# DIVORCE AND PENSIONS

Getting the right deal when it comes to pensions and divorce is more complex than you may think, says Mary Shaw, solicitor and mediator, at David Gray

It's possible to overthink some things when getting divorced: for example, painstakingly trying to value all of your house contents is probably a waste of time and money.

But not so for pensions - because pensions are complex and can be a much more valuable asset than you may realise - even in a post-Brexit economy.

Only married people and civil partners can share their pensions on dissolution of their relationship. The court is tasked with considering whether the pension in those circumstances should be shared. If you are divorcing or contemplating divorce then this is what you need to know:

- Your and your partner's pensions are likely to be matrimonial assets which can be shared and the court looks at contributions which include non-financial contributions such as raising children, keeping the house and supporting a partner's career - in other words, marriages are usually a joint effort.

- Before you make any decisions about whether you want to share or have a share of a pension, it is important to get its 'cash equivalent value'. This is easily obtained and you are entitled to a minimum of one a year at no cost to you (providing the pension is not in payment - if it is in payment, you may pay a fee for the CEV).

- The cash equivalent value of a pension is not a pound-for-pound accurate measure of the pension's value – this is where things get complex. For example, £10,000 of capital value of an occupational pension, such as an NHS pension, will buy you a whole lot more than £10,000 of a personal pension with, say, Scottish Widows or Standard Life. If there is a choice of pensions to share, and you share the wrong one, both parties may end up worse off than if the right pension were shared.

- If you and your partner want to come to an arrangement where one of you keeps their entire pension and the other one gets more of the savings or the house - a pound of pension cannot be treated like a pound of savings or a pound of equity in your home so understanding the 'offset' value of your pension will be important.

- The particular rules of different schemes can inform how you should share pensions to *both* get maximum income from them.

So doing a quick calculation on the back of an envelope risks you losing out on income for the rest of your life at a time in your life when you could need it most – unless you can successfully sue your solicitor for negligence because they did the calculation on the back of the envelope!

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