

DIVORCE AND DISSOLUTION

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In divorce or dissolution, your pension might be one of the biggest assets you have, along with your home.

You can split pensions several ways, so it is worth understanding your options.

 THE CHURCH
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PENSIONS BOARD

Divorce and dissolution

Pensions you can divide

These are the pensions that you can divide in divorce or dissolution:

- pensions you have through work
- personal pensions
- any additional State Pension (but not the basic State Pension)

What exactly can be divided depends on where in the UK you are divorcing or dissolving your civil partnership.

Divorce or dissolution in England, Wales or Northern Ireland

The Court will look at the value of the pensions you have both built up.

This means not only the pensions you or your ex-partner built up while you were married or in a civil partnership, but all your pensions – except your basic State Pension.

Divorce or dissolution in Scotland

The Court will only look at the value of the pensions you have both built up during your marriage or civil partnership.

This means anything built up after your ‘date of separation’ or before you married or became civil partners does not count.

Get in touch with your pensions

It can be a good idea to list all the different pensions you and your ex-partner have and ask them for a “divorce quote”. The technical name is a “Cash Equivalent Transfer Value”.

This is the value of each pension. Make sure you tell them you need this for divorce. This is important. They might need to send you different forms and figures, as there could be charges included.

Only the person whose pension it is can ask for a divorce quote.

What are the charges?

Pension schemes can charge for the work they do to split your pension.

We do not charge but others might. Check their charges when you ask for a divorce quote. Fees can be quite high, but they will usually take their fee from your pension.

What if we have both retired?

If you and/or your ex-partner have retired, pensions can still be split but the rules are different.

It is not possible to take a lump sum from your ex-partner’s pension if they are already receiving an income from it, even if your ex-partner took a lump sum.

What if we have both retired?

You can agree to offset your pension without a court order. You should get advice from a family lawyer who knows about pensions in divorce or dissolution as the rules are complicated.

Where can I get help and guidance?

If you feel you need free help or guidance on divorce or dissolution, or just help if you are separating, there is lots of information at moneyadvice.service.org.uk/en/categories/divorce-and-separation

How might my pension be split?

Here is how your pension could be split. Make sure you speak to a solicitor or financial adviser to make sure you understand how this could affect your pension.

Option	What happens?
Pension sharing	You get a percentage share of one or more of your ex-partner's pension. This is either transferred into a pension in your name. If you do not have a pension to transfer this to, you will need to set one up. In some circumstances you might be able to join your ex-partner's pension scheme.
Pension offsetting	The value of any pensions is offset against other assets. For example, you might get a bigger share of the family home in return for your ex-partner keeping their pension.
Deferred pension sharing (not available in Scotland)	This might be used if your ex-partner is already retired and is receiving their pension, but you have not retired, and you are too young to be paid a pension (currently under age 55). You both make an agreement to share the pension later, when you are older and can access it. This can be very complicated, so legal costs can be higher.
Deferred lump sum (not available in Scotland)	You get a lump sum from your ex-partner's pension when they retire.
Pension attachment order (called "pensions earmarking" in Scotland)	You get some of your ex-partner's pension when they start taking it. Part of their monthly income, lump sum or both will be paid to you. You will usually have no control when you get this, it will depend on when your ex-partner retires.

This reflects our understanding of current legislation and practice. You should talk to a financial or legal adviser if you need specific guidance or advice.