



# Welcome

to The **MPs'** Pension Scheme (CARE Section)

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It is never too early to start planning for the future and the information in this guide will help you learn more about your benefits and options as a member. Please note, this information applies to your CARE benefits only. If you are also a member of the MPs' Pension Scheme Final Salary Section your benefits in that Section will differ to those outlined in this guide.



## Benefits at a glance...

Your membership of the MPs' Pension Scheme (the Scheme) not only provides you with a pension for life, but offers other valuable benefits for you and your dependants. These include:

### During your service as an MP:

- a discretionary lump sum if you die while contributing to the Scheme
- pension benefits for your dependant(s) if you die while contributing
- options to retire earlier or later than the Scheme's Normal Retirement Age
- tax relief on your contributions
- a balance of costs of your pension benefits met by the Exchequer
- the ability to proactively increase your pension benefits
- the option to transfer previous pension benefits into the Scheme
- provisions for early retirement due to ill-health

### When you retire:

- a pension for life
- the option of a tax-free cash sum and a reduced pension for life
- a pension for your dependant(s) when you die
- annual increases to your pension

### Opt out

You are free to opt out of the Scheme at any time. However, you can only re-join after the next election at which you are returned to the House.



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## Getting the most from your membership

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It is important you understand how the Scheme works so you can plan for the future.

The MPs' Pension Scheme is a CARE (career-average revalued earnings) Scheme. This means your pension is calculated based on accumulating proportions of your pensionable earnings over each year of your membership. Each year's membership is worth 1/51st or 1.96% of your pensionable earnings during that year.

Your pension payments are deducted from your salary before tax and National Insurance are calculated, making it a tax-efficient way to save, and the Exchequer also makes contributions. You contribute 11.09% of your pensionable salary and the Exchequer meets the balance of the cost of providing your retirement benefits.

Each year, while you are contributing to the Scheme, you will receive a Benefit Statement, estimating your Scheme benefits at Normal Retirement Age. Use your Benefit Statement to see if your savings are meeting your expectations. If not, you may want to consider saving more through options such as Added Pension or Additional Voluntary Contributions.

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## Make your wishes known

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Your Scheme membership includes a discretionary lump-sum payment to your beneficiaries if you die before claiming your benefits.

It is very important to complete a Death benefit nomination form to inform the Trustees who you would like your beneficiaries to be and what percentage of the lump sum you would like them each to receive.

Please note, you only have to complete one form in respect of all your PCPF benefits.

You can nominate an individual or several people, clubs or organisations, and/or charities.

If you have already completed a form, you need to ensure it is up to date. You may wish to review it every couple of years to make sure it still reflects your current wishes.

You can download a Death benefit nomination form from the website, **[www.myPCPFpension.co.uk](http://www.myPCPFpension.co.uk)**, or request one from the Scheme administrator, RPMI, on **0845 555 3377** (calls cost 5p per minute plus your phone company's access charge) or by emailing **[PCPF@rpmico.uk](mailto:PCPF@rpmico.uk)**.



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## About the Trustees

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The Scheme is one part of the Parliamentary Contributory Pension Fund (PCPF). It is managed by the Trustees in line with the Scheme Rules and any relevant pensions legislation.

There are ten Trustees: eight member-nominated Trustees, one appointed by the Independent Parliamentary Standards Authority (IPSA) and another by the Minister for the Civil Service.

The Trustees hold regular meetings throughout the year to administer the Scheme in line with the Rules. The Trustees are assisted by staff in the Pensions Unit, House of Commons, to act as Secretariat and RPMI as the administrator.

Please contact either the Secretariat or RPMI if you have any questions about your pension. Contact information for both can be found on the back page.



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## Saving more

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If you would like to proactively increase your pension benefits, there are a number of options available to you as a member.

### **Added Pension**

You can buy additional pension credits to increase your retirement benefits. You may only apply to buy this extra pension once a year, either in April or within one month of joining the Scheme.

### **Effective Pension Age**

You can pay additional contributions to the Scheme to reduce your Normal Retirement Age (NRA) by up to three years (as long as this does not take your NRA below the age of 65). You may only apply to do this once a year, either in April or within one month of joining the Scheme.

### **Additional Voluntary Contributions (AVCs)**

These extra contributions are used to build up a separate fund for your retirement. You choose how much to pay (subject to limitations), which funds to invest in and when to start/stop your contributions.

You can find more information on these options in your Member guide. You may want to seek independent financial advice before making any decisions.

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## Tax limits

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Your normal contributions to the MPs' Pension Scheme will receive tax relief. However, there are a number of tax limits which may be relevant to your membership of the Scheme.

### **Annual Allowance (AA)**

HMRC limits the amount of tax-free pension savings you can make each tax year across all of your pension arrangements (excluding the State Pension). This is called the Annual Allowance. If you exceed the limit, you are responsible for reporting the information to HMRC under the tax self-assessment process. In this Scheme (excluding any AVCs), the AA is the amount you have increased the value of your pension in any tax year. The current Annual Allowance rate can be found at [www.gov.uk/hmrc](http://www.gov.uk/hmrc)

Information about how much AA you have used in the Scheme will be included on the annual Benefit Statement you will be sent each summer.

### **Lifetime Allowance (LTA)**

This is the HMRC limit on the total amount you can save in all of your pension arrangements (excluding the State Pension) over your lifetime without paying an additional tax charge. The current LTA rate can be found at [www.gov.uk/hmrc](http://www.gov.uk/hmrc).

It is your responsibility to notify RPMI of any other pensions you are receiving when you apply for your Scheme benefits.

If you have been automatically entered into the Scheme and already have pension savings close to the LTA, you may wish to opt out of the Scheme to avoid being taxed on any excess savings. You should consider seeking independent financial advice if this affects you. You can find details of independent advisers at [www.unbiased.co.uk](http://www.unbiased.co.uk).

There are various tax protections relating to the LTA for which you may have applied (or may wish to apply). These include Enhanced Protection, Primary Protection, Fixed Protection and Individual Protection. If you believe that any of these apply to you, it is extremely important that you notify the Scheme administrator as soon as possible. If you are unsure as to whether you may wish to apply for tax protections, you should seek independent financial advice.

Please note: tax limits change from time to time. More information on the taxation of pension contributions and benefits and up-to-date tax limits can be found online at [www.gov.uk/hmrc](http://www.gov.uk/hmrc) or by calling the Scheme administrator, RPMI, on **0845 555 3377** (calls cost 5p per minute plus your phone company's access charge).



## Pension transfers

If you have previously made savings in another UK registered pension scheme, you may wish to transfer these into the MPs' Pension Scheme to buy additional pension.

There are various restrictions on the ability to transfer benefits into the Scheme. If you are interested in transferring benefits into the Scheme, please contact the Scheme administrator, RPMI, on **0845 555 3377** (calls cost 5p per minute plus your phone company's access charge) for more information.

### **Transferring your pension out**

If, in future, you leave the Scheme and do not wish to leave your benefits deferred within it, you can apply to transfer them to another UK registered pension arrangement or to a qualifying recognised overseas pension scheme arrangement.

You can find more information in your Member guide.

## Pension checklist

If you want to manage your membership effectively, here are a few things to consider...

- Have you completed your Death benefit nomination form and told the Trustees who you would like your beneficiaries to be?**
- Would you like to proactively increase your pension benefits?**  
You may be able to do so through options such as Added Pension and Additional Voluntary Contributions (check your Member guide for details of time limits that may apply).
- Do you understand how the Scheme works and its Rules?**  
You can read your Member guide to learn more.
- Are you periodically checking the website, [myPCPFpension.co.uk](http://myPCPFpension.co.uk), for Scheme updates and other information?**
- Have you kept your contact details up to date?** If you change address, please notify the Scheme administrator, RPMI.

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## Find more online

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It is never too early to start planning for your future.

The website, **www.myPCPFpension.co.uk**, has a wide range of information to help you understand your options and benefits as a member.

You will find:

- a copy of your Member guide
- forms to manage and make any changes you require
- answers to frequently asked questions; and
- news updates about the Scheme and pensions in general

The website is a useful resource that is available to you 24/7. It is compatible with mobiles and tablets, too, so you have information at your fingertips, even when you are on the go.

Visit **www.myPCPFpension.co.uk**.





## About this guide

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We have tried to make sure that the information in this guide is as accurate as possible. The Rules are a legal document that sets out all the details about the Scheme. If there is any difference between what this guide says and what the Rules say, or any applicable legislation, we will have to follow the Rules and the applicable legislation.

## Keep in touch...

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It is important to keep the Scheme administrator, RPMI, informed of any changes to your contact details.

### Write to

PCPF Administration Team  
RPMI  
PO Box 193  
Darlington  
DL1 9FP

### Email

[PCPF@rpmico.uk](mailto:PCPF@rpmico.uk)

### Telephone

0845 555 3377

(calls cost 5p per minute plus your phone company's access charge)

### Website

[www.myPCPFpension.co.uk](http://www.myPCPFpension.co.uk)

If you require a meeting to discuss your pension, please contact:

PCPF Secretariat  
Pensions Unit  
House of Commons  
London  
SW1A 0AA

**Telephone** 020 7219 2106

**Fax** 020 7219 2554

**Text relay** 18001 7219 2106

**Email** [pensionsmp@parliament.uk](mailto:pensionsmp@parliament.uk)