

# **NHS Pension Scheme - Schedule of charges for Pensions on Divorce or the Dissolution of a Civil Partnership from 4 January 2011**

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## **1. Introduction**

This schedule discloses the rate of charges for NHS Pensions to provide information in relation to divorce proceedings or to implement a court order.

Following a review of the rate of charges, published in December 2000, it has been necessary for NHS Pensions to update their schedule of charges from 4 January 2011.

All charges include VAT at the standard rate of 20%<sup>1</sup>.

## **2. Background**

The value of pension assets has been taken into account in divorce and related financial settlements for many years. From 1995 the earmarking of pensions became possible and since 2000 pension rights can be divided between the couple as part of a divorce settlement.

To facilitate these arrangements, cooperation from pension schemes is essential and national charging legislation<sup>2</sup> permits schemes to recover costs for providing pensions on divorce information and putting either a court order into operation.

## **3. Payment method**

Unless the court order says otherwise, all charges disclosed on this schedule must be paid up front. This means that NHS Pensions must receive full payment by cheque before providing any information or before the implementation of any court order can start.

All parties will be notified where the implementation of a court order has been postponed.

All cheques should be made payable to "NHS Business Services Authority".

## **4. National Association of Pension Funds (NAPF)**

The new implementation charges are within the charging guideline published by the National Association of Pension Funds (NAPF).

NHS Pensions will review its schedule of charges each year in line with NAPF guidelines.

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1 VAT increased from 17.5% to 20% on 4 January 2011

2 The Pensions on Divorce (Charging) Regulations 2000 (SI2000/1049)

## Cash Equivalent Transfer Value (CETV)

Provision of a CETV in respect of a Scheme member, who is not in receipt of an NHS pension, (where statutory disclosures have not already been met within the preceeding 12 months).	No charge
Provision of a CETV in respect of a Scheme member (where statutory disclosures have already been met within the preceeding 12 months).	£360.00
Provision of a CETV in respect of a Scheme member (where statutory disclosures have not already been met within the preceeding 12 months but where the CETV is required within 6 weeks).	£360.00
Provision of a CETV for a Scheme pensioner	£360.00

## Pension Sharing Administration

Acknowledgement and implementation of a pension sharing order (including record creation and maintenance)	£2760.00 (See annex A)
Supplementary work connected with a pension sharing order	£100 - £250 per hour (based on complexity of calculation)
Acknowledgement and implementation of a variation order	£250
Paying Agents record set up costs (These costs to be recovered by the Paying Agents by deduction from pension/lump sum payments)	£120.00 set up plus £46.80 per annum

**All charges include VAT at the standard rate of 20%.**

## Pension Earmarking Administration

Acknowledgement and implementation of a pension attachment order for a life assurance lump sum only	£360 (see annex B)
Acknowledgement and implementation of a pension attachment order for a pension and/or retirement lump sum	£540 (see annex B)
Acknowledgement and implementation of a variation order	£50.00 per hour (minimum charge one hour)
Supplementary work connected with a pension attachment order	£100 - £250 per hour (based on complexity)
Transfer out associated with pensions earmarking	£200.00
Transfer in associated with pensions earmarking	£200.00
Paying Agents record set up costs for a pension and/or lump sum (These costs to be recovered by the Paying Agent by deduction from pension / lump sum payments)	£120 plus £46.80 per annum

**All charges include VAT at the standard rate of 20%.**

**All cheques should be made payable to “NHS Business Services Authority”.**

## **Annex A**

The process for implementation of a sharing order involves the following steps:

- Examination and confirmation of acceptance (or otherwise) of wording of draft Joint Minute of Agreement.
- Checking all documentation relating to the actual Pension Sharing order, copy of final minute, decree etc. Letter confirming final order is enforceable.
- Contacting all relevant 3<sup>rd</sup> parties for information to allow actual calculations to be carried out.
- Carrying out all required calculations.
- Amending the Debit member's record to reflect the changes as a result of the Pension Sharing order.
- Creating a Credit members record for the ex spouse.
- Notifying the Debit member and their solicitor of the effect of the Pension Sharing order on the Debit member's pension.
- Notifying the Credit member and their solicitor of the value of the Credit pension created as a result of the Pension Sharing order.
- Calculation and payment of the Credit pension, (and any lump sum due, if applicable) when the Credit member becomes eligible for payment of benefits.
- Calculation and payment of the Debit pension (and any lump sum due if applicable) when the Debit member retires taking into account the deduction due for the Credit members annual pension increase to that date.

## **Annex B**

The process for implementation of a pension attachment order involves the following steps:

- Examination and confirmation of acceptance (or otherwise) of wording of draft pension attachment order.
- Checking all documentation relating to the actual pension attachment order, copy of final minute, decree etc. Letter confirming final order is enforceable.
- Amending the member's record to reflect the changes as a result of the pension attachment order.
- Calculation and payment of the member's retirement or death benefits taking into account the implemented pension attachment order.
- Contacting the former spouse at the member's retirement or death. The calculation and payment of earmarked retirement or death benefits.