



Welcome

to The **Ministerial** Pension Scheme (CARE Section)

Following your appointment as a Minister or Office Holder (as specified by the Rules of the Scheme), you have automatically been entered into the Ministerial Pension Scheme. If you are an MP, you may also be a member of the MPs' Pension scheme. You can opt out of either scheme independently of each other should you wish. Please note, this information applies to your CARE benefits only. You may also have benefits built up in the former Ministerial Pension Scheme and your benefits in respect of that section will differ from those in this guide.



Benefits at a glance...

Your membership of the Ministerial Pension Scheme (the Scheme) not only provides you with a pension for life, but offers other valuable benefits for you and your dependants. These include:

During your service as a Minister:

- a discretionary lump sum if you die while contributing to the Scheme
- pension benefits for your dependant(s) if you die while contributing
- options to retire earlier or later than the Scheme's Normal Retirement Age
- tax relief on your contributions
- a balance of costs of your pension benefits met by the Exchequer
- the ability to proactively increase your pension benefits
- the option to transfer previous pension benefits into the Scheme
- provisions for early retirement due to ill-health

When you retire:

- a pension for life
- the option of a tax-free cash sum and a reduced pension for life
- a pension for your dependant(s) when you die
- annual increases to your pension

Opt out

You are free to opt out of the Scheme at any time. However, you can only re-join at your next appointment.



Getting the most from your membership

It is important you understand how the Scheme works so you can plan for the future.

The Ministerial Pension Scheme is a CARE (career-average revalued earnings) Scheme. This means your pension is calculated based on accumulating proportions of your pensionable earnings over each year of your Scheme membership. Each year's membership is worth 1.775% of your pensionable earnings during that year.

Your pension payments are deducted from your salary before tax and National Insurance are calculated, making it a tax-efficient way to save, and the Exchequer also makes contributions. You contribute 11.1% of your pensionable salary and the Exchequer meets the balance of the cost of providing your retirement benefits.

Each year, while you are contributing to the Scheme, you will receive a Benefit Statement, estimating your Scheme benefits at Normal Retirement Age. Use your Benefit Statement to see if your savings are meeting your expectations. If not, you may want to consider saving more through options such as Added Pension or Additional Voluntary Contributions.

Make your wishes known

Your Scheme membership includes a discretionary lump-sum payment to your beneficiaries if you die before claiming your benefits.

It is very important to complete a Death benefit nomination form to inform the Trustees who you would like your beneficiaries to be and what percentage of the lump sum you would like them each to receive.

Please note, you only have to complete one form in respect of all your PCPF benefits.

You can nominate an individual or several people, clubs or organisations, and/or charities.

If you have already completed a form, you need to ensure it is up to date. You may wish to review it every couple of years to make sure it still reflects your current wishes.

You can download a Death benefit nomination form from the website, **www.myPCPFpension.co.uk**, or request one from the Scheme administrator, RPMI, on **0845 555 3377** (calls cost 5p per minute plus your phone company's access charge) or by emailing **PCPF@rpm.co.uk**.



About the Trustees

The Scheme is one part of the Parliamentary Contributory Pension Fund (PCPF). It is managed by the Trustees in line with the Scheme Rules and any relevant pensions legislation.

There are ten Trustees: eight member-nominated Trustees, one appointed by the Independent Parliamentary Standards Authority (IPSA) and another by the Minister for the Civil Service.

The Trustees hold regular meetings throughout the year to administer the Scheme in line with the Rules. The Trustees are assisted by staff in the Pensions Unit, House of Commons, to act as Secretariat and RPMI as the administrator.

Please contact either the Secretariat or RPMI if you have any questions about your pension. Contact information for both can be found on the back page.



Saving more

If you would like to proactively increase your pension benefits, there are a number of options available to you as a member.

Added Pension

You can buy additional pension credits to increase your retirement benefits. You may only apply to buy this extra pension once a year, either in April or within one month of joining the Scheme.

Effective Pension Age

You can pay additional contributions to the Scheme to reduce your Normal Retirement Age (NRA) by up to three years (as long as this does not take your NRA below the age of 65). You may only apply to do this once a year, either in April or within one month of joining the Scheme.

Additional Voluntary Contributions (AVCs)

These extra contributions are used to build up a separate fund for your retirement. You choose how much to pay (subject to limitations), which funds to invest in and when to start/stop your contributions.

You can find more information on these options in your Member guide. You may want to seek independent financial advice before making any decisions.

Tax limits

Your normal contributions to the Ministerial Pension Scheme will receive tax relief. However, there are a number of tax limits which may be relevant to your membership of the Scheme.

Annual Allowance (AA)

HMRC limits the amount of tax-free pension savings you can make each tax year across all of your pension arrangements (excluding the State Pension). This is called the Annual Allowance. If you exceed the limit, you are responsible for reporting the information to HMRC under the tax self-assessment process. In this Scheme (excluding any AVCs), the AA is the amount you have increased the value of your pension in any tax year. The current Annual Allowance rate can be found at www.gov.uk/hmrc

Information about how much AA you have used in the Scheme will be included on the annual Benefit Statement you will be sent each summer.

Lifetime Allowance (LTA)

This is the HMRC limit on the total amount you can save in all of your pension arrangements (excluding the State Pension) over your lifetime without paying an additional tax

charge. The current LTA rate can be found at www.gov.uk/hmrc. It is your responsibility to notify RPMI of any other pensions you are receiving when you apply for your Scheme benefits.

If you have been automatically entered into the Scheme and already have pension savings close to the LTA, you may wish to opt out of the Scheme to avoid being taxed on any excess savings. You should consider seeking independent financial advice if this affects you. You can find details of independent advisers at www.unbiased.co.uk.

There are various tax protections relating to the LTA for which you may have applied (or may wish to apply). These include Enhanced Protection, Primary Protection, Fixed Protection and Individual Protection. If you believe that any of these apply to you, it is extremely important that you notify the Scheme administrator as soon as possible. If you are unsure as to whether you may wish to apply for tax protections, you should seek independent financial advice.

Please note: tax limits change from time to time. More information on the taxation of pension contributions and benefits and up-to-date tax limits can be found online at www.gov.uk/hmrc or by calling the Scheme administrator, RPMI, on **0845 555 3377** (calls cost 5p per minute plus your phone company's access charge).



Pension transfers

If you have previously built up benefits in another UK registered pension scheme, you may wish to transfer these into the Ministerial Pension Scheme to buy additional pension.

There are various restrictions on the ability to transfer benefits into the Scheme. If you are interested in transferring benefits into the Scheme, please contact the Scheme administrator, RPMI, on **0845 555 3377** (calls cost 5p per minute plus your phone company's access charge) for more information.

Transferring your pension out

If, in future, you leave the Scheme and do not wish to leave your benefits deferred within it, you can apply to transfer them to another UK registered pension arrangement or to a qualifying recognised overseas pension scheme arrangement.

You can find more information in your Member guide.

Pension checklist

If you want to manage your membership effectively, here are a few things to consider...

- Have you completed your Death benefit nomination form and told the Trustees who you would like your beneficiaries to be?**
- Would you like to proactively increase your pension benefits?** You may be able to do so through options such as Added Pension and Additional Voluntary Contributions (check your Member guide for details of time limits that may apply).
- Do you understand how the Scheme works and its Rules?** You can read your Member guide to learn more.
- Are you periodically checking the website, www.myPCPFpension.co.uk, for Scheme updates and other information?**
- Have you kept your contact details up to date?** If you change address, please notify the Scheme administrator, RPMI.

Find more online

It is never too early to start planning for your future.

The website, **www.myPCPFpension.co.uk**, has a wide range of information to help you understand your options and benefits as a member.

You'll find:

- a copy of your Member guide
- forms to manage and make any changes you require
- answers to frequently asked questions, and
- news updates about the Scheme and pensions in general

The website is a useful resource that is available to you 24/7. It is compatible with mobiles and tablets, too, so you have information at your fingertips, even when you are on the go.

Visit **www.myPCPFpension.co.uk**.





About this guide

We have tried to make sure that the information in this guide is as accurate as possible. The Rules are a legal document that sets out all the details about the Scheme. If there is any difference between what this guide says and what the Rules say, or any applicable legislation, we will have to follow the Rules and the applicable legislation.

Keep in touch...

It is important to keep the Scheme administrator, RPMI, informed of any changes to your contact details.

Write to

PCPF Administration Team
RPMI
PO Box 193
Darlington
DL1 9FP

Email

PCPF@rpmico.uk

Telephone

0845 555 3377

(calls cost 5p per minute plus your phone company's access charge)

Website

www.myPCPFpension.co.uk

If you require a meeting to discuss your pension, please contact:

PCPF Secretariat
Pensions Unit
House of Commons
London
SW1A 0AA

Telephone 020 7219 2106

Fax 020 7219 2554

Text relay 18001 7219 2106

Email pensionsmp@parliament.uk