

How to apply for a Transitional Tax-Free Amount Certificate from Civil Service Pensions

- This information is for scheme members and the legal personal representatives of deceased scheme members.
- This information sheet explains what you'll need to do if you want Civil Service Pensions to issue you with a Transitional Tax-Free Amount Certificate (TTFC).
- Technical terms are underlined and explained in the glossary at the end.

Am I eligible to apply?

You should consider applying for a TTFC if you have crystallised pension benefits between 6 April 2006 and 5 April 2024 and **any** of the below points apply to you.

- You took less than 25% tax-free cash at one or more benefit crystallisation event (BCE) in any pension scheme you've ever taken benefits from.
- You crystallised benefits when the Lifetime Allowance was below £1,073,100.
- You took benefits that contained a disqualifying pension credit.
- You took benefits that contained Guaranteed Minimum Pension (GMP), which restricted the tax-free cash paid out to less than 25%.
- You had an age 75 test, BCE5 or BCE5B
- You had a BCE3
- You transferred benefits overseas (BCE8) but still have benefits in the UK that you will crystallise.

If you're not sure if any of the above applies to you, your other pension schemes should be able to help you.

Civil Service Pensions can't contact any schemes on your behalf, and we can only answer questions about the benefits you hold in the Civil Service Pension Scheme.

When do I need to apply?

If you're eligible to apply and want a TTFC you **must** apply before your **first Relevant Benefit Crystallisation Event (RBCE)** after 6 April 2024.

You can't apply for a TTFC once you've had a RBCE in any scheme after 6 April 2024.

Before you apply

During your application you will get a tailored assessment of your available Lump Sum Allowance, so it's in your interest to ensure the evidence you submit with your application is complete and accurate.

We ask that you only submit your application when you have **all** of the supporting information you need. We'll take any evidence you supply at face value, so if your evidence is incomplete or inaccurate your certificate will become invalid, and you'll need to apply for a new one.

How to apply

Step 1: Contact your other pension schemes.

You'll need to get in touch with any pension schemes you've taken benefits from between 6 April 2006 and 5 April 2024.

This includes requesting any information from us about any other Civil Service Pensions you receive.

You'll need to ask each of your other scheme(s) to provide you with the following information about your benefits:

- Benefit Crystallisation Event date(s) for each event
- The capital value of the benefits crystallised, and the Lifetime Allowance percentage used
- Pension Commencement Lump Sum taken (even if £0.00)
- Uncrystallised Funds Pension Lump Sum (UFPLS) taken (even if £0.00)
- Serious Ill Health Lump Sum taken
- Overseas Transfer value (BCE8) taken
- Any Lifetime Allowance protections used at the BCE, such as scheme specific lump sum protection, primary, Enhanced, Fixed or Individual Protection
- Confirm you have not had a Relevant Benefit Crystallisation Event (RBCE) from that scheme after 6 April 2024.

Important:

Your scheme must provide the information on headed paper.

We will accept information in an electronic document, but **not** in the body of an email.

We can't contact your other schemes on your behalf.

Step 2: Make your application.

After you've gathered the relevant information from all your other pension schemes, you can apply for your TTFC via the dedicated form on the Civil Service Pensions website or by completing the paper application form.

You'll need to attach your supporting evidence when you apply.

We will assess your application and either issue a TTFC or decline your application if you are not eligible (for example, if you have taken the maximum 25% cash at each benefit crystallisation event and will not benefit from a TTFC).

We will provide a response within 90 calendar days.

Please note: we are not able to expedite applications.

Glossary

This glossary is designed to give a general understanding of some of the technical terms used in this information sheet and elsewhere. It is not designed to cover every eventuality.

In depth explanations of many of the terms below can be found at:

[gov.uk/hmrc-internal-manuals/pensions-tax-manual](https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual)

Term	Meaning
25% tax-free cash	The maximum amount of cash available at each <u>benefit crystallisation event</u> . This is usually determined by the fund value (for defined contribution benefits) or in relation to the level of defined benefit pension coming into payment.
Age 75 test (BCE5, BCE5B)	Testing any uncrystallised benefits against the individual's <u>Lifetime Allowance (LTA)</u> at the maximum age of 75.
Benefit crystallisation event (BCE)	Certain pension scheme actions. For example, a retirement, transfer, death, or where a Lifetime Allowance (LTA) test was triggered. The benefits being paid would be measured against the individual's LTA and usually expressed as a percentage of this allowance. Some payments, such as small-pot or trivial commutation, are not benefit crystallisation events.
BCE3	Testing an individual's pension against the Lifetime Allowance when a pension in payment is increased beyond certain statutory thresholds.
BCE8 - overseas transfers	Where an individual's benefits are transferred overseas but certain benefits, such as GMP, are retained in the UK scheme and will be tested against the Lifetime Allowance.

Capital value	The value of the benefits crystallised for Lifetime Allowance purposes. In defined contribution schemes this is typically the fund value. In defined benefit schemes this is typically the amount of pension brought into payment, multiplied by 20, plus the face value of any <u>pension commencement lump sum</u> .
Defined Benefit / Defined Contribution	<p>Defined Benefit (DB) schemes provide members with guaranteed benefits determined by the scheme's rules, instead of the contributions paid in. The PCSPS and alpha are defined benefit schemes.</p> <p>Defined Contribution (DC) schemes invest member and employer contributions and provide the member with a 'pension pot' at retirement instead of a guaranteed set of benefits.</p>
Disqualifying pension credit	A pension credit paid upon divorce from a scheme member's crystallised benefits, for example a pension credit derived from a pension already in payment.
Guaranteed Minimum Pension (GMP)	<p>The minimum amount of pension a scheme must pay you. GMPs were accrued in schemes which were 'contracted out' of the state second pension (S2P, SERPS) between 6 April 1978 and 5 April 1997. Members and employers paid a lower rate of National Insurance in exchange for the scheme agreeing to pay benefits which were broadly comparable to the S2P.</p> <p>A GMP is typically incorporated into an individual's Defined Benefit pension and is not an extra amount paid on top.</p>
Lifetime Allowance (LTA)	The maximum amount of benefits an individual can take from a pension scheme at a <u>benefit crystallisation event</u> without incurring tax charges or having their benefits subjected to certain restrictions.
Lifetime Allowance Protection	A fixed or individual Lifetime Allowance, typically higher than the standard Lifetime Allowance.
Pension Commencement Lump Sum (PCLS)	A tax-free lump sum paid as part of a package of retirement benefits, such as taking a defined-benefit pension or part of a defined-contribution 'pot' before buying an annuity.
Relevant Benefit Crystallisation Event (RBCE)	<p>Where an individual becomes entitled to the payment of a lump sum on or after 6 April 2024 which will be tested against the Lump Sum Allowance (LSA) or Lump Sum and Death Benefit Allowance (LSDBA).</p> <p>An individual 'becomes entitled' to a lump sum when they have fulfilled all necessary steps for the scheme to make the payment, such as reaching their retirement date and providing their payment details.</p>

<p>Serious ill health lump sum</p>	<p>A one-off tax-free lump sum paid in lieu of a lifetime pension, to members of defined benefit schemes who have been certified as having a life expectancy of less than 12 months.</p>
<p>Uncrystallised Funds Pension Lump Sum (UFPLS)</p>	<p>A pension commencement lump sum paid from uncrystallised funds in a money-purchase defined contribution scheme.</p> <p>The PCSPS and alpha do not pay UFPLSs. Members with a Civil Service Additional Voluntary Contribution Scheme (CSAVCS) account or partnership pension account may have this option and should speak to their provider directly.</p>