

police family matters

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Newsletter for the Police Federation

 **Russell Jones & Walker**
PART OF SLATER & GORDON LAWYERS

Pension Reform and Divorce. What does it mean to me?

The Home Secretary has recently announced the Government's final position in relation to future police pension arrangements. The full details of the new arrangements are to be developed over the next couple of years.

For many police officers, their pension has often been the most valuable asset. For those officers affected by the changes, this may no longer be the case. This needs to be borne in mind when going through a divorce and negotiating a financial settlement.

Do the changes affect me?

The new scheme will not just apply to new joiners. It will, subject to the transitional arrangements, apply from 1 April 2015 to existing members. There will be full protection (i.e. no change in current pension age nor the amount received at pension age) for those who at 1 April 2012 were:

- ▶ Aged 45 or over in the 1987 or 2006 scheme; or
- ▶ Members of the 1987 Police Pension Scheme and aged 38 or over and 10 years or less away from being able to retire with a maximum 30 year pension.

Officers within four years of qualifying for full protection will receive limited protection.

What are the proposed changes?

In summary, the main points arising from the changes are as follow:

- ▶ From 2015, there will be a new "career average" pension scheme rather than a final salary scheme.
- ▶ The contributions made by members will also be increased to an average of 13.7%.
- ▶ The age at which the career average pension becomes payable will now increase to 60 provided an officer is in service until that age (subject to the important reservation at the penultimate bullet point below).
- ▶ If an officer leaves before that age, the career average pension will be payable from state pension age.
- ▶ A member who retires at age 55 or over, will be able to take an actuarially reduced career average pension payable immediately (calculated on the basis of a pension payable at 60 rather than state pensionable age).
- ▶ There are important protections in relation to the calculation of accrued pension rights and the age at which those rights can be taken.

These are just a few points arising from the changes. It is important that as a member you speak to your pension provider or Police Federation to see how this may impact on you. Helpful information can be found on the Home Office website.

The result of this is that officers affected by the changes will not only be paying more into their pensions but as they may be retiring later, the projected value of their pensions will be lower than once expected.

Frequently asked questions

1. I obtained a divorce 5 years ago and my former spouse got a share of my pension. I will now get less. Can I take my case to Court to get a better deal?

If you obtained a divorce and your spouse received a share of your pension, then this will have been recorded in a "Consent Order". This is likely to have been dealt with as a "Pension Sharing Order" which will have been implemented. Such orders are binding and cannot be varied even if, unfortunately, you have been affected by the changes.

The only circumstance in which a variation may take place is if your spouse has obtained a share of your pension by way of a "Pension Attachment Order". These are less common. We can advise you as to what type of order you have and whether this can be varied.

2. My divorce settlement was approved by the Court two months ago. Is there anything I can do?

If your order was approved by the Court a very short time ago, then the circumstances may be such that variation may be able to take place even if a "Pension Sharing Order" which is generally not variable, was entered into.

If your "Pension Sharing Order" has not yet been implemented, despite being approved by the Court, and you do not yet have decree absolute, there is a possibility this can be varied. If this applies to you, it is important you obtain specialist advice immediately before the divorce is concluded and pension sharing order implemented.

Continued...

...Frequently asked questions continued

3. I am going through a divorce now. How do the changes affect me?

If you are going through a divorce now and negotiating a financial settlement, it is important to find out whether or not you are affected by the proposed changes. If you are likely to be affected by the new scheme then various points need to be considered whilst negotiating a financial settlement.

Firstly, many officers would previously seek to protect their pension by agreeing to "offset" their spouse's claim. This means for example, an officer would agree to give the spouse a greater share of the immediate capital such as the equity in the property and in return would keep their pension and on retirement often take their lump sum in full.

As those affected by the scheme will be retiring at a later age, you may not wish to wait for such a significant period of time before obtaining any capital. It may therefore be more suitable for you to obtain some of the equity now and sacrifice some of your pension, in particular given it is unlikely to project the lump sum and income on retirement that you had once hoped.

Secondly it is essential the upcoming changes are highlighted to your partner's solicitor and/or the Court. Within financial negotiations, you will be required to disclose the value of your pension. This is known as your Cash Equivalent Transfer Value ("CETV") and is the value that your pension would be given if you were able to transfer it. The CETV is likely to be misleading for the purposes of negotiation as it does not factor in the proposed changes. Pension providers at this stage are currently unable to take into account these changes when valuing the pension.

It may be helpful to obtain an independent actuarial report when assessing the true value of your pension.

Finally, it is important to factor in that your pension contributions will be increasing. This increase in your outgoings should be taken into account if negotiating a settlement which includes a payment of maintenance to your spouse. If you are an officer affected by the changes, it is important to seek specialist legal advice. At RJW Slater & Gordon Lawyers we have a specialist understanding of police pensions.

New appointments.

Tara Deegan

Tara specialises in all aspects of Family Law, with a particular expertise in financial settlements. She is also a Collaborative Lawyer and Mediator.

Tara trained at Tollers and qualified in 1993. She worked for Wilson Browne Solicitors until 2001, and for the last 6 years headed the Family Law department of J Garrard & Allen in Olney, Bucks. She graduated with an Honours Degree in Law from Nottingham University in 1990 and completed her legal studies at the College of Law in 1991. She became a Mediator in 1997 and a Collaborative Lawyer in 2008. Tara is married to a barrister who also specialises in family law and has a son and daughter in their teens. She lives in the village of Stagsden in Bedfordshire.

Tara is the family representative for **Hampshire** and **Bedfordshire** police personnel and runs surgeries for both Federations. Please contact Tara on **01908 354163** in order to arrange a free immediate appointment.



Hannah Cornish

Hannah is a solicitor in the family team in Milton Keynes. Her practice encompasses all aspects of family law including divorce, financial settlements, cohabitation issues, domestic abuse, children matters and adoption. In particular, Hannah has expertise in disputes concerning children which include residence, contact arrangements, international custody disputes and international child abduction.

Hannah stands out from most other family solicitors as she is able to undertake the advocacy for her clients within court proceedings from the first hearing right through to any final hearing. Hannah has very high standards of client care and her calm, inquisitorial approach is perfectly suited to the sensitive and complex cases.

Hannah believes in the Resolution code of practice. She promotes a conciliatory and non-confrontational approach in all of her cases. Whilst Hannah will try and resolve issues amicably and without recourse to the courts Hannah is also a confident and experienced court advocate. This, combined with her thorough preparation and robust determination to ensure the best outcome for her clients, has resulted in Hannah being instructed by many clients on the basis of personal recommendations.

Hannah read law at Keele University and completed her postgraduate studies in Nottingham. Prior to joining RJW Slater & Gordon Lawyers, Hannah worked at a large regional law firm which specialised solely in family law.

Hannah is the family representative for **Warwickshire, Cambridgeshire, Norfolk, Essex, Surrey** and **Dorset** police personnel. To arrange a free initial consultation please contact Hannah on **0207 657 1450**.



Amy Chesterfield

Amy is a Solicitor in the Milton Keynes Family Law Department. Her practice is extremely varied. Amy deals with all aspects of relationship breakdown, particularly financial matters which she has a particular bias towards.

Amy trained at Woodfines LLP and qualified in 2006. She then moved on to Purcell Solicitors in Milton Keynes where she remained for six years before joining RJW Slater & Gordon Lawyers. Amy graduated with a 2:1 degree from Nottingham Trent University in 2007. She completed her legal practice course in 2004, having completed it whilst working full-time at a large regional firm of solicitors. Amy is a member of Resolution and is fully committed to its code of conduct. Amy is also a member of the Law Society Family Panel as an accredited specialist in her field.

Amy is the family representative for **Leicestershire** and **Thames Valley** police personnel, to arrange a free initial consultation please contact Amy on **0207 657 1436**.



Contact us:

For more information or to find details of your specific family law representative and upcoming surgery dates please visit our website at

www.rjw.co.uk/policelaw

RJW Slater & Gordon launch innovative fixed fee divorce & dissolution services.

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1st Appointment

Stories have recently surfaced in the media about couples spending such large amounts of money on their divorces which often leaves them with very little to divide between them. At the same time divorce rates are increasing, as shown in the 2012 Ministry of Justice Court Statistics. In the first quarter of 2012 31,603 decree absolutes were granted for the dissolution of marriage . On top of these factors the pay freezes, redundancies and the recession has wrecked havoc on household income so it is even more imperative than before that lawyers are offering a transparent, affordable solution to their clients when it comes to divorce & dissolution. Our fixed fee options can help, by offering a tiered service with as much or as little involvement from us as necessary, we are able to tailor your divorce or dissolution to your requirements and your budget.

How can our fixed fee divorce & dissolution service help you?

As specialists with 15 years’ experience in all aspects of police divorce and family law issues RJW Slater & Gordon Lawyers are dedicated to providing police officers and police personnel a value added service. Our services are adaptable to meet your individual needs and allow you to progress at a pace that is right for you and your family.

Lawyer assisted	£299 + VAT =£358.80 + Court fees
Fully Represented (non-contested divorce)	£600 + VAT = £720 + Court fees
Tailored	Charged at Legal advisors discounted hourly rate;- suitable for cases involving jurisdiction issues

* Court fees may apply. www.justice.gov.uk/statistics/courts-and-sentencing/judicial-quarterly

Lawyer Assisted

What is included:

- ▶ 30 minutes of telephone advice at any stage of your divorce or dissolution
- ▶ Drafting of your divorce or dissolution petition, statement of arrangements for children form and application for decree nisi / conditional order (up to 2 drafts of each)
- ▶ You will receive a pack providing you with:
 - A step by step guide to the divorce or dissolution process
 - A guide to help you apply for a certified copy of your marriage or civil partnership certificate
 - A guide to help you decide whether you will qualify for a fee exemption and application form
 - A guide to help you apply for personal service of your divorce or dissolution
 - A list of all the county courts in England and Wales and their contact details
 - Sample letters for you to use to correspond with the court and your spouse or civil partner.

This service is not suitable if you need advice in respect of jurisdictional issues or in the event that your spouse or civil partner is likely to defend your petition.

Should at any time you wish us to take over your case on the fully represented basis or require assistance in addition to the above service we will be happy to help you.

Fully Represented

What is included:

- ▶ We conduct your divorce or dissolution for you from start to finish
- ▶ We draft and lodge all court documents on your behalf and take responsibility for all correspondence with the court, your spouse or civil partner and their solicitors.

We will have to take you off the fixed price service in the event of international issues arising in your case or in the event your divorce or dissolution becomes defended.

Tailored

What is included:

- ▶ Our team of expert lawyers are experienced in dealing with complex divorce or dissolution cases involving international or jurisdiction issues or in the event of proceedings becoming defended. The tailored option is charged at legal advisors standard hourly rate and police personnel receive up to 30% off current hourly rates.

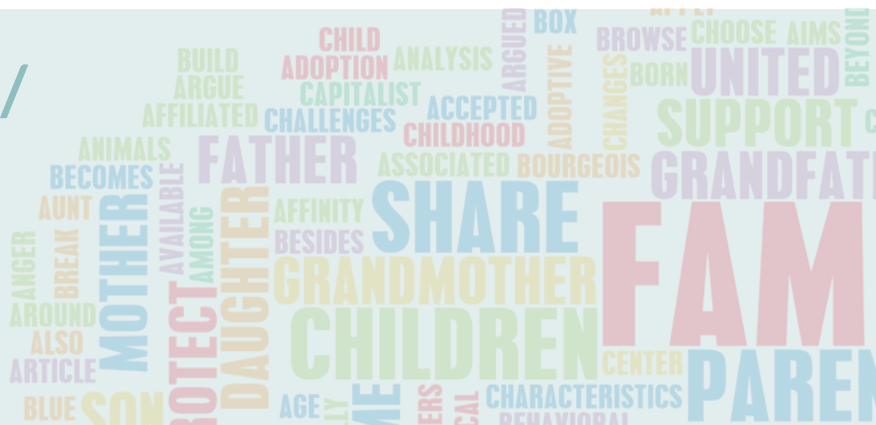
Contact us:

For more information on our fixed fee services or for any family law query

0808 175 7710

www.rjw.co.uk/policefixedfee

CSA - Are you paying/receiving the correct amount of child maintenance?



When separating from your spouse / partner and there are children involved, one of the greatest source of difficulties can be the issue of maintenance paid via the Child Support Agency (CSA).

There is a set calculation used by the CSA based on the non-resident parent's net income, the number of children in their household and the number of overnight stays they have with the child in question.

What is not so well known is that the CSA does have some discretion to vary the basic assessment. It is worth looking at the factors below to see whether you are paying or indeed receiving the correct level of maintenance.

Are you paying too much maintenance?

If you are the non resident parent, there are a number of factors which may reduce the amount of maintenance you are paying.

Contact Costs

Are you incurring costs as a result of having contact with your children in excess of £15 per week? These can include travel tickets or fuel costs for example. If so, this could reduce your maintenance liability.

Former Property

In some instances, the former family home may have been transferred to the primary carer of the child without you retaining an interest in the property. In these circumstances, if the child and the primary carer remain living in the property and you are still contributing to the mortgage payments this could affect the level of child maintenance payable by you.

Debt

You may find that upon your separation from your spouse/partner who is the parent of the child, you have negotiated a financial settlement which has put you in a position whereby you are taking on responsibility for debt. Regardless of whether this debt is in your sole or joint names, if this was incurred for the benefit of the parent with care or the child, it is worth bringing this to the attention of the CSA as this could reduce the amount of maintenance being paid.

Boarding School

If your child attends boarding school and you are paying a contribution

towards those fees you could receive a discount on your maintenance payments of up to 30%.

Are you receiving too little maintenance?

As well as having the discretion to reduce maintenance payments, the CSA also has the discretion to increase the level of maintenance. If you are the parent with primary care of the child it is worth checking if the factors below apply to you, in which case, you may wish to bring these to the CSA's attention.

Lifestyle Inconsistent with Income

Is the parent paying maintenance enjoying a lifestyle which far exceeds the income they are declaring? For example, are they enjoying numerous holidays, buying expensive cars whilst only declaring nominal income to the CSA? In these cases, provided the lifestyle is not funded by their current spouse/partner, this can be brought to the CSA's attention.

Assets Exceeding £65,000

If the parent paying maintenance has non-business assets in excess of £65,000 after the deduction of mortgage/other liabilities (not including their main property), these assets can be regarded as generating an income of 8% which in turn can increase the maintenance payable.

Dividends

It is worth establishing whether the non-resident parent receives dividends from any shares as this can also increase the maintenance payable.

Ultimately however it is always to the discretion of the CSA and they will look at whether it is "just and equitable" for a variation to take place.

The CSA are involved in a significant proportion of separating parents and the maintenance payments payable or received can have a large impact on your income. If you believe that the level of child maintenance you are paying or receiving could be affected by one or more of the factors above it is worth contacting the CSA to check whether they feel their maintenance calculation should be varied. Remember that your circumstances and your former partner's circumstances are always subject to change throughout your child's minority. Therefore, it may be wise to review your position in respect of child maintenance on an annual basis.

Please feel free to discuss your own position and concerns.
Contact your nearest RJW Slater & Gordon Lawyers office on:

T: 0808 175 7710

W: www.rjw.co.uk/policelaw

Our offices:

Birmingham, Bristol, Cardiff, London, Manchester, Milton Keynes, Newcastle, Sheffield, Wakefield & Edinburgh - Associated office.

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