

NHS Pensions - Information about pensions on divorce or dissolution of a civil partnership

Courts take into account the value of pension rights in divorce, nullity of marriage and dissolution of a civil partnership settlements. This is to enable the value of such rights to be offset against other assets of the marriage or civil partnership.

Requesting a cash equivalent transfer value

When starting divorce or dissolution proceedings your solicitor will more than likely ask you to obtain information about your NHS pension, in the form of a cash equivalent transfer value (CETV).

A CETV request will normally be made by you (the member), however any of the following persons can approach us for information about your pension:

- your spouse or civil partner (with your written authority)
- the involved solicitor (with your written authority)
- by order of the Court.

The only circumstance where pension information can be given without your written authority is where the Court has ordered the information to be provided to them or to a third party.

If you are an active member, every year your employer provides details of your pensionable/reckonable pay/earnings and membership, the scheme year being 1 April to 31 March. To enable us to calculate your CETV we will require a more up to date pensionable/reckonable pay/earnings and membership details from your employer.

If you are a deferred (who left more than 12 months ago) or a pensioner member we should have all the information we need. If not we will write to your employer or payroll provider.

To request a CETV you will need to download forms 'Pensions on divorce/dissolution of civil partnership cash equivalent transfer value (CETV) request (PD1)' and 'Pay details request form cash equivalent transfer value (CETV) (PD2)' from the website and read the 'Guide to Pensions on Divorce or Dissolution of a civil partnership (TV74)'. Information about completing the forms is at the end of this factsheet.

Timescales for sending you a CETV

We, NHS Pensions, have a responsibility to provide a CETV within three months of the date we receive a request, as long as we hold all the information required to calculate a CETV.

This three month time limit corresponds with the ancillary relief procedure which allows parties to the divorce or dissolution 12 to 16 weeks in which to collate all their financial information.

When we receive the completed forms PD1 and PD2, we will provide you with a CETV and all the legally required information within three months of receiving the form. Please note this is dependent upon your employer completing form PD2 fully and accurately.

You can get a quicker response from us opting to pay for the express service and you can find more details about this on form PD1. By opting for this service, upon receipt of the completed forms, we will aim to send you a CETV within six weeks. Once again this is dependent upon your employer accurately completing form PD2.

Where we are ordered by the Court to provide a CETV we will send the CETV free of charge within the deadline specified in the court order.

Members of the 2015 Scheme who also have membership in the 1995/2008 Scheme (transition members)

The 2015 Scheme and the 1995/2008 Scheme are separate pension schemes for the purposes of a divorce or a dissolution. Therefore members should be requesting a CETV from both the 2015 Scheme and the 1995/2008 Scheme.

Schedule of charges

Charging legislation permits us to recover costs for providing a CETV and other pension information to assist members with a divorce or a dissolution and for putting a court order into operation.

We publish a schedule of charges confirming all the costs associated with a divorce or a dissolution. Charges are subject to an annual increase each April and include VAT at the standard rate of 20%.

The schedule of charges is member specific rather than NHS Pension Scheme specific. This means that only one charge is payable even in the circumstances where there are two CETVs and two court order annexes because of membership in both the 2015 Scheme and the 1995/2008 Scheme.

If you are a pensioner member there will always be a charge for providing a CETV.

Draft court order and annex

While we would prefer seeing a draft order and annex there is no legislative requirement for them to be sent to us. However this is an opportunity for us to check the order before it is concluded and sealed by the Court. There is no charge for this service.

Where there is membership in both the 2015 Scheme and 1995/2008 Scheme, it is insufficient to simply refer to 'the NHS Pension Scheme' in the court order and annex. It is important that the order correctly names either the 2015 Scheme or the 1995/2008 Scheme. If it just quotes the NHS Pension Scheme then this could delay putting the order into operation. Where 2015 Scheme and 1995/2008 Scheme benefits are being shared then there will be a separate annex for each NHS Pension Scheme.

If we are satisfied that the draft order and annex are correctly drawn up and that we can put the order into operation then we will write and confirm that it appears to be acceptable. If we are not satisfied we will write to confirm what is unacceptable.

Sealed court orders

Once a sealed court order has been received we have a period of four months in which to give effect to the former spouse or former civil partner's pension credit.

However the four months can be postponed where there is any outstanding information or charges on receipt of the court order. If this is the case, we will send you (and your former spouse or former civil partner) a 'postponement of implementation notice'. The notice will explain why the order cannot be put into operation and detailing any outstanding information or charges required.

Once the court order has been put into operation we will provide you and your former spouse or former civil partner with a 'notice of discharge of liability'. The notice will give details of either the pension to be debited or credited.

Varying a court order

Variation of a court order can only take place prior to the granting of a Decree Absolute or a Dissolution Order. The variation of a court order has to be sought by the parties to that order; as such the costs associated with that variation must fall to those parties.

Where there is no scope to vary a court order the party or parties could seek the Court to set aside the order where there has been non-disclosure, mistake or fraud. At which point a new sealed court order may be granted by the Court.

Completing the pensions on divorce or dissolution forms

Active or left the Scheme in the last 12 months - If you are an active member of the 2015 Scheme or the 1995/2008 Scheme or have left within the last 12 months, please send form PD2 to your employer. If you have more than one NHS employment you will need to send a separate PD2 form to each of your employers.

Once form PD2 has been completed by your employer and returned to you, it should be sent to our 'Pensions on divorce/dissolution of a civil partnership team' together with form PD1, which you complete yourself.

There will be a delay in providing a CETV if your employer has not completed form PD2 accurately.

If your employer has not provided all the information we require on form PD2 both forms will be returned to you.

Deferred or pensioner - If you are are a deferred or pensioner member of the 2015 Scheme or the 1995/2008 Scheme please complete form PD1 and return it to our 'Pensions on divorce/dissolution of a civil partnership team'.

Forms PD1 and PD2 should be returned to:

Pensions on divorce/dissolution of a civil partnership team
NHS Pensions
PO Box 2269
Bolton
BL6 9JS

How a pension share is calculated

The member's shareable NHS Pension Scheme benefits are converted to a CETV.

Calculation of the pension credit

The CETV is then shared in line with the percentage stipulated on the pension sharing order.

Example:

Member's CETV £40,455.71 x 70% = £28,319.00 pension credit members CETV

The pension credit members CETV is then divided by a factor provided by the Scheme Actuary to obtain an annual pension figure.

$$£28,319.00 \div 15.13 = £1,871.71$$

Calculation of the pension debit

The member's pension benefits are reduced by the pension debit. The pension debit is the percentage stipulated on the pension sharing order, and is applied to the member's pension benefits to determine the member's debit.

Example:

Member's pension = £2,590.86 x 70% = £1,813.60 = debit on member's pension

Adult dependant's pension = £874.41 x 70% = £612.09 = debit on adult dependant's pension

Because factors provided by the Scheme Actuary are used in the calculation of pension benefits, the benefits due to a pension credit member will not exactly replicate the benefits surrendered by the pension debit member.