January 1954	6 March 2019
6 January 1954 to 5 February 1954	6 July 2019
6 February 1954 to 5 March 1954	6 November 2019
6 March 1954 to 5 April 1954	6 March 2020
6 April 1954 to 5 April 1960	Your 66 <sup>th</sup> birthday

Further information on State Pension Age and on State Pension forecast can be found at [www.direct.gov.uk](http://www.direct.gov.uk)

**Please note that if you are a woman born between December 1953 and October 1954 you are particularly being penalised as a result of these changes and will effectively lose 18 months of state pension income. 300,000 women are predicted to be affected and furthermore, 33,000 women will lose out on 24 months state pension income they would otherwise have received had the Coalition Government not changed the State Pension Age equalisation timetable.**

**What can you do? If affected lobby your local Member of Parliament to support Early Day Motion 1402 which seeks to overturn this change and as of 5 May had 135 signatories.**

### **State Pensions and Divorce**

If you divorce before reaching State Pension Age and have gaps in National Insurance Contributions (NIC), the record of your ex-spouse will be used to fill in these gaps. If you remarry before reaching State Pension Age, you will lose these credits.

If you divorce after State Pension Age and are receiving only the married woman's pension, you may be able to use these rules to get additional pension by using your ex-spouse's contribution record.

### **Death Benefits**

The Pensions Advisory Service have a State Death Benefit Factsheet which summarises the State Benefits payable to a spouse or civil partner in the event of your death. See [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk).

### **Pension Credit**

There are two different types of Pension Credit. Guarantee Credit is for those who have reached the minimum qualifying age. Savings Credit is for those aged 65 or over.

## **Guarantee Credit**

If you are living in Great Britain and have reached the minimum qualifying age, which is the female State Pension Age, you may be entitled to the Guarantee Credit. This guarantees a minimum income by topping up your weekly income to:

- £137.35 if you are single
- £209.70 if you have a partner

These amounts may be more if you are disabled, have caring responsibilities or certain housing costs, such as mortgage interest payments. The age from which you can get the Guarantee Credit – the qualifying age – is gradually increasing in line with increases in the women's State Pension Age.

While you must have reached the qualifying age, you can still claim if your partner is under the qualifying age. If you or your partner are both over the qualifying age, either one of you can apply.

'Partner' is used to refer to:

- Your husband
- Your wife
- Your civil partner
- The person you live with as if they were your husband, wife or civil partner

## **Age 65 or over – Saving Credit**

If you are aged 65 or over and living in Great Britain you may be entitled to Savings Credit. You may get the Savings Credit on its own or with the Guarantee Credit. You may be entitled to Savings Credit if you:

- Are aged 65 or over
- Have some provision towards your retirement such as savings or a second pension

If you have a partner, at least one of you must be 65 or over to get the Savings Credit.

The Savings Credit can be up to:

- £20.52 per week if you are single
- £27.09 per week if you have a partner

You may still get the Savings Credit even if the money you have coming in is up to about:

- £188 per week if you are single
- £277 per week if you have a partner

These amounts may be more if you are disabled, have caring responsibilities or certain housing costs such as mortgage interest payments.

### **Get a Pension Credit Estimate**

Directgov has an online Pension Credit Calculator which is quick and easy to use and will tell you how much Pension Credit you might get. You can use this by going to [www.direct.gov.uk](http://www.direct.gov.uk)

### **Applying for Pension Credit by Telephone**

The quickest and simplest way to apply for Pension Credit is to call The Pension Service on 0800 99 1234 or textphone 0800 169 0133. Lines are open 8.00am to 8.00pm Monday to Friday and 9.00am to 1.00pm on Saturdays.

When you phone, you will need the following information:

- Your National Insurance number
- Information about your savings, investments and income
- Details of the account into which you would like any Pension Credit payments to be paid

An adviser will help you apply for Pension Credit and let you know what happens next.

The Pension Service can also help you apply for Housing Benefit and Council Tax at the same time as your application for Pension Credit.

## OTHER TYPES OF PENSION PROVISIONS

### Employers Pension Scheme

Most public sector workers will have access to good quality pension schemes. Schemes such as the Local Government Pension Scheme and NHS Pension Schemes are currently final salary based, meaning that in most cases your benefits will be based on your pensionable earnings near to when you retire and the longer you work the greater your pension benefits will be.

- You can get more information on the Local Government Pension Scheme (LGPS) by going to [www.lgps.org.uk](http://www.lgps.org.uk)
- You can get more information on NHS Pension Scheme (NHSPS) by going to [www.nhsbsa.nsh.uk](http://www.nhsbsa.nsh.uk)

### Changes to Employer Pension Schemes

Increasingly, companies have reduced their pension scheme benefits by closing final salary schemes – either completely or to new members. For many younger employees the chance of joining a final salary scheme is becoming rare. Private sector employers now argue against providing final salary schemes, offering cheaper inferior alternatives instead. The usual replacement is what is called a money purchase or defined contribution scheme. This is where no benefit is known or guaranteed and depends entirely on the investment return on the money paid in during membership and how much the money in the fund will buy for the member when they retire. This is favourable to the employer as it allows costs to be capped but for the employee the benefit is dependent upon a series of unknowns, meaning that employees bear all the risk. Even worse the employer contribution to a money purchase scheme is commonly much less than to a good scheme like a final salary scheme and is often derisory.

There are alternatives to closing a final salary scheme. Some companies have reduced costs by cutting final salary pension scheme benefits. Others have reduced the rate at which the final salary builds up, the accrual rate. Lord Hutton's Independent Public Service Pensions Commission has reviewed public service pensions and made recommendations to the Government which include moving to a Career Average Revalued Earnings (CARE) scheme by the end of the current parliament. It is therefore vital that UNISON members join our campaign to protect our pensions – <http://www.unison.org.uk/pensions/protectour.asp>.

## **Personal Pensions**

These are money purchase arrangements where the benefits at retirement depend directly on the amount of money invested, investment performance and the rate at which you convert your pension pot into a pension at retirement (known as an annuity rate).

These pensions cannot be claimed until at least age 55.

Personal pensions are generally covered by equal treatment laws, so annuity rates for women have been historically less favourable than those for men as insurance companies justify this differential by citing women's longer life expectancy. This should change from December 2012 however following a European Court of Justice ruling which deemed this practice to be discriminatory.

More information on personal pensions can be obtained by going to [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk).

## **Stakeholder Pensions**

By law, all employers with five or more employees must offer access to a stakeholder pension if they do not have a pension scheme to which they contribute at least 3% of basic pay. A stakeholder pension is a type of money purchase scheme where monthly contributions are invested by a pension provider for a duration chosen by the individual. Contributions can be as low as £20 per stipulated payment period.

There are minimum standards that make a stakeholder pension unique. For example, the maximum Annual Management Charge is 1.5% of the value of the fund for the first 10 years of the policy and 1% thereafter. There is no additional charge for transferring to another provider.

## **Annuity Pension**

In the case of all defined contribution pension schemes members have to utilise their funds to buy a pension which is called an annuity. Annuity rates are linked to how long people are expected to live and as people are generally living longer annuity rates have effectively halved in the last 20 years. UNISON has serious concerns about whether personal stakeholder or any money purchase scheme will provide anything like adequate benefits in retirement.

## **Buying Additional Pension**

Members have a number of options to purchase extra pension if they can afford it. Members can pay additional voluntary contributions over and above their normal scheme contributions as long as the overall contribution does not exceed 100% of their earnings.

- More information on LGPS options can be viewed by going to [www.lgps.org.uk](http://www.lgps.org.uk)
- More information on NHSPS additional pension options can be obtained by going to [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

## **Divorce**

If you are going through a divorce and you and your ex-spouse are looking at dividing your assets, the Court is required to take your pension rights into account.

Through the Court, a divorcing couple can choose to:

- Balance the pension rights against another asset, such as the matrimonial home (this is known as Pension Offsetting); or
- Arrange that when one party's pension eventually comes into payment, a portion of it will be paid to the other partner (this is known as pension earmarking); or
- Split the pension at the time of the divorce to give both parties their own pension pot for the future (this is known as pension sharing).

Generally speaking, you will need to know what you and your former spouse's pensions are approximately worth. This will mean that both of you will need to ask your pension providers for valuations of your own pension pots. Your former spouse will not have any right to know what your pension value is without your consent.

You will also need to understand the implications of each of the three methods of taking pension rights into account in a divorce settlement.

## **Pension Offsetting**

All the couple's assets are taken into account and pension benefits are offset against other assets (e.g. the matrimonial home). The party with the pension rights keeps them for him,/herself and the other party is given the benefit of other assets, such as the right to live in the matrimonial home.

It can be difficult to achieve a fair share of a couple's total assets by offsetting a pension pot against other assets. This may be because pension pot is by far greater in value. Also pension values tend to fluctuate more than, say, property values. If it turns out to be difficult to achieve offsetting, one or other of the alternative bases is then likely to be used.

## **Earmarking**

Pension Earmarking was introduced by the 1995 Pensions Act, for divorce petitions filed on or after 1 July 1996 ( 19 August 1996 in Scotland).

The pension scheme , on instruction from the Court, pays a specified amount of the member's pension and / or lump sum (in England, Wales & Northern Ireland) or a specified amount of the member's lump sum only (in Scotland) to the ex-spouse. The amount is specified at the time of the divorce but as with all periodical payment orders, either party can apply to the Court to have the amount varied. The payment is made when the spouse with the pension pot retires, say, or when they die.

Earmarking has not proved entirely satisfactorily in practice, as it does not achieve a "clean break" and does not enable the ex-spouse to receive retirement income until the spouse with the pension pot retires. An additional drawback is that if the Divorce Order is for the *regular payment of a pension*, those payments will stop when the spouse with the pension pot dies or if the party receiving the earmarked pension remarries (for reference, the right to a lump sum under an Earmarking Divorce Order does not stop on remarriage).

## **Pension Sharing**

The Welfare Reform & Pensions Act 1999 gave powers to the Court to split pension rights between husband and wife on divorce. This legislation is not retrospective and only applies to proceedings for divorce or annulment filed on or after 1 December 2000.

The basic concept is to separate the ex-spouse's benefit entitlement (as specified in the Court Order) from the pension scheme member's, so that there is a "clean break". A Pension Sharing Order is issued that creates a pension credit Member (the ex-spouse) and a Pension Debit Member (the member).

The Pension Credit is based on the member's Cash Equivalent Transfer Value (CETV). The Credit will be a percentage of the CETV, not a fixed sum of money. The CETV is calculated as of the day before the Pension Sharing Order takes effect, so it can be higher or lower than the value disclosed at the start of the divorce proceedings. The Pension Sharing Order takes effect from "the date on which the Decree Absolute of

Divorce or nullity is pronounced or if later, either (a) 21 days from the date of this Order, unless an appeal has been lodged in time, in which case (b) the effective date of the Order determining that appeal”.

## **Maternity Leave**

### **Impact on those Final Salary & Career Average Pension Schemes**

Any **paid** maternity leave must be treated as pensionable service. Benefits are based on the salary before going on maternity leave (this includes any Death in Service benefit). Employee contributions are based on actual pay, whilst the employer must pay a contribution based on the salary the employee would have received had they not gone on maternity leave. This includes the right to pay to any increase that would have occurred.

Any **unpaid** maternity leave which follows a period of paid maternity leave does not count as pensionable service. However employment before and after the break must be treated as continuous.

In some schemes, the employee can make up any unpaid leave by way of extra contributions. In some generous occupational money purchase schemes, as long as she returns from maternity leave and remains in the scheme for a set period of time, the employer makes up any missed contribution.

### **Impact on those in Money Purchase, Personal & Stakeholder Schemes**

A woman on **paid** maternity leave will continue to pay contributions. The rate will apply to the amount of pay actually received.

If the employer normally contributes to the plan, they will still be required to continue contributing during paid maternity leave. These contributions will be based on the pay the employee would have received had she not gone on maternity leave. In schemes where the rules state that the employer will match the employee's contribution, the employer must still contribute at the level the employee would normally pay and not what she is actually paying during her maternity leave.

Any death benefits payable under the scheme must be based on the same benefits as would have been paid had the employee been working normally.

During a period of **unpaid** maternity leave, neither the employee nor the employer will be expected to contribute. The employee may, if she chooses, pay contributions during this period but the employer will have a duty to contribute (unless their contract of employment states otherwise).

### **Tracing Pension Rights**

If you have paid into a pension scheme but have lost contact with the scheme, you may be able to trace your benefits with the assistance provided by the Pension Tracing Services. This service is free and you can submit a tracing request by going to [www.direct.gov.uk](http://www.direct.gov.uk).

### **Pension Transfers**

If you have pension benefits left behind with a previous employer you may be able to transfer these into your current employer's pension scheme. If this potentially interests you, read UNISON's Pension Transfer Factsheet – [www.unison.co.uk/pensions](http://www.unison.co.uk/pensions).

## **PENSIONS AND PART-TIME WORKERS**

### **The Background**

The European Court of Justice (ECJ) ruled in 1994 that it was unlawful for pension schemes to discriminate against part-time employees by denying them access to pension scheme. The fundamental problem with this ruling was the lack of any remedy – most notably the issue of retrospectiveness.

The law was later clarified so that contributions would be payable by the employee with the balance of cost being paid by the employer.

Many UNISON members have found themselves faced with the choice of buying back additional service, or leaving things untouched. The choice is a difficult one, with many personal considerations: affordability, age at point of buy back; number of years available to purchase, S2P (former SERPS) entitlement and whether there will be loss of state benefits, such as guaranteed income or pension credit.

No one can make the decision whether to buy back or not on behalf of another person. It is a matter for each individual to decide.

In order to make an informed choice the claimant must:

- Obtain a State Pension Forecast
- Ensure that they have a statement of benefits, illustrating entitlement before and after buy-back.
- For those who have retired, or who are due to retire in the next few years, read the leaflet on pensions credit

The Pension Service published a guide entitled Backdating Membership of an Employer Pension Scheme which anyone in receipt of a part-time pension settlement should read – see: [www.direct.gov.uk](http://www.direct.gov.uk)

## **Pensions & Tax**

The simple rule is effectively that pension contributions are income tax relievably but can be taxed when in receipt. Members can however elect to claim up to 25% of their pension benefit value in the form of tax-free cash.

## **Cashing-in pensions (“Triviality”)**

Members with very small pensions may be able to cash these in if aged between 60 & 75. The rules however are very complex and anyone between 60 & 75 whom feels their pensions to be very small should check the “triviality” rules by going to [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk).

## **Directory of Useful Contacts:**

### **Directgov**

The central website for all state pension information.

[www.direct.gov.uk](http://www.direct.gov.uk)

### **Pensions Ombudsman**

Independently investigates members complaints and disputes about employers pension schemes and personal/stakeholder pension schemes free of charge. The decisions are binding on all parties and cannot be challenged other than on a point of law.

[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk) or 0207 630 2200

### **The Pensions Advisory Service (TPAS)**

An independent non-profit organisation that provides free information, advice and complaint resolution services across all aspects of pensions.

[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk) or 0845 601 2923

### **The Pensions Regulator (TPR)**

Established by Parliament TPR is the UK's regulator of work-based pension schemes and can investigate complaints concerning the running of work based pension schemes.

[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk) or 0870 606 3636

### **UNISON's Pensions Unit**

UNISON's pension specialists working to defend good pension schemes and member pension rights

[www.unison.co.uk/pensions](http://www.unison.co.uk/pensions) or 020 7121 5406

If you require further information or wish to join UNISON:call UNISONdirect 0845 355 0845.

. Alternatively visit UNISON's website [www.unison.org.uk](http://www.unison.org.uk)