

Tayside Pension Fund



Retirement FAQs

Moving from employment to retirement can be a stressful time if you are unsure of “how things work”, so below are a few FAQs to try to help answer some of the questions which you may have

Your colleagues at Tayside Pension Fund will always, either by phone, email, or in person at our offices in Dundee House (by appointment only) answer your questions if not covered below or provide additional details specific to your own circumstances.

Tayside Pension Fund staff work both at home and in Dundee House on a hybrid basis. As such we provide our normal service via mail, telephone, via Microsoft Teams or in person visits to our office (by appointment only, please call 01382 307900 to make an appointment). I would ask you, where applicable, to add your email address in all correspondence to us.

But please remember that in relation to your benefits that you are required to make certain financial decisions, for example whether to convert pension to provide lump sum, or on the use of your accrued AVC funds, and that we cannot provide any advice as to which options would be best for your own personal circumstances. Should you require help in making these decisions you may wish to consider seeking the help of an independent financial adviser.

What documents are required to bring my pension into payment?

Your employer will generally provide for us, at the start of the month in which you will retire, the details which then allow us to prepare, check and issue what is known as your ‘options’ pack. If you wish to be issued with these documents in advance of your date of retirement please contact us.

This pack will provide you with the value of your benefits, the details of the available conversion of pension to tax free lump sum, and where applicable details of your AVC fund. The pack will also contain the documents which you must complete to allow your benefits to be brought into payment, including: -

- **Bank mandate/marital status form** – Your pension and lump sum are paid direct into your nominated bank account and this form provides us with the details of this account. We must receive these details direct from you, we cannot receive them from your employer.
- **Member Retirement Declaration Form** – This form asks you to declare about any other pension which you may have, whether they are in payment and where applicable asks you the value of those pensions in payments, the details collected by this form are required by each registered pension scheme in order to conform to overriding HMRC legislation. The form also contains the election form in respect of the conversion of pension to lump sum.
- **AVC Options Form** – You must provide us with a written election as to your decision regarding the use of your AVC Funds. The signed election will then be used to provide an instruction to the relevant AVC provider when the account is closed.
- **Voluntary Option Form** – This form is only issued to those retiring on voluntary grounds and its purpose is to advise that as your pension is being reduced for early payment that you have the option to leave it deferred within the fund until such time as the reduction no longer applies.

Only once all of the above are completed, signed and returned to us and if applicable any queries raised with your employer have been addressed, can we calculate the final pension benefits due to you, based on your specific instructions. Please contact us if you need help completing these forms, as once completed and returned to us you cannot change your decision in respect of the conversion of pension to lump sum.

We will also create a pensioner payroll record for you and authorise the payment of your lump sum (where applicable) via the Bacs system direct to your nominated bank account.

A letter will also be generated and issued to you, confirming the payment of your lump sum (where applicable) and the details of your actual pension benefits.

How do I work out how much of my pension I can convert into lump sum?

If you have membership up to and including 31st March 2009 you have an entitlement to an automatic lump sum, and its value is shown on both the estimate and final pension paperwork issued.

Retiring members, irrespective of the scheme entry date, are also entitled to provide themselves with tax free cash by converting some of their pension, to provide lump sum.

The conversion of pension to lump sum is calculated on the basis that for every £1 of pension given up you provide £12 of tax-free cash.

Tayside Pension Fund

The logo for Tayside Pension Fund features a stylized wave graphic in shades of blue and teal, positioned below the main title.

HMRC has set a limit on the amount of tax-free cash you can have and as such we will show you the maximum amount of tax free cash you can provide.

These details are shown on the calculation summary sheet headed "Conversion Information". On this summary we show you the value of the benefits as calculated under the scheme regulations (shown as "standard benefits") and below this is lowest amount of pension you can take in order to provide the maximum tax-free cash, this is detailed under the section "maximum conversion".

You do not have to elect to take the maximum conversion but when deciding on the amount to convert you cannot exceed the values shown on this summary.

If you have AVC funds the value of these is included in the calculation of your standard and maximum conversion lump sum values.

Where you are retiring under your Employers Voluntary Severance Scheme you will see that the amount providing by the award of any Compensatory Added Years (CAY) is not shown on the conversion information. This is because you can only convert the value of main scheme benefits and not the value of the employer awarded CAY.

Do I have to pay tax on my lump sum?

No, your lump sum (where applicable) is paid to you tax free.

What day will my monthly pension payment be paid?

For new pensioners we have one payroll each month, with a pay date of the 20th of each month.

Your specific pay date will be confirmed in the letter issued to you at the completion of your actual pension calculation.

If you are already in receipt of a pension then this benefit will be paid alongside the existing pension into the same bank account and on the same day.

Is my monthly pension taxable?

Yes, your monthly pension payment forms part of your taxable income and as such we will apply the tax code issued to us by HMRC. If you think that the wrong tax code is being applied to your pension you will need to contact HMRC direct regarding this.

How soon after my retirement date will my pension benefits be paid?

We aim to make payment of your pension and lump sum (where applicable) as quickly as possible following your date of retirement, but this is dependent on all of the required documents and information being returned to us. Please ensure you return your pension 'options' pack as promptly as possible to avoid any further delay in the payment of your pension benefits.

Remember that if you have AVC funds also due that depending of the decision made regarding these funds that your pension cannot be paid until such time as your AVC account has been closed and its value notified to us by the provider.

If you have been awarded Compensatory Added Years (CAY) under your employer scheme the value of the lump sum detailed on your pension benefit summary will be paid to you by your employer and not Tayside Pension Fund.

How long is my monthly pension payable?

Your pension is payable for life, and thereafter a survivor's pension maybe payable.

Will I get a payslip each month?

A payslip will only be issued when there is a material change in the value of your pension. In general, this will be in March (P60 substitute, April (part month's Pensions Increase) and May (a full month at the new rate of pension), thereafter it will generally be if HMRC request the use of a revised tax code.

Tayside Pension Fund



Contact details –

Email - pensions@dundeecity.gov.uk

Office visit - Dundee House, Monday, Tuesday, Thursday Friday 8.30am to 5pm, Wednesday 9.30am to 5pm – by appointment only.

Telephone 01382 307900 (call centre)

