

Four steps to retirement

Rob: Today we're talking about the retirement process. We're joined by Lilliana Gonzalez, a Training Consultant for Civil Service Pensions, who's going to take us through it step by step with tips and advice on what to consider and what to look out for.

Emily: Lilliana, it's great to have you back on the podcast. Thanks for joining us today.

Lilliana: Thank you very much for having me.

Emily: So, let's get started. What's the first step of the retirement process?

Lilliana: So, the first thing you'll want to do is use the calculators to get an estimate of what your pension is worth. You can use the retirement modeller on the pension portal or our other calculators to do this. It's going to give you a guide of how much you can receive and your options in terms of lump sums. And the important thing is to remember that this will essentially be your salary after you retire, so you want to consider whether it's enough for you to live on.

Rob: Okay. So, these calculators and modellers, are they using, kind of, you know, data on your pension or is that, sort of, all manually input?

Lilliana: So yes, the retirement modeller in the pension portal links to data that we hold on our system. So, it gives you an accurate reflection of what you'll be able to get.

Rob: Great. So, once you've done that part, what would you do next?

Lilliana: So, next you want to speak with your employer, and you want to give them at least four months notice before your planned retirement date. You'll need to tell your employer that you want to retire, talk to them about your plans and arrange a date. They will then request a retirement quote from us. If you're a deferred member, though, you'll need to tell us that you want to retire by completing the Change of Details and Retirement Form for deferred members. It's an online form, so quick and easy to complete and submit. Or you can download the paper version and post it to us.

Rob: So just to jump in there, deferred member, just, can you just explain what a deferred member is?

Lilliana: Yeah, so a deferred member is someone who worked for the civil service, have qualified for a pension, but just haven't taken it yet.

Rob: Okay, great. Thanks.

Lilliana: So, if when you've opted out of this scheme, you were a member of classic or alpha, you can claim your deferred pension while remaining in Civil Service employment. If you were in classic plus, premium or nuvos, you'll have to leave Civil Service employment before you can claim these deferred benefits.

Emily: Okay, an important time frame there, then, of at least four months before your planned retirement date, but it's worth noting that some employers might ask for slightly more notice, so do look into that if you're thinking of retiring in the next couple of years.

Lilliana: So, it's important to have those conversations with your employer when you're thinking of retirement, just so you're on the same page and know what to expect because some employers do need more notice. So it's just important to know that.

Rob: So, it's also probably worth bearing in mind that some people may have a one month notice period, but it's okay to have that conversation with their employer four months before, when it comes to retirement.

Lilliana: Yeah, exactly. That's right. So, as you say, the notice period can be longer than the actual period to give us notice because again, it's employer specific. Some require six months notice. Some require three months notice or anything else. So just important to have that information beforehand.

Emily: Great. So, what's next?

Lilliana: So, once you've informed your employer or have completed the change of details and retirement form for deferred members, we're going to check your records and calculate your pension. Once we have everything we need, we'll send you a retirement quotation, and you'll usually receive this about two months prior to your planned retirement

date. This will include your pension and any lump sum options you have, and forms for you to complete to claim your benefits.

Rob: Great.

Lilliana: If you're impacted by the 2015 remedy, also known as the McCloud judgment, this will also include your choices in terms of the seven-year remedy period, which is from 1st April 2015 - 31st March 2022. So, it'll only usually be at retirement that you'll make the choice for Remedy, so being aware of that.

And you'll need to complete those forms and return them to us as soon as you can. And as long as we receive your forms at least one month prior to your planned retirement date, any lump sum that you're due will be paid to you shortly after you retire into the bank account you've provided details for in your form. If we receive your forms less than a month before your planned retirement date, your payments may be delayed. Your first pension payment will usually be a month after your retirement date, and it's paid monthly in arrears and potentially taxable.

Rob: So, it's really important to get those forms submitted on time.

Liliana: Yeah, absolutely.

Rob: Okay. That's been a really good step by step guide to the retirement process. And I guess, given retirement is such a big change, you've going from your whole life being punctuated by, surrounded by work to suddenly not, is there anything else that you think members should be doing to help prepare themselves?

Lilliana: Yeah, absolutely. You're right. So many people look forward to leaving work, it's a massive life event, so you want to make sure that you're prepared. We've got lots of information, resources, and training courses available in the episode description that will help you prepare yourself both mentally and financially, because you don't want to underestimate the impact that retirement can have.

Emily: Brilliant. And as you say, we've got a number of episodes that talk about retired members sharing their experiences and their life post-work. So, do go back through our episode catalogue and give those a listen.

Rob: Lilliana, it's been great having you back. Thanks for coming back to the podcast and for joining us again today.

Lilliana: Thank you very much for having me.

Rob: To find out more about anything we've talked about today, or to tell us what you'd like to cover in a future episode, head to civilservicepensionscheme.org.uk/podcast. You can also find links to information, transcripts, and accessible versions of this podcast in the episode description.

Emily: Make sure to follow so you never miss an episode, and if you're listening on Spotify, you can also share feedback through the in-app poll. Otherwise, please do leave us a review wherever you get your podcasts.

Rob: This minisode was recorded in August 2024. All information is accurate at the time of recording. Thanks for listening.