

PENSION SHARING CHARGES

The table below shows the recommended scale of charges for providing information in relation to, and for the implementation of, pension sharing orders by private sector occupational pension schemes. It also indicates the circumstances in which such charges may properly be levied. The suggested amounts are indicative only and schemes may feel that it is appropriate to raise charges that are higher or lower than those stated, depending on all the circumstances and (in particular) the likely amount of work involved in complying with any member's request.

Step	Suggested range	When chargeable	Notes
Produce CETV quotation <i>(active or deferred)</i>	£0 – £250	See flowchart	Member can only be charged if wouldn't otherwise be entitled to CETV free of charge.
Produce CETV quotation <i>(pension in payment)</i>	£600 – £1,000	See flowchart	
Provision of other information	£0 – £500	At any time *	Information which does not have to be provided free may be charged for. Cost will depend on the nature and complexity of the enquiry.
Processing a pension sharing order – internal transfer, DB scheme	£2,500 – £3,000	At any time *	Includes allowance for future scheme admin costs of approximately £1,250.
Processing a pension sharing order – internal transfer, DC scheme	£2,250 – £2,750	At any time *	If trustees customarily pay for annuity purchase advice on retirement, it is recommended that an additional sum in the region of £500 – £600 can be charged.
Processing a pension sharing order – external transfer, DB scheme	£1,350 – £1,950	At any time *	
Processing a pension sharing order – external transfer, DC scheme	£1,300 – £1,850	At any time *	
Processing a pension sharing order when pension already in payment	£250 – £500 <i>(in addition to the amount stated above)</i>	At any time *	Includes allowance for recalculation of CETV and recovery of pension arrears if unreduced pension paid to member for a time after pension sharing order effective.

* *But only if previously disclosed to members in a schedule of charges*

The flowchart below indicates when a 'typical' occupational pension scheme may properly charge for valuing a member's rights. It is based on the fundamental underlying principle that members cannot be charged for something to which they would otherwise be entitled without charge.

The flowchart is simply a high-level overview of complex legislative provisions and, being only a guide (for which no responsibility is accepted by the NAPF and/or any third party involved in its formulation), specialist legal advice should always be taken. This is particularly the case in respect of personal pension schemes / retirement annuity contracts; the position under Scots law; earmarking orders; hybrid pension schemes, or those with an overseas element; and situations in which the legislation applies differently to members with historical benefits, for example those who left service prior to 1986 or who have a retirement age lower than 60. Particular attention should also be paid to the scheme's rules and to the content of members' booklets as either may indicate when charges may properly be levied for the provision of a valuation of members' benefits.

PENSION SHARING ON DIVORCE

WHEN CAN SCHEMES CHARGE FOR THE PROVISION OF A CETV (OR OTHER VALUATION OF MEMBERS' BENEFITS)?

Note 1: "Member" means active, deferred or pensioner.
Note 2: "NPA" means the earliest age at which a member is entitled to all of his benefits, unreduced, from the scheme.

