

Pension Factsheet 4

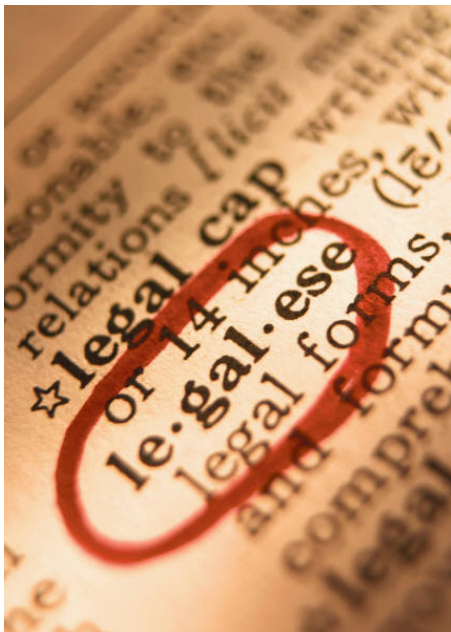
Divorce



Are you in the Local Government Pension Scheme? Are you divorced or in the process of getting a divorce? Have you thought about how this could affect your pension? We hope this factsheet will answer some of your questions.

What happens to my pension when I divorce?

In the past, divorce could leave one of the couple with a very small income or no pension at all if your former spouse dies. There are new regulations, which provide a new option in the way pension rights can be shared if a couple divorce.



What pension benefits is my former spouse entitled to?

Your pension entitlements include;

- An annual pension
- A lump sum
- Cover for a spouse's pension
- A lump sum death grant

All or part of these benefits could be payable to your former if the court decides to make a pension sharing order.

Will my ex-spouse ALWAYS be awarded part/all my pension?

No - not necessarily! The court may decide that you have enough assets that can be shared without having to look at your pension rights. If your ex-spouse has substantial pension rights then it could be that they are made subject to a pension sharing order for you.

In all cases, the rules of the Local Government Pension Scheme have to be understood correctly before the court can make a pension sharing order.

How will the value of my pension be assessed?

It is very simple to work out a projected annual retirement pension but divorce law requires that the method of valuation should be "cash equivalent value" (CEV). This is so that the courts can compare your pension to other assets e.g. your house, your car etc.

Is there any charge for this?

Yes there is. The charge is £471 plus VAT. This will be explained to you in a letter at the time.

How would my pension be affected?

There are two possible ways your pension could be affected on divorce.

- An Earmarking Order means that when your retirement benefits become payable, part of your pension or lump sum, as directed by the court, would be paid to your ex-spouse.
- A Pension Sharing Order is where your benefits are split at the time of divorce. The amount will be specified in a court order. Your own pension benefits would be adjusted and your ex-spouse would then be entitled to a separate pension. Your solicitor will be able to explain this to you in more detail.

Need any more help?

Our address

**Wiltshire Pension Fund
County Hall
Trowbridge
Wiltshire
BA14 8JN**

Our telephone number

01225 713613

Our fax number

01225 713645

Our e-mail address

pensionenquiries@wiltshire.gov.uk

Our website

www.wiltshirepensionfund.org.uk