



myerson

Myerson **Family**

Our guide to pensions on divorce

0161 941 4000 | myerson.co.uk | lawyers@myerson.co.uk

Welcome

We understand the complexities of modern life and, therefore, everything we do is ultimately about you, and it is important you get to know the team that will be working with you every step of the way. It's a deep source of satisfaction that so many clients choose Myerson as their trusted adviser.

Why Myerson?

Our highly experienced and discreet family lawyers, provide clear and supportive legal advice, tailored towards your individual family needs.

As a Top 200 UK Law Firm, we are also proud to be ranked as '**Top Tier**' in the prestigious international directory **The Legal 500**, and commended by The Times '**Best Law Firms 2023**'. This means you can be certain that you will be receiving the highest quality legal advice.

Being a full-service law firm means we are well placed to provide wide-ranging, tailored legal advice to meet your individual needs. We work closely with other departments internally including Real Estate, Corporate, Commercial and Private Wealth Lawyers to ensure that your needs are protected comprehensively.

You can find out more about our **Family Team** by clicking [here](#).



Dealing with pensions on divorce

In proceedings for divorce, nullity, or the dissolution of a civil partnership, the Court has the power to share pension savings between the parties.

Pension benefits will often be the second largest asset after the family home and it is important to understand the range of options available when dealing with pensions.

How to value a pension

It is important to request an up-to-date statement showing the cash equivalent value of any pensions that you have.

The cash equivalent is the valuation of benefits built up to date and calculated as if the member were to cease employment on the date of the valuation.

This figure represents the value of the future benefits that the member is entitled to, such as pension income and/or lump sum. If you are concerned that the cash equivalent may not reflect the true value of the benefits, you can request further information from the pension provider by completing the Form P Pension Inquiry Form. The pension provider must complete the request within six weeks of receiving the request.

Form P: Pension Inquiry Form information needed when a Pension Sharing Order or Pension Attachment Order may be made - GOV.UK (www.gov.uk)



The cash equivalent valuation does not always reflect the true value of the pension benefit.

The cash equivalent valuation is relatively straightforward for the following types of pension schemes:

- Money purchase
- Defined contribution
- Personal pension

The cash equivalent valuation is more difficult to determine for the following schemes:

- Defined benefit
- Guaranteed annuity rate schemes
- Private sector schemes with discretionary benefits
- Underfunded pension schemes
- Complex pension schemes

Pension Experts

In most circumstances, it will be necessary to instruct a pension actuary to report on how the pension can be divided, to create equality of income and/or capital in retirement.

At Myerson, we have good connections with independent financial advisors and pensions actuaries. In some circumstances, it might not be necessary to instruct an expert. Below are some examples of situations where a pension report may not be required:-

- The parties have only defined contribution schemes and are of similar age
- The parties are young
- The sharing principle applies, and the pensions are not of great value

However, even in the above examples, there may be factors that would mean it is necessary to seek expert advice.



Options available

The options available when redistributing pension rights are:

Offsetting

This is the process where the value of the pension is set against the value of other assets held between the parties. The pension rights will remain with the pension member and the non-pension member will receive more of the non-pension assets.

This is often used in cases when one party wishes to retain the family home at the expense of receiving future pension provision, or where pension rights cannot be shared.

Pension sharing

Pension sharing is a method by which an existing pension arrangement is split and divided between the parties following divorce, nullity, or dissolution proceedings. The person with pension rights loses a percentage of their funds value, which is transferred to the other party.

Pension attachment orders

A pension attachment order requires the person responsible for a pension arrangement to pay a percentage of the pension income, lump sum or death benefits available to a person with pensions rights in the pension arrangement to person without pension rights.

The income/lump sum is paid direct from the person responsible for the pension arrangement and not via the person with the benefit of the pension.



Guides & other information

Advice Now have published a useful guide for separating couples, to help parties understand why it is important for couples who are divorcing to include pensions when considering their finances.

[A survival guide to pensions on divorce | Advicenow](#)

The Pension Advisory Group's report, "A Guide to the Treatment of Pensions on Divorce" was published in July 2019 and is an essential guide to the treatment of pensions on divorce.

[Pensions on divorce interdisciplinary working group | Nuffield Foundation](#)



You're in safe hands!

If you would like further information about how we can help you with **pensions on divorce**, or if you have any questions, please don't hesitate to contact a member of our **Family Law Team** today.

Call: 0161 941 4000

Click: myerson.co.uk

Email: lawyers@myerson.co.uk



Myerson Solicitors
Grosvenor House, 20 Barrington Road,
Altrincham, Cheshire, WA14 1HB
Tel: 0161 941 4000 | lawyers@myerson.co.uk
www.myerson.co.uk

