



Leaving the Scheme before Retirement

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Introduction

The information contained in this booklet is provided to help guide you through the retirement process and explain how your benefits are calculated. However these notes are for guidance only and cannot be treated as a statement of law.

This guide cannot cover every personal circumstance of all members. In the event of any dispute over pension benefits, the appropriate legislation will prevail as this booklet does not confer any contractual or statutory rights and is provided for information purposes only. We hope you find the information useful and if you have any queries please do not hesitate to contact the Public Employees' Pension Team. Details of how to contact us can be found at the end of this booklet.

This guide applies to former Government of Jersey and Admitted Body employees (see back page for further information on Admitted Body's) who have decided to retain their pension benefits within the Public Employees Pension Fund until they qualify to draw their pension. As a member of this group you have become under the Scheme terminology a '**Deferred Pensioner or Deferred Member**'.

The leaving Process

When leaving employment you would have been advised of the pension options available to you and their value. To select what you would like to do with your pension benefits you will need to complete the online form available on www.gov.je/yourpension on the page called 'Retiring from or leaving a public service pension scheme'. If you have benefits in both the Final Salary Scheme and the Career Average Scheme the option that you select will apply to both sets of benefits.

The value of your options are calculated in accordance with the Scheme Regulations applicable to you.

The estimate will be based on information in the Pension System which will be checked to Payroll and Human Resources records. If you are an Admitted Body employee, your estimate will be based on salary and other contractual conditions provided by your employer. In the event that our data is incomplete, where for example the Pensions Team receives late notification of a change in hours or a change in salary, your benefit estimate may need to be recalculated.

Keeping you and us informed

It may be some time before you are eligible to draw your pension and therefore, it is important that you are kept updated about increases in its value through annual indexation. We will also need to contact you shortly before your pension first becomes due in order to explain the options available to you. We cannot do this if we are not advised of any change in your contact details (whether email or home address) so please ensure we are promptly advised.

In February / March each year we aim to provide you with a deferred benefit statement and in June/July a copy of the Annual Newsletter which highlights the main issues affecting the Pension Fund.



If you are a deferred pensioner under the Final Salary Scheme who first joined the Scheme on or after 01 January 2006 or a deferred member of the Career Average Scheme, you should be aware that a reduction will be made to your pension for each year the pension is taken before Normal Retiring Age.

The reduction applied will be cost neutral to the fund and will be provided by the Scheme Actuary at retirement. Cost neutral will mean that there is not gain or loss to the fund for taking payment of your deferred pension early.

When we write to you to confirm that your pension will shortly become payable, we will confirm the annual pension, as well as the amount and date of the first payment, which often includes payment for a part month. If you have commuted a part of your pension into a tax-free lump sum we will also confirm payment details.

You will need to advise in writing the bank or building society account we should make payment to. **You are reminded that if you move or leave the Island you must notify the Pensions Team and the Comptroller of Income Tax of your new address.**

In accordance with local tax legislation when your pension is in payment we are required to deduct Income Tax at the Standard Rate with effect from the date you leave Jersey. This deduction will continue until we are notified by the Comptroller of an alternative rate to apply. It is therefore in your interest to resolve any tax matters at the earliest opportunity.

How will my pension be paid?

When it becomes payable, your pension will be paid monthly and directly into your bank or building society account on the last banking day of the month, except December when it will normally be paid the week before Christmas.

You will not receive a monthly pay slip. Instead you will receive an annual letter confirming the amount of pension you have received and any tax deducted in the year ending 31 December.

Please note. We can only pay the pension in your bank account and a pension benefit can only be paid into the bank account of the member to whom the benefit relates.

Your bank may have an issue should you move abroad which could lead to the closure of your sterling bank account. Should this happen then we can pay your pension into an overseas bank account (see 'What if I decide to live abroad?' in the 'Frequently Asked Questions' Section of this guide).

Deferred pensions receive an increase each January in line with the rise in the September Jersey Retail Prices Index of the previous year and this will also apply when your pension comes into payment. However, you should be aware that full indexation will only apply if the Scheme's financial position (as certified by the Actuary generally, every three years) indicates a position sufficient to allow full indexation, if it does not, then the amount of the annual increase may be reduced.

You should also note that if you leave employment part way through a year, your first pension increase at the beginning of the following year will be prorated based on the part of the year since the date you left employment.



Benefits from Additional Voluntary Contributions (AVCs)

How does it affect my pension?

In the final salary scheme AVCs are used to purchase additional days of pensionable service. In the Career Average Scheme AVC's are used to purchase additional annual pension. When you become eligible to retire, the additional days or pension purchased will be included in the calculation of your annual pension. They will also be included in the calculation for the cash lump sum as the cash lump sum is based on a percentage of your total annual pension.

AVCs can be an efficient way of making provision for retirement however, if you leave the scheme before the age at which you are entitled to an immediate pension, or are single and unlikely to have dependants at death you are less likely to receive full value for the additional contributions made.

You should also note that if you are an employee receiving additional service or pension through Extra Duty Payments (EDPs), the service or pension will also be included in your pension and lump sum calculation.

Pension Increases

Below is a table of pension increases since 2015

Year	Jersey All Items Retail Prices Index %	Pension Increase
2016	0.9	0.9
2017	2	2
2018	3.1	3.1
2019	4.3	4.3
2020	2.7	2.7

Death benefits

A pension equal to 50% of your deferred pension plus pension increases to the date of your death are payable to your spouse, civil partner and, for members of the Career Average Scheme, a nominated co-habiting partner.

If you have a 1 or more children they could also be eligible for a benefit in the event of your death.

- If you have 1 or 2 children – a pension equal to 25% of your pension will be paid monthly for each child.
- If you have more than 2 children – a pension equal to 50% of your pension, divided by the number of children will be paid monthly.
- If no pension is being paid to a spouse, civil partner or dependant then the pension paid to the children will be doubled.



In the Final Salary Scheme children's pensions are payable until the child's 16th birthday and in the Career Average Scheme children pensions are payable until the child's 18th birthday. A child pension can continue until their 23rd birthday if the child remains in full-time education. To continue paying a pension to age 23 you will be asked annually to confirm that your child is in full time education.

Where pension to any child ceases or recommences, the pension payment to any other child will be adjusted to ensure compliance with the parameters above.

For members under the Former Hospital Scheme (FHS) and 1967 Regulations

If you are a married man, your wife will get a pension equal to 50% of your pension as at the date of retirement including any pensions increase to date of death. Under the 1967 and FHS Regulations male spouses and civil partners will not receive a benefit in the event a member dies.

For members under the 1967 regulations,

- If you leave a widow each child will receive £100 a year.
- If you do not leave a widow or your widow dies then each child will receive £150 a year.

For members under the FHS Regulations,

- If you leave a widow each child will receive £80 a year.
- If you do not leave a widow or your widow dies then each child will receive £110 a year.

The Pensions Team must be notified of the death of a deferred member

It is essential that the Pensions Team is notified of the death of a deferred member/pensioner as quickly as possible so that the process of establishing whether survivor benefits are due can be started.

You should be aware that eligibility to your pension ceases on your death but under the provisions of the scheme there may be other beneficiaries entitled to a share of your pension.

When contacting the Pensions Team it would be helpful if the following information could be provided:

- Full name and address of the deceased
- The date of death and where the death was registered
- Information such as deceased's Social Security number, Payroll Number and date of birth.
- Full name and address of the Next of Kin and a contact telephone number

The Pensions Team will then write to the Next of Kin to request to see a copy of the death certificate and other relevant confirmations, for example; date of marriage, date of civil partnership agreement, date of birth of children, proof of co-habitation etc. When eligibility has been established and all relevant paperwork received, the beneficiary/ies will be contacted to confirm pension entitlement and payment arrangements.

Small Pensions

Your pension benefits may be within the level at which we are able to commute them to a one-off lump sum. This means that instead of paying you a small amount of pension each month, we may be able to pay you a one-off lump sum instead.

If you are under age 60 and the capital value of your deferred benefits is less than £19,000 you may be eligible to convert your benefit into a one off lump sum.

If you are at least age 60 and the capital value of your benefits is less than £35,000 you may be able to convert your benefits on retirement in a one off lump sum, subject to 70% of the lump sum being taxed at half the standard income tax rate (i.e. $20\% \div 2 = 10\%$)

You should be aware that tax rates, allowances and actuarial factors change from time to time and that there are additional conditions which need to be met to establish eligibility under the Regulations. For example, the small pension option will not be available to members who have made a transfer in of service and any members exercising this option are reminded that no further liability for pension benefits remains in the Scheme. If you wish to enquire about the small pension option please contact the Pensions Team.

Please Note: The lump sum has to be paid in a single payment to one bank account. You cannot split a lump sum amount into multiple payments.

Complaints Procedure

If you are unhappy with the treatment or service you have received from the Public Employees' Pension Team there is a recognised complaints procedure. Initially, you should contact the Pensions Team in writing concerning your case.

Our complaints procedure can be found on our website: www.gov.je/yourpension,

Frequently asked questions

What if I decide to live abroad?

If you are thinking of moving away from Jersey, contact us in good time so we can discuss the implications with you. If you are considering living outside of the Channel Islands or the United Kingdom and you wish for your pension to be paid into an Overseas Bank account you will need to inform us of your overseas bank details on our online form. Payment to an overseas bank account can only be made through a CHAPS payment and as your pension is paid in sterling you will be liable for any costs associated with the conversion of your pension into foreign currency.



What if I change my address, email address or bank details?

Please let us know if you move house or want us to pay your pension into a different account. Please provide these new details in writing, signed by you or your authorised agent. Please remember the payroll is completed by the end of the first two weeks of the month so try to inform us as soon as you can.

Where can I obtain financial advice from?

Your retirement can involve making many decisions some financial in nature. Unfortunately, the Pensions Team are not authorised to give scheme members individual financial advice. If you wish to receive independent advice concerning your pension you should contact a registered independent financial adviser or an organisation such as the Citizen Advice Bureau. You will personally be responsible for meeting the cost of any advice received where applicable.

What happens if I have a question about Income tax?

We cannot help you with any matters relating to your Income Tax liability including how your pension may affect your taxable income when you retire. For help and guidance relating to any tax issues we recommend that you contact the Taxes Office on either jerseytax@gov.je or 01534 440300.

What happens if I leave and don't take payment of my Career Average Scheme pension and then return to pensionable employment?

If you leave the Career Average Scheme and subsequently return to pensionable employment in the same category (Ordinary to Ordinary or Uniformed to Uniformed), we will re-open your deferred record and use it for your new active pensionable employment. This will mean that you will lose your right to any leaver benefits on the previously deferred pension record as you will now be building up benefits on that record under your new employment.

Annual Report

Every year the Committee of Management and the Government of Jersey produce the PEPF Annual Report. The Annual Report gives a detailed breakdown of how the pension Scheme has performed whilst the newsletter gives a more condensed overview. The Newsletter will include information about any changes which have occurred or are planned for the Scheme and other information which may be important to you as a pensioner.

The newsletter is sent to all members either electronically or via post. The Newsletter and the Annual Report are also available online at www.gov.je/yourpension.



Contact Details & Further Information

For more information on any aspect of the Public Employees Pension Fund please refer to our website:
www.gov.je/yourpension.

Call us on (01534) (4)40227 available Monday to Friday from 9am to 5pm

Alternatively, you may wish to email us at **pept@gov.je**

If you would like to write to us or you need to send anything to us please use the following address:

Public Employees Pension Team
Treasury and Exchequer
PO Box 353,
19-21 Broad Street,
St Helier,
Jersey,
JE2 3RR

Admitted Body Employers

An Admitted Body is an employer, other than the States Employment Board, who, by agreement with the States Employment Board and the Chief Minister, allows their employees to become members of the pension scheme. Below is a list of all current Admitted Body's:

- Andium Homes
- Beaulieu Convent School
- Brig-y-Don
- Comité des Connétables
- Family Nursing & Home Care (FNHC)
- Jersey Advisory & Conciliation Services (JACS)
- Jersey Competition Regulatory Authority (JCRA)
- Jersey Data Protection Commission (JDPC)
- Jersey Employment Trust / Workforce Solutions (JET)
- Jersey Financial Services Commission (JFSC)
- Parish of St Brelade (including Maison St Brelade)
- Parish of St Clement
- Parish of Grouville
- Parish of St Helier
- Parish of St Lawrence
- Parish of St Martin
- Parish of St Ouen
- Parish of St Saviour
- Ports of Jersey
- Jersey Gambling Commission
- Jersey Heritage Trust
- Jersey Overseas Aid Commission (JOAC)
- Jersey Post
- Jersey Telecom
- Les Amis Incorporated (Including Maison Variety)



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PO Box 353,
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Jersey,
JE2 3RR

Telephone: (4)40227

Email: pept@gov.je

Website: www.gov.je/yourpension

