

# Understanding your pension payments

We send you a payslip at the end of April every year to confirm your pension payment amount, and we often get questions about this topic. So to help members better understand when and how their pension is paid, and how the pension is calculated, we've included answers to the most commonly asked questions below.

## Q1: When do I receive a payslip?

You will receive an initial payslip with your first pension payment and a further payslip in April each year. Otherwise, you will only receive a payslip when your net pension changes by £1.00 or more.

It is important that you keep your payslips, as you may need them as proof of your BTPS pension for benefit claims or for tax purposes.

## Q2: When are my pension payments made?

Your monthly pension payments will be made on the following dates during 2016/7. These dates may be subject to minor changes but you will be notified of any changes 15 days before the payment date.

Pay Month	Payment Date
April 2016	29th April 2016
May 2016	31st May 2016
June 2016*	30th June 2016
July 2016	29th July 2016
August 2016	31st August 2016
September 2016*	30th September 2016
October 2016	31st October 2016
November 2016	30th November 2016
December 2016*	23rd December 2016
January 2017	31st January 2017
February 2017	28th February 2017
March 2017*	31st March 2017

If you're paid weekly, payments will be made every Thursday.

\* If you're paid quarterly, your pension will be paid on these dates.

## Q3: How quickly will I be able to access my pension payments?

This depends on how you choose to receive your pension. For example Giro cheques take longer to process, so you will receive your pension later than the dates detailed in question 2.

The most secure and reliable method of receiving your BTPS pension on the actual payment date is to have it paid directly into your Bank or Building Society account by credit transfer (BACS). If you would like to change how you're paid, you can send in a signed written instruction confirming your pension number and your bank account details to the address on the back page of this guide.

If you bank outside of the UK, please call 0800 731 1919 (+ 44 203 023 3420 from abroad) for an overseas payment form.

## Q4: Will my pension payment change?

Your pension payment is typically a fixed amount each month, but it could change for various reasons, including:

- If this is your first pension payment it could include arrears or be a pro rata instalment;
- If your tax code has been adjusted by HMRC since the beginning of tax year (April), your tax deductions may vary;
- If you have any voluntary deductions (such as health cover);
- If you have any net additions (such as a refund of a voluntary deduction); and
- If you receive a pension increase.

### Explanation of terms used on your payslip

**Gross pension** – This includes all elements of pension due for the current pay period, including arrears of pension owed if applicable. Amounts included in this total are subject to tax.

**Net additions** – This total shows any arrears of pension, lump sum or other adhoc payments, if applicable.

**Tax deducted** – This is all of the tax deducted, based on your tax code. Accenture, on behalf of the BTPS, only change your tax code when they receive instruction from HM Revenue & Customs (HMRC). ALL tax queries should be directed to HMRC on 0300 200 3300. You will need to quote your National Insurance number.

**Voluntary deductions** – This may include deductions you have asked us to make, Court Orders, or adjustments to your net pension or lump sum.



### Q5: How are my pension increases calculated?

Pension increases are calculated in accordance with the Scheme Rules. In general terms this means your pension receives an increase set by the Government. The Government generally uses the change in the Consumer Prices Index (CPI) in the 12 months to the previous September to set pension increases. Over the 12 months to September 2015 CPI inflation was -0.1%. However, pensions in payment are not reduced and therefore no increase (or reduction) will apply to your Scheme pension in April 2016.

Over recent years, Section A and Section B members of the scheme have received the increases as outlined below:

Section A and Section B	%
April 2016	0.0%
April 2015	1.2%
April 2014	2.7%
April 2013	2.2%
April 2012	5.2%
April 2011	3.1%

### Q6: I live in Scotland. Do I pay the Scottish rates of Income Tax?

If you live in Scotland, from 6 April 2016, your tax code will start with an 'S'. This will tell us to deduct tax at the Scottish rate. You should have received a letter from HMRC if they think you are affected. If your main home is in Scotland and you haven't received your letter, please contact HMRC on 0300 200 3300. Alternatively, you can find more information on their website [www.gov.uk/scottish-rate-income-tax/how-it-works](http://www.gov.uk/scottish-rate-income-tax/how-it-works).

[www.btpensions.net](http://www.btpensions.net) has a whole section that looks at pension increases and gives answers to the typical questions we receive from pensioners.

