

User Guide - Options for staff over 50 (or 55 for those who joined after 6th April 2006) in PCSPS schemes

If you are over age 50 (or 55) and you have been selected for early release you will have to choose one of the following compensation options:

1. Take the compensation payment and preserve your pension for payment at normal pension age (usually 60 or 65);
2. Take the compensation payment and draw your accrued pension, reduced for early payment;
3. Surrender your compensation payment in exchange for immediate payment of unreduced pension.

1. Take the compensation payment and preserve your Pension for payment at normal pension age (usually 60 or 65);

You can use the Voluntary Exit Compensation Calculator to get a broad estimate of the value of the compensation payment sum that will be paid to you.

For this option your accrued pension benefits will be preserved until pension age and adjusted in line with the cumulative movement in prices between the preservation of the award and the date the pension is put into payment. The Consumer Price Index (CPI) will be used for this purpose.

2. Take the compensation payment and draw your accrued pension, reduced for early payment

You can use the Voluntary Exit Compensation Calculator to get a broad estimate of the value of the compensation lump sum that will be paid to you.

The Cabinet Office has provided an Actuarial Reduction Buy-out Calculator which can be used to calculate the amount that your accrued benefits will be reduced because it is being paid early. In order to use this calculator you will need to have the following information, some of which is on your Annual Pension Statement:

Calculator Field	Guidance Notes
Name	Optional field
Date of Birth	Required field in the format dd/mm/yyyy
Planned Retirement Date	This should be your Proposed Last day of Service in the format dd/mm/yyyy
Unreduced pension at planned retirement date	This figure can be taken from your latest Annual Pension Statement from the section “Your pension headlines - what have you built up so far?”
Unreduced lump sum at planned retirement date	This figure can be taken from your latest Annual Pension Statement from the section “Your pension headlines - what have you built up so far?”

3. Surrender your compensation payment in exchange for immediate payment of unreduced pension.

At the date of your departure you may choose to surrender your compensation payment in favour of the immediate payment of your unreduced pension and pension lump sum. This will be based on the pension benefits that you have accrued up to your Last day of service. You can get an indication of the amount of pension that you will receive from your latest Annual Pension Statement but you will be provided with written valuation of your compensation payment from PPPA before you are required to accept the Department's offer.

Summary of Options

Option	Compensation Payment	Pension
1	Yes	Preserved until normal retirement age
2	Yes	Immediate Pension and Lump sum reduced for early payment
3	No	Immediate payment of unreduced accrued pension and pension lump sum*

*PCSPS Classic scheme only. Members of other PCSPS schemes will need to convert pension to obtain a lump sum.