

What happens to my pension if I divorce / dissolve my civil partnership?

It is up to the Court to decide whether your pension is 'Earmarked' or a 'Pension Sharing Order' is placed on your pension rights under the Local Government Pension Scheme (LGPS). Neither of these options are compulsory.

What is a Pension Sharing Order?

A Pension Sharing Order allows for a proportion of your benefits to be paid for life to your ex-spouse / civil partner, as a result of divorce proceedings or dissolution of a Civil Partnership that started on or after 1 December 2000. **It does NOT apply to judicial separation.**

What happens to my pension after a Pension Sharing Order has been implemented?

Your pension benefits will be debited immediately by the proportion specified by the Court and awarded to your ex-spouse / civil partner as a pension credit.

If you are already in receipt of an LGPS pension, your ex-spouse / civil partner will only be awarded with an annual pension. (They will not have any tax-free cash option).

What if I re-marry / enter into a new civil partnership?

If your pension benefits are subject to a Pension Sharing Order, any pension payable to a new spouse, civil partner or eligible co-habiting partner following your death will also be reduced.

Please note that any previous Death Grant Expression of Wish will stand, unless you complete a new Expression of Wish form. In order to do so, please contact the Pension Fund.

What happens to my ex-spouse / civil partner's pension credit?

Your ex-spouse / civil partner will become a pension credit member in the LGPS, which means they will be able to receive their pension benefits voluntarily from age 55 (subject to an actuarial reduction) under current scheme regulations, or from their Normal Pension Age (NPA) without reduction. Under current scheme regulations, the NPA is linked to the State Pension Age and may therefore change in the future. Note that a pension credit may become payable earlier on ill health grounds.

Alternatively, your ex-spouse / civil partner may choose to transfer their pension credit to another pension arrangement of their choice.

What is Earmarking?

Earmarking is where a proportion of your benefits are paid to your ex-spouse / civil partner when you retire. The benefits paid to your ex-spouse / civil partner can be in the form of a lump sum or part of your annual pension.

Pension payments to your ex-spouse / civil partner cease on your death. If your ex-spouse re-marries or your ex-civil partner enters into a new civil partnership, the earmarking order becomes invalid and your full pension is reinstated. (Earmarking is not widely used, but can be used for judicial separation).

Are pensions for eligible children affected?

Any payment of a child's pension is NOT affected by a Earmarking or Pension Sharing Order.

Requesting Information for Court proceedings

You or your Solicitor must request a Cash Equivalent Value (CEV) of your pension rights from your Pension Fund, which is to include the value of any in-house Additional Voluntary Contribution (AVC) fund that you may have. The Court will then decide if, and how the pension rights are to be shared.

When can I expect to receive the CEV of my pension rights?

Once you have made the request, you should expect to receive the CEV within **3 months**. There may be a delay as information is sometimes required from Her Majesty's Revenue & Customs (HMRC) and from your Employer. The Pension Fund can only calculate the CEV upon receipt of this information.

Please note that there may be an administration charge for providing you with a CEV.

Further Information

This factsheet gives general guidance only. For further information, please contact:

Tel: **029 2087 2334**

Email: **pensions@cardiff.gov.uk**



lgps
2014

ALL WALES PENSION FUNDS

factsheet



**Pensions & Divorce
or the Dissolution of a
Civil Partnership**