

DIVORCE OR DISSOLUTION OF CIVIL PARTNERSHIP – STEPS YOU SHOULD TAKE

This guide applies to all deferred and pensioner members of the scheme. It sets out what you need to do about your pension or benefits if you are going through a divorce or dissolution of a civil partnership.

As a member of a defined benefit pension scheme, your pension is a valuable asset. Therefore, the value of this benefit should be taken into account in your divorce settlement. This can be done in a number of ways:

- *Offsetting the value of your pension against the value of your rights to other assets (for example your house);*
- *Pension Sharing Orders, where part of your pension fund is given to your ex-partner (transferred into their pension arrangement) i.e. a clean break; or*
- *Earmarking/Attachment orders, where part of your pension is payable to your ex-partner, when it is eventually drawn down, i.e. without the clean break. These are less common, so are not detailed in this guide.*

The treatment of your pension on divorce also differs depending on whether it is a divorce under English and Welsh law or Scottish law. This guide focuses on the English and Welsh regime, but details of the key differences for Scottish cases are included at the end of the guide.

Initial stage – provision of basic information

At the beginning of your divorce proceedings the courts will look to obtain basic information about you and your finances, including your pension scheme. They will require that you get an indicative transfer value from your scheme administrators. Your solicitor should be talking to you about this, ideally at least 6 weeks before any initial hearing, you may also want to talk to an IFA at the same time.

At least 6 weeks before your initial court hearing.

To request a cash equivalent transfer value from Hymans Robertson, simply log on to www.lscpensions.co.uk and request a transfer value quote via “My requests”. Alternatively, contact the Scheme’s administration team at lscpensions@hymans.co.uk or call them on 020 7082 6457.

If you are going through a divorce under Scottish law, you will additionally need to provide evidence of the Date of Separation and the Date of Summons served, where applicable.

Within 15 days of your request

The administration team will provide you (or the court) with a transfer value. A copy is not provided to your ex-partner. The transfer value is not guaranteed. It will be provided free of

charge, unless you are a pensioner (or over normal retirement age) or have had a similar quote within the last 12 months.

Court Decision stage – ongoing consideration

Initial and any further court hearings.

Once the court has details of your transfer value from our scheme (and any other schemes you are a member of), they will use it to determine any financial settlement. The court may decide to offset part of the value of your pension against your other assets. Alternatively, they may proceed with a Pension Sharing Order or a Pension Earmarking/Attachment Order. The two are very similar, with the key difference being who has legal rights to the pension. In the majority of cases a Pension Sharing Order is implemented.

Typically at this stage, the courts will decide what percentage of your pension should be deducted from your pension (“pension debit”) and credited to your ex-spouse.

Implementation stage – pension sharing

As soon as possible after receipt of court decision.

The court will provide you with a Pension Sharing Order which you should send to our scheme administration team. As well as the fully completed **and Court stamped** Pension Sharing Order, you will need to provide:

- a copy of your Decree Absolute or Decree Nisi,
- the payment of charges split in line with the Court Order and
- details of where the ex-spouse’s pension is being transferred to.

A postponement of implementation notice will be issued by the administration team if they do not receive fully completed documentation. This letter will be issued to both parties (usually copied to both solicitors too if known) and includes a list of any outstanding requirements.

Within 3-4 months of receiving fully completed documents.

Using the percentage allocation given by the Pension Sharing Order, the administration team will calculate the value of pension payable to your ex-partner. They will then transfer this portion to your ex-partner’s pension arrangement. You will have a debit applied to your pension which will be deducted from your pension payments (if you are a pensioner) or from your deferred pension (if you are not a pensioner).

However, if a Pension Earmarking/Attachment Orders is in place, your total pension remains attached to your record, but some of it is payable directly to your ex-spouse when it comes into payment.

As the final step, the administration team will send you a Confirmation of Implementation letter. This confirms the financial

impact on your pension entitlement and the date of its implementation.

Additional considerations for Scottish cases

If you are divorced under Scottish law, the courts can decide a fixed amount to be deducted from your pension as a pension debit, rather than a percentage of your pension.

Separately, the value of pension considered for pension sharing is based upon your period of marriage as a member of the scheme. For example, if you had 12 years of service in the pension scheme and you were only married for 6 of these, then only around half of your transfer value may be considered for divorce proceedings.

*You should also be aware that, at the implementation stage detailed above, **the Order must be provided to the administration team within 2 months of the decree of divorce.** If this timescale is not met, the Order is no longer valid, and you will need to apply back to the court for an extension to the period.*