

Guidance on completing claim form AW8

General guidance on completion is included within the form. This is additional guidance on completing specific parts of the forms.

Completion of Part 7.5 (AW8) - Lump sum choice

If your Scheme membership extends up to or beyond 1 April 2008, you have the option to increase your lump sum by converting some of your pension. Where all of your membership counts for a full 3/80ths lump sum, the maximum additional lump sum allowed under HMRC rules is $33/14 \times$ your annual pension (before conversion to lump sum). You can claim any amount of additional lump sum up to this maximum. Pension is converted to lump sum at the rate of £12 additional lump sum for every £1 of pension given up. You can find a calculator tool to help you model the amount of additional lump sum you can claim on our website at: www.nhsbsa.nhs.uk/pensions. Claiming a bigger lump sum does not affect the level of survivor benefits payable to a partner or dependent child.

Example

Member A has 40 years membership which extended beyond 1 April 2008 and retires on a pensionable pay of £40,000. All membership counts for a three times pension lump sum.

Standard benefits are a pension of $40/80 \times £40,000 = £20,000$ per annum and a standard lump sum of £60,000 (annual pension \times 3).

An additional lump sum up to £47,142 ($33/14 \times £20,000$) is available. If member A wanted to take this maximum additional lump sum, they would need to give up £3,928 of pension ($£47,142 / 12$). Member A's benefits would then be a pension of £16,072 ($£20,000 - £3,928$) and a lump sum of £107,142 ($£60,000 + £47,142$).

In either case the amount of survivor pension would be £10,000.

You must indicate whether or not you want an additional lump sum by ticking the appropriate box. If you want an additional lump sum then select either:

- the maximum lump sum permitted; or
- an additional lump sum in whole £s in multiples of £12, which is not greater than the permitted maximum lump sum.

If your last day of Scheme membership was before 1 April 2008 you should omit this item and continue to complete the rest of the form.

Completion of Part 7.6 of form AW8 - redundancy retirements only

If you are retiring early because of redundancy and are entitled to have your pension benefits calculated under the Transitional Protection arrangements for certain members who are made redundant between 1 December 2006 and 30 September 2011, you will have received two illustrations of your potential pension benefits.

Choice A represents the value of your pension benefits calculated under the new redundancy compensation rules.

Choice B represents the value of your pension benefits calculated under the Transitional Protection rules.

Your employer will have told you how much additional cash compensation payment (if any) they would pay you, depending on which pension calculation method you choose. You should consider your options carefully and tick either 'Choice A' or 'Choice B' on the claim form. Once you have made a choice you cannot change your mind.

Completion of Part 8 of form AW8

It is important that you complete these questions fully and correctly and supply any information asked for. Failure to do so will delay the payment of your pension and lump sum and/or cause all your benefits to have the Lifetime Allowance Charge (LTAC) applied to them.

If you answer "No" to questions 1 or 2 you should answer question 5 only. This will be the case for most applicants.

If you answer 'Yes' to question 2 you should read page 8 of the Retirement Booklet.

Question 3 - if you answer 'No' you should go to question 4. If you answer 'Yes' you must tell us:

- 3(i) to two decimal places, (ie 43.21) the total aggregated percentage of the standard LTA used by each of your other pension arrangements. Your other registered pension provider(s) should have given you this figure as you took those benefits after 5 April 2006
- 3(ii) the date of the first benefit crystallisation event is either, the date your benefits from another pension provider were authorised or the date they became payable (whichever is the later) but cannot be before 6 April 2006. If you are unsure of this date, your other pension provider will be able to confirm the benefits crystallisation date for you. This date is important as it could affect the calculation of the LTA you have used.

Question 4 - if you answer 'No' you should go to question 5. If you answer 'Yes' you must tell us:

- 4(i) the gross annual rate of pension in payment on, either today's date or the date at 3(ii) if earlier.

If you cannot provide the percentage figure, treating your NHS Scheme benefits as entirely in excess of the standard LTA and applying the LTAC of 55% of your lump sum and 25% of your pension, is the only way your application can be processed, unless you instruct NHS Pensions to defer payment of your benefits until you have gathered the necessary information.

Question 5 - if you answer 'No' please sign and date the declaration. If you answer 'Yes' you must enter details of any valid HMRC certificates you hold. If you hold a valid enhanced protection certificate, provide the certificate number only in a separate box. Please forward a copy of your transitional protection certificate to NHS Pensions.