

Pension Credit Member

Your guide to your pension
following divorce or dissolution
November 2023



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Introduction

This guide will help you understand what to expect when either a pension sharing order, or an attachment (formerly earmarking) order has been issued by the court awarding you all, or part of your ex-spouse's teacher's pension.

What's pension sharing?

Pension sharing is the most common of the two orders due to it being the option that offers a 'clean break' when sharing pensions with your ex-spouse. It's called the 'clean break' option because you become a Pension Credit Member (PCM) of the Scheme as soon as the order is implemented, and your ex-spouse/partner becomes a Pension Debit Member (PDM).

This means that you each have your own right to a pension from the Scheme and can manage them through your own individual records. If you were already a member of the Scheme in your own right, you'll have two separate records, one with your service accrued in the Scheme and one detailing your pension sharing order.

The pension sharing order is effective from 28 days after the date upon which the order is made, or the date of the decree absolute, whichever is the later. Schemes then have four months to implement the order.

If either you, or the Pension Debit Member dies after the date of the sealed pension sharing order but prior to the effective date, the pension sharing order can't be implemented.

Things to note about your pension

- If the effective date of the order is after the Pension Debit Member's Normal Pension Age (NPA) but they haven't claimed benefits, they'll be treated as a retired member and benefits will be backdated to their NPA. The pension share would be based on a member's Cash Equivalent Transfer Value (CETV) and therefore an automatic lump sum wouldn't be payable to you.
- While the pension sharing order will express the amount of pension being shared as a % of the CETV, the CETV can change during the time that the divorce is being finalised, and therefore the level of benefits payable to you may change .
- If service and or salary changes were made to the Pension Debit Member's record this would affect the CETV value and in turn your benefits.
- Your pension credit benefits are payable in full when you reach your normal retirement age, but you can apply for them from the minimum pension age. Pensions taken early, prior to the NPA, will be reduced to reflect that they're being paid before you've reached your NPA.
- If you remarry, you'll continue to receive your pension as a pension credit member of the Scheme.
- Your pension is paid for life and increased in line with the cost of living - even if your ex-spouse/partner dies.
- You can't transfer your benefits out of the Scheme or transfer in other benefits from another pension scheme.
- You're unable to purchase additional flexibilities.
- You're unable to nominate anyone to continue to receive your teacher's pension when you die.
- If your ex-spouse or ex-civil partner is affected by the Transitional Protection changes, any choice they make regarding their retirement benefits will not affect you or your own pension.

Applying for your Pension Credit

The earliest retirement benefits can be paid is the minimum pension age.

Please note that retirement benefits aren't paid automatically and that the [appropriate application form](#) must be completed to receive the benefits.

Ill-health Retirement

As a Pension Credit Member you can apply for a Serious Ill-health Commutation (where we pay five years' worth of pension as a lump sum) as part of an [Ill-health Retirement application](#).

You would need to submit an Ill-health Retirement, application providing evidence of a limited life-expectancy of less than a year.

Once you've applied for retirement, the process for your application is:

- We'll acknowledge receipt of your application,
- We'll then calculate and authorise your pension for payment,
- Once completed we'll send your Award Papers in the post.

What's a pension attachment order?

A pension attachment order is an instruction from the court which requires a pension scheme to pay benefits directly to an ex-spouse/civil partner when the Pension Debit Member retires. This is the least common option of the two orders because the pension benefits between the two parties remain as one.

This means that:

- The Pension Debit Member decides when benefits come into payment, even where 100% of the benefits have been earmarked – they can delay taking them.
- If the Pension Debit Member retires early or leaves the Scheme, the benefits may be less than you originally expected to receive.
- If the Pension Debit Member dies before retiring, then any benefits due to you at your normal retirement age will be lost, as the attachment order will be automatically lapsed by the court unless otherwise specified in the order.
- The pension attachment order ceases to apply upon the death of either party and in most cases, upon your remarriage - though this is dependent on the order.

It's your responsibility to inform us if you remarry.

Unlike a pension sharing order, attachment orders can be varied after they've been granted, though this must be done through the court.

Final salary scheme - Applying for your pension attachment order

You won't receive a pension until the pension member draws their retirement benefits, even if their entire benefits in the Scheme were included in the earmarking order.

Keeping in touch

Hearing from us

Each year we'll send you a P60 that you can use for tax purposes. In most cases this will be sent by post so it's important to keep your personal details up to date.

Let us know

If for any reason you have a change in circumstance, please inform us as soon as possible. This is to ensure that your benefits will be continued to be paid on time.

Any change in circumstance that we are unaware of could delay the process of having your benefits paid or could create an overpayment which we'd need to recover.

Let us know about changes to your bank details by writing to us at:

11b Lingfield Point
Darlington
DL1 1AX

Need a hand?



Visit us at:

www.teacherspensions.co.uk



Message us on:

Secure web messaging

Open 24 hours day, responses will be sent Monday - Friday, 9:00am to 4:20pm (excluding bank holidays)



WhatsApp:

07545 932848 (please note it may take up to 48 hours to receive a response and this number doesn't allow phone calls)

Responses will be sent Monday-Friday, 9:00am to 4:20pm (excluding bank holidays)



Write to us at:

Teachers' Pensions, 11b Lingfield Point,
Darlington, DL1 1AX



Call us on:

0345 606 6166

Monday-Friday, 8.30am-6.00pm

The information contained in this guide is correct at the time of press, but may be subject to change. If there is any difference between the legislation governing the Teachers' Pension Scheme and the information contained in this guide, the legislation will apply.

Department for Work and Pensions – For questions about State Pension please contact the Department for Work and Pensions on: 0800 731 0175.

HM Revenue & Customs (HMRC) – If you have any other questions about your income tax or P45 please contact: HMRC, HM Revenue & Customs Customer Operations, PSA PO BOX 4000, Cardiff, CF14 8HR. Contact telephone number: 0300 200 3300. The PAYE number in respect of your teacher's pension is 948 400.

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