

NHS Pension Scheme - Pension Sharing on Divorce/ Dissolution of a civil partnership FAQs

Pension Sharing on Divorce was introduced in December 2000 under the powers of the Welfare Reform and Pensions Act 1999. From 5 December 2005, equivalent provisions were introduced in respect of dissolutions of civil partnerships by way of the Civil Partnership Act 2004, and from 13 March 2014 marriage, and as a consequence divorce, was opened up to same sex couples by way of the Marriage (Same Sex Couples) Act 2013.

As part of the divorce process the assets of a marriage are identified and agreement is reached about how these assets or their cash value, are to be shared. Pension rights accrued by either or both parties may now be shared.

The Pensions on divorce/dissolution of a civil partnership Cash Equivalent Transfer Value (CETV) request (PD1) form is available on our website.

Q What information is required to enable parties to decide whether Pension Sharing is for them?

A Under The Pensions on Divorce (Provision of Information) Regulations 2000, NHS Pensions will provide basic information about a members shareable pension rights in the Scheme on request from the member, the spouse of a member, their legal representatives or in response to a Court Order. If the request is from a third party, for example, an Independent Financial Advisor, the member must provide a signed mandate authorising release of information prior to any of the information being released. A Cash Equivalent Transfer Value will be provided for the member detailing the shareable pension rights available.

Q What is a Cash Equivalent Transfer Value?

A A Cash Equivalent Transfer Value represents the capitalised value of a members pension rights in the NHS Pension Scheme; for divorces under English Law all membership will be taken into account. The Cash Equivalent Transfer Value is calculated using guidance and tables provided by the Scheme Actuary and in accordance with the NHS Pension Scheme regulations.

Q Can a member replace the share of their pension benefits that go to their former spouse if their benefits are subject to a Pension Sharing Order?

A It is not possible to replace the share of pension benefits however a member is able to purchase Additional Pension in line with the normal Scheme Regulations

Q Can a member transfer their pension benefits to another scheme?

A Yes, but their benefits will be reduced (this is called the pension debit) to take account of the provisions of any Pension Sharing Order. A copy of the Order will be forwarded to the new pension provider to allow them to take account of any effect on benefits payable from the new provider.

Q What about a member's former spouse/civil partner?

A The former spouse/civil partner will become a Pension Credit Member and any pension benefits as a result of a Pension Sharing Order will remain in the NHS Pension Scheme. They will not be able to transfer these benefits out of the Scheme, transfer any benefits from any other pension arrangement into the Scheme, or purchase additional benefits.

Q When does the former spouse/civil partner get their share of the benefits awarded as a result of the Pension Sharing Order?

A The former spouse, known as a Pension Credit Member, will receive their share of the pension benefits at normal pension age - 60 if the Scheme member is in the 1995 Section, 65 if the member is in the 2008 Section., and at State Pension Age (minimum of age 65) if the member is in the 2015 Scheme. NHS Pensions advise the former spouse/civil partner of their pension entitlement and their benefits are fully index linked to protect their value.

The former spouse/civil partner may receive their pension benefits before normal pension age if:

- they have previously been engaged in regular employment but are now permanently incapable of engaging in regular employment due to mental or physical infirmity, or
- they choose to claim the benefits early with an actuarial reduction

Should they die before receiving their benefits, a lump sum will be payable to their Estate. If the former spouse/civil partner remarries, they will continue to be entitled to the benefits credited to them as a result of the Pension Sharing Order, however Pension Credit benefits do not provide surviving partner or dependent benefits.

Q What happens in the case of a pensioner whose benefits are subject to a Pension Sharing Order?

A A pensioner's current pension will be reduced within 30 working days of NHS Pensions receiving all the information required to implement the Pension Sharing Order. If an overpayment of pension arises as a result of the Order it will be recovered from any future pension payments.

Q What will it cost?

A Full details of costs involved are provided in the divorce or dissolution of a civil partnership and your pension area of the Member Hub on our website

Q What information is required by NHS Pensions to implement a Pension Sharing Order?

A The following information is required:

- The Decree Absolute
- Pension Sharing Order and Pensions Sharing Annex including the information required by the Pensions on Divorce (Provision of Information) Regulations 2000 Section 14
- Payment of the administration charges for implementing the Order.

NHS Pensions requests that a draft copy of the Order is forwarded prior to finalising the pension share. This can save considerable time and costs in the event that an Order cannot be implemented by the Scheme.

NHS Pensions recommends that all divorcing couples consider taking independent legal and financial advice prior to seeking a Pension Sharing Order.