

Divorce and Pensions

You can find general details about what happens to pensions in divorce proceedings on this page. If you are getting divorced you should seek legal advice as the options are complex.

Pension rights

For many years now courts in England, Wales and Scotland have been taking pension benefits into account as part of divorce settlements and have been able to allocate some, or all, of a member's pension benefits to the ex-spouse on divorce.

The courts have three options when considering pension rights in the event of a divorce:

- Earmarking
- Offsetting
- Pension sharing

How to request a Cash Equivalent Transfer Value (CETV)

If you need a Cash Equivalent Transfer Value for divorce proceedings, please get in touch with our **Help Desk** to request this, specifying that the calculation is for divorce purposes. We will then ask you for the information that is needed in order to proceed with the calculation.

The calculation will include all of your benefits under the IBM Pension Plan and/or the IBM IT Solutions Pension Scheme. You may have a mixture of DB (such as the C,N, DSL and I plans) and DC (such as ASC/AVCs and the M Plan) pension rights, depending on your personal circumstances.

Pension Sharing Orders

England and Wales

If you are a member of the IBM Pension Plan (C, N, M, DSL, Enhanced M, Hybrid M plans) it is possible to have benefits within more than one section of the Plan (for example an Enhanced M Plan member would also have membership in one of the DB plans). The pension sharing order must state one percentage only under the name of the IBM Pension Plan. This is the percentage that will be paid out from all of your benefits under the IBM Pension Plan to your ex-spouse's requested pension arrangement. We cannot accept a different percentage for different sections within the IBM Pension Plan; this includes benefits that you may have accrued during two different periods of service.

Pension Sharing Orders (continued)

If you are a member of the IBM IT Solutions Pension Scheme (I plan) and also have benefits accrued in the IBM Pension Plan, a separate pension sharing order must be provided for both the IBM IT Solutions Pension Scheme and the IBM Pension Plan. Each pension sharing order can have a different percentage allocation.

The above is in accordance with the pension sharing on divorce legislation.

Scotland

For Scottish divorces only, a pension sharing order can be for a fixed amount. Please note that there is a two month window, starting with the date of the Extract Decree of Divorce, to send us the information required to enable us to implement the order (e.g. name of ex-spouse, name of receiving arrangement). If this information is not provided within the specified time limit, the order or agreement "shall be deemed never to have taken effect" (section 28(7) Welfare Reform and Pensions Act 1999) and will be returned.

Overseas

We cannot accept any pension sharing order in respect of an overseas divorce unless the order has been ratified by a UK court.

IN ALL CASES Please ensure that the draft pension sharing order is sent to us for review, if not the order could be rejected.

Charges

If you are currently in service or a deferred member the cost for the calculation of the first CETV is met by the pension fund. If a further calculation is required within a twelve month period there will be a charge, which is dependent on the type of pension plan you are in.

For retirees the CETV is calculated by the Scheme Actuary and there is a charge (currently £588), payable in advance.

In addition, if your pension does become subject to a pension sharing order, there will be further charges.

A document showing the charges relating to the divorce process is attached at the bottom of the page.

It is important to take legal advice.