

# United Kingdom Atomic Energy Authority Pension Schemes



**Pensioner's Booklet**



**United Kingdom Atomic Energy Authority  
Pension Schemes (the Schemes)**

**Pensioner's Booklet**

Version 4

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## ➤ **Introduction**

This booklet has been devised to provide information to the Schemes' pensioners and their families. However, it does not form part of the Schemes or affect the interpretation of the Rules.

If you change your address or your bank or building society account please complete the form in this booklet, or the form attached to your payslip. Please forward the completed form to UKAEA, Pensions Administration Office, Brownhill Lodge, Thurso, Caithness KW14 7BA.

## ➤ **How to contact the Pensions Administration Office, Thurso**

You can write to the following address:-

Pensions Administration Office  
UKAEA  
Brownhill Lodge  
Thurso  
Caithness KW14 7BA

We have a telephone Helpline on:- 01847 804440

Our facsimile number is:- 01847 893446

Our dedicated e:mail address is:- [pensions@ukaea.co.uk](mailto:pensions@ukaea.co.uk)

## ➤ **UKAEA Pensions Website**

For members with internet access useful information can be obtained from the schemes' website at the following address:-

[www.uk-atomic-energy-pensions.org.uk](http://www.uk-atomic-energy-pensions.org.uk)



## ➤ Notification of change of address/ bank or building society

Please complete the appropriate section if you have changed your address or bank/ building society and return this form to UKAEA, Pensions Administration Office, Brownhill Lodge, Thurso, Caithness KW14 7BA.

<p>Please change my bank/ building society details with effect from ___/___/___ to:</p> <p>ACCOUNT NO: _____</p> <p>SORT CODE: _____</p> <p>BLDG SOC REF NO: _____</p> <p>BANK NAME: _____</p> <p>BANK ADDRESS: _____          _____          _____</p>	<p>Please note that with effect from ___/___/___ my new address will be: _____</p> <p>ADDRESS: _____          _____          _____          _____</p> <p>COUNTY: _____</p> <p>POST CODE: _____</p> <p>PENSION REFERENCE: _____</p>
<p>PENSION REFERENCE: _____</p> <p>NAME: _____</p> <p>SIGNED: _____</p> <p>DATE: ___/___/___</p>	<p>NAME: _____</p> <p>SIGNED: _____</p> <p>DATE: ___/___/___</p>

UKAEA operates in accordance with the Data Protection principles. The above information will enable the Pensions Administration Office, Thurso to pay your pension.

The information may be processed on the Pensions Administration Office computer system.



## ➤ **Tax Queries**

If you have any queries regarding the tax on your pension, you should contact the Inland Revenue office at the following address quoting the reference number 961/930210X and your own personal National Insurance number:-

HM Inspector of Taxes  
Centre 1, East Kilbride  
Glasgow  
G79 1AA

Telephone number: 01355 275000

or telephone the Call Centre on 0845 0703 703 (local rate) from 8 a.m. to 8 p.m. Monday to Friday.

The Pensions Administration Office, Thurso must deduct tax from your pension in accordance with the tax code supplied by H M Inspector of Taxes.

## ➤ **Payment of Pensions**

Pensions are paid monthly in arrears directly into your bank or building society account on the last working day of the month except during December, when payment may be made earlier.

## ➤ **Payslips**

A payslip will be sent when your pension is first paid. Thereafter a payslip will normally only be sent to you when there is a change in your net pay of more than £1 except in April and May of each year when you will receive a payslip detailing the amount of the pensions increase.

You will receive a P60 for tax purposes normally after the end of April each year.

## ➤ **Living Abroad**

If you live abroad your pension payments can be paid directly to banks overseas using the Worldlink Payment Services. This payment method eliminates the need to pay through intermediate bank branches in the United Kingdom thus reducing any incurring bank charges.

Please contact the Pensions Administration Office, Thurso for a leaflet regarding the Worldlink Payment Service. To claim UK tax exemption you should write to the following address:-

Financial Intermediaries and Claims Office  
Fitz Roy House  
PO Box 46  
Nottingham  
NG2 1BD

Telephone number: 0115 974 2127

## ➤ **Refund of Family Benefit Contributions**

Unmarried members can receive a refund of family benefit contributions in respect of service **prior** to April 1978 (for men) and April 1988 (for women) assuming that they were unmarried during that period. These contributions can be refunded in full (plus interest) at the time of retirement as there is no liability to pay a contingent widow(er)'s pension in respect of this service. Civil Partner Benefits are normally based on service from April 6th 1988 and family benefit contributions are refunded as appropriate.

Service after 5 April 1978 (for men) and **after** 5 April 1988 (for women) carries a liability for payment of a post retirement widow(er)'s pension and the family benefit contributions paid in respect of this service for members who are unmarried at retirement will also be refunded at that time. However, from the refund of family benefit contributions in respect of this service an insurance type one-off premium will be deducted from the refunded contributions to cover the cost of providing a pension to the widow/widower of a post retirement marriage.

The premium is 30% of the annual value of the Schemes' widow's/widower's pension.

## ➤ **Guaranteed Minimum Pension (GMP)**

It may be helpful to provide some information regarding the (GMP). Since April 1978 the state retirement pension has been made up of two parts:

- the basic pension
- the additional pension

(also known as the State Earnings Related Pension Scheme or SERPS.

The Second State Pension (S2P) replaced SERPS with effect from 6 April 2002)

The basic pension is based on the individual's national insurance contribution record and is paid by the Department of Work and Pensions (formerly the DSS). The Second State Pension (S2P) is based on an individual's earnings.

An occupational pension scheme can contract its membership out of the Second State Pension (S2P). Members who are contracted-out of the Second State Pension (S2P) pay lower National Insurance contributions.

The minimum level of pension which the pension schemes are liable to provide for pensionable service before 6 April 1997 is called the Guaranteed Minimum Pension (GMP).

From April 1997 the pension schemes are contracted-out of the Second State Pension (S2P) by means of an overall quality test known as the Reference Scheme Test. The pension schemes must pay benefits at least as good as those available under the Reference Scheme to remain contracted-out.

The GMP is paid as part of the pension benefit in the pension schemes not as a separate benefit.

## ➤ **Post Retirement Marriages**

Legislation requires all public service occupational pension schemes, like the schemes, to pay a widow's, widower's or civil partner pension when a member dies and leaves a widow, widower or civil partner irrespective of when the marriage or civil partnership took place. This only applies in respect of pensionable service on or after 6 April 1978 (men) or 6 April 1988 (women). Benefits for Civil Partners are normally based on service since 6 April 1988. This aspect of the scheme is often misunderstood, so if it applies to you please make sure your spouse is aware of the implications. Therefore widows or widowers of pensioners, who marry after they retire, will be entitled to a widow's or widower's pension based only on the reckonable service since 6 April 1978 (men) or 6 April 1988 (women).

## ➤ **Cessation of Benefits on Remarriage or Cohabitation**

A widow's, widower's or civil partner pension is normally only paid from the Scheme while the pensioner does not remarry, enter into another civil partnership or live with another person as man or wife (cohabitation). Please ensure that you inform the Pensions Administration Office, Thurso of any change in marital status, or of cohabitation. Although the pension is then stopped, it may be brought back into payment if the new relationship comes to an end.

## ➤ **Divorce**

The Courts have powers to take account of an individual's pension benefits in divorce settlements in one of two ways. They can make an earmarking order or a pension sharing order.

If you would like an information leaflet about the affect of divorce on pensions, please contact your Local Pensions Officer or the Pensions Administration Office at Thurso.

## ➤ **Children's Pensions**

In the event of a member's death, children's pensions may be payable. Normally the pension would be payable to the children of the deceased. However, there is provision in the pension scheme rules for children's pensions to be paid to certain children that are related to and who were financially dependent upon the member prior to his death. Children's pensions are payable to children under 17 years of age. A child's pension may continue after age 17 provided the child is in full time education or, in certain circumstances, undergoing full time training for a trade or a profession, and is under age 23. It is a requirement of the Scheme that

children's pensions in payment beyond the age of 17 are reviewed annually and a certificate confirming continued entitlement is obtained and sent to the Pensions Administration Office, Thurso.

In practice the pension payments in respect of young children are paid to the member's widow/widower or the child's guardian. In respect of older children, who have their own bank accounts, the pension payments are made directly to the child.

Each child's pension is treated separately and when each child that receives a pension completes their full time education or ceases to be eligible the Pensions Administration Office at Thurso should be told immediately to avoid the need to recover overpayments.

### ➤ **Life Certificates**

You may be asked to provide evidence that you are still entitled to receive your pension by being asked to complete a Certificate confirming continued eligibility to receive a Scheme pension. The Pensions Administration Office, Thurso will contact you if you are required to complete a Life Certificate.

### ➤ **Internal Disputes Resolution Procedure (IDR)**

There will be occasions when you have a query about the benefits you receive. The first step to resolve a query is to contact the Pensions Administration Office, Thurso, and in the majority of cases they will be able to clarify the position quickly. But where this cannot be achieved the Scheme has in place a formal complaints procedure known as Internal Disputes Resolution Procedure (IDR).

Any scheme member (including pensioners), who has a complaint about the pension schemes, has the right to be given a full written explanation under IDR. Complainants, dissatisfied with the explanation given, can appeal for it to be reviewed by the UKAEA Pensions Manager.

In the pension schemes, the Manager, Pensions Administration Office, Thurso gives the initial (first stage) Notice of Decision. All reviews (second stage decisions) are made by the UKAEA Pensions Manager. All relevant papers are looked at and expert legal, actuarial and medical advice is taken as appropriate. A copy of the full procedure is available from the Pensions Administration Office on request.

The Pensions Advisory Service (TPAS) can be contacted to assist you or your beneficiary with any pensions query you may have. In the event of a dispute or

disagreement with the pension schemes administrators they can be consulted before, or at any time while a dispute or disagreement is being dealt with under the United Kingdom Atomic Energy Authority own Internal Disputes Resolution Procedure. TPAS is located at 11 Belgrave Road, London SW1V 1RB

The Pensions Ombudsman is available to investigate and determine any complaint alleging injustice in consequence of maladministration in connection with any act or omission on the part of the administrators of the scheme. The Pensions Ombudsman will expect the United Kingdom Atomic Energy Authority and the TPAS to have been approached before he will investigate any complaint himself. The Pensions Ombudsman can be contacted at 11 Belgrave Road, London SW1V 1RB.

## ➤ **Additional Voluntary Contributions Scheme**

If you are a member of the Group Additional Voluntary Contribution Scheme with the Prudential and you retire on premature retirement grounds with an immediate pension you can take up to 25% of the fund as tax free cash. The remainder of the fund must be used to purchase an annuity.

Before the annuity can be set up the Prudential need to have received all of the contributions that have been deducted from your pay - depending on your date of retirement, there may be a delay of up to four weeks before the Prudential receive your final payment to the AVC Scheme, and they are able to send you details of the main options available.

At the time you retire if you have decided to defer the payments from the AVC Scheme you will need to contact the Pensions Administration Office, Thurso when you wish the payments to commence. Please note that deferment is not allowed beyond age 75.

There is provision in the AVC Scheme to purchase an annuity on the open market; using your AVC fund to purchase an annuity with an alternative company to the Prudential, UKAEA's Group AVC Scheme provider. You may wish to consider seeking financial advice before purchasing an annuity including whether to take an open market option.

If you wish to take advantage of the State Scheme Spreading Option (SSSO), which provides for a temporary annuity payable until State Pension Age the maximum age of deferment would be one year prior to reaching State Pension Age (i.e. presently deferment beyond the 59th birthday for women and the 64th birthday for men is not

allowed). The SSSO allows you to use part or all of your fund under the Group AVC arrangement to buy a temporary pension equal to the value of either the married or single person's State basic pension (depending on whether or not you are married when you retire) – or such lesser amount as your AVC fund will secure. Normally the amount of the annuity under the SSSO is fixed at the time you purchase an annuity, unless you specifically ask for an escalating annuity.

The AVC Scheme annuities do not normally increase once in payment unless of course you have selected an escalating annuity. United Kingdom Atomic Energy Authority

## ➤ **Purchasing Added Years on Early Retirement**

If you retire on grounds of premature retirement and have 5 or more years qualifying service it may be possible to purchase Added Years from lump sum compensation payments.

If you would like any further information about this option you should contact your Local Pensions contact.

## ➤ **Shift Pay Pension Savings Plan**

If you retire early, and in receipt of an immediate pension from the main pension schemes, you will normally receive your benefits under the Plan.

You can take up to 25% of the fund as tax free cash, the remainder of the fund must be used to purchase an annuity.

## ➤ **Abatement**

If you are considering taking up employment with another public service organisation you should mention to your prospective employer that you are receiving a United Kingdom Atomic Energy Authority pension. Within the public service there is an abatement rule, the aggregate of the individual's new salary and their pension payments from a public service pension scheme should not exceed their pre-retirement salary. However, the rules are complex and this will not be the case in all public service organisations, but it is advisable to check the position before agreeing to take up the appointment.

## ➤ Pensions Increase

Each year the Government announces its intention to increase public service scheme pensions in April in line with the increase in retail prices in the twelve months to September of the previous year. The increases have to be formally confirmed by an Order laid before Parliament. The increase takes effect during April and you will receive a payslip indicating the amount for part of the month of April. You will then receive a payslip during May indicating a full month's worth of the pensions increase for the current year.

Pension increases are applied to all United Kingdom Atomic Energy Authority pensions where the pensioner is aged 55 or over. Pensioners who are below age 55 and who are in receipt of widow's, widower's, civil partner, children's or invalidity pensions or who retired on grounds of ill health also receive pensions increase.

When members leave employment and receive premature retirement terms with immediate pension benefits, increases are also applied to those over age 55. If you receive a pension below age 55 pensions increase are not applied until age 55.

If you receive a pension and are receiving pensions increase for the first time because you have reached age 55, in addition to the percentage increase, your pension will be increased by any previous pensions increase which have accrued since the date your pension began to be paid.

If your pension from the schemes started during the year prior to the increase, your pension will be increased by one twelfth of the percentage increase for each completed month in the period between the start date of the pension and the date of the increase.

Depending on when your pensionable service occurred, the pension increase may be partly paid for by the Department of Work and Pensions (formerly the DSS) and partly by the Schemes. If your pension is based wholly or partly on service between 6 April 1978 and 5 April 1997, then your UKAEA scheme pension may include a guaranteed minimum amount to cover this period when the Schemes was contracted out of the State Second Pension (S2P). This amount is called the Guaranteed Minimum Pension (GMP), and for public service scheme pensions such as those under the Schemes the pension increases on GMPs earned up to and including 5 April 1988, will be paid by the Department of Work and Pensions. However, the Schemes is required to increase any GMPs earned from 6 April 1988 until 5 April 1997 (when GMPs ceased to accrue) by the lower of inflation or 3 per cent. Pensions Increase above 3 per cent will normally be paid by the Department of Work and Pensions. Pensions increase paid by the Department of Work and Pensions on the

guaranteed minimum pension are paid with your State Retirement Pension, State widow's, widower's, or invalidity pension and not with your scheme pension. Any pensions increase due on the balance of your pension will be paid by the Pensions Administration Office, Thurso. The total amount of pensions increase will add up to the total percentage increase, but may be paid from two different sources, the Department of Work and Pensions and PAO Thurso.

## ➤ **Modification of Pension**

Between March 1948, (when compulsory national insurance arrangements were introduced) and April 1980, benefits from public service pension schemes were slightly reduced (modified) to take account of the fact that a State pension would be received at retirement age in addition to the occupational scheme benefits. Members of staff who were in pensionable employment before 1 March 1948 were generally not affected by the introduction of the "modification" provision and therefore do not have their pension benefits from the Schemes reduced.

When you reach State retirement age, 60 for women and 65 for men, your pension may be slightly reduced to take account of **modification** of pension in respect of service occurring up to 31 March 1980. The reduction is compulsory whether or not you are drawing the State Pension. For further information you should approach the Pensions Administration Office (PAO), Thurso.

### **Reduction of contributions**

In order to make up for receiving a slightly reduced pension, contributions to the scheme during employment up to 31 March 1980 were also reduced, at the rate of 5p less a week for men (22p a month) and 6p less a week for women (25p a month).

### **Termination of modification**

Since 1 April 1980 public service pension schemes are no longer subject to modification. This means that scheme pensions will be reduced from age 65 for men and age 60 for women only in respect of service occurring up to 31 March 1980. The reduction in pension contributions no longer applies after 1 April 1980 and contributions are deducted at the full rate.

### **Who is affected by modification**

Depending on your date of entry to pensionable employment you will be affected by modification as follows:

**(i) Entry before 1 March 1948 or by Civil Service Reconstruction Competition.**

There will be no reduction of your pension benefits unless in 1948, you elected to be a modified contributor

**(ii) Entry between 1 March 1948 and 31 March 1980.**

You will have paid reduced contributions up until 31 March 1980. Your annual pension will be reduced, from age 65 for men and age 60 for women, by an amount not exceeding £1.70 for each year of service before 1 April 1980 and proportionately for a part year. Any added years being purchased or any enhancement of service awarded are ignored for the calculation. For example, a male member entering pensionable employment on 1 April 1950 at age 19 would have his annual pension reduced, from age 65, by (30 x £1.70) or £51 per annum.

**(iii) Entry on or after 1st April 1980**

Full contributions are payable and there is no reduction of pension benefits at State retirement age. If you entered the Schemes on or after 1 April 1980 bringing a transfer value from another scheme, the whole of your service credit granted in the Schemes will be unmodified even though the pension arising under the previous scheme may have been modified. This may cause a slight reduction of your back service credit.

## **The Graduated Pension Scheme**

In general, most scheme members did not participate in the National Insurance Graduated Pension Scheme which came to an end with effect from 6 April 1975 and therefore their scheme benefits are unaffected. Those few who did participate will have their scheme pensions reduced correspondingly by a small amount if the amount of Graduated Pension earned is more than £5.20 per year.

## **➤ Inverse Commutation**

You may be able to give up all or part of your pension scheme lump sum to increase your own pension and that of your spouse. This is known as inverse commutation.

Inverse commutation may apply to:

- **benefits payable at retirement**
- **premature retirement benefits involving payment of a pension**

- preserved benefits payable at retirement age or those brought into payment early, except on medical grounds

You cannot make an option if you are retiring early on medical grounds.

You cannot make an option once the pension has come into payment.

If you would like any further information about this option you should contact your Local Pensions contact or the Pensions Administration Office, Thurso.

## ➤ **Useful Addresses**

Pensions Administration Office, UKAEA  
Brownhill Lodge, Thurso  
Caithness  
KW14 7BA

We have a telephone Helpline on 01847 804440

Our facsimile number is 01847 893446

Our dedicated e:mail address is [Pensions@ukaea.co.uk](mailto:Pensions@ukaea.co.uk)

HM Inspector of Taxes  
Centre 1, East Kilbride  
Glasgow  
G79 1AA

The Pensions Advisory Service (TPAS)  
11 Belgrave Road  
London  
SW1V 1RB

Pensions Ombudsman  
11 Belgrave Road  
London  
SW1V 1RB

## ➤ **Information for your next of kin**

Entitlement to your pension ceases on your death. It cannot pass to any other person. You should ensure that your next of kin or another representative is aware that in the event of your death they should contact the Pensions Administration Office, Thurso immediately to avoid an overpayment of pension. Your bank should also be notified immediately, so that they are aware that no further pension payments to you can be accepted.

Once the death has been registered a copy of the death certificate should be forwarded to the Pensions Administration Office, Thurso. They will then be able to ensure that any widow(er)'s or civil partner benefits are paid promptly. Your widow(er) or civil partner will receive a pension for life or until remarriage, or entering into another civil partnership or cohabitation.

For the first three months the payment will be at the rate equal to your own pension, followed by an annual pension normally at least half the rate of your own. A minimum value of 5 years worth of pension is payable. This means that, if you die shortly after retirement and the total pension benefit paid to you including the lump sum is less than 5 years worth of pension, then a supplementary lump sum equal to the difference will be paid. This does not affect entitlement to a widow(er)'s pension.

If your marriage took place after your retirement, your widow's pension will be based on Scheme service after 6 April 1978 (or 6 April 1988 for a widower's pension) or the date of entry to the Scheme, if later. Civil partners benefits are normally based on service since 6 April 1988.

## ➤ **Auditing the Schemes Payroll**

The pension schemes participate in an initiative by the Audit Commission under which the pensioner payroll is compared with national computer systems to confirm continued entitlement. In the event of the death of a pensioner the Pensions Administration Office should be notified immediately.







