

## **Pensions on Divorce**

When a couple divorce, pensions can often make up a large proportion of their assets. Orders can be made by a Court enabling the benefits under a UK pension to be shared between them, and hopefully that Order is made following agreement, rather than a Judge being asked to make a decision.

There are three ways in which the Court can deal with pensions on the breakdown of a marriage:

1. **Offsetting against other assets.**  
This is probably the simplest method. It involves including the pension rights as one of the assets to be divided. The pension benefits are kept by the person whose name the pension is in, and the other spouse is compensated for the loss of the pension rights by receiving other assets, for example shares, or savings, or property.
2. **Attachment Orders**  
These act as a direction by the Court to the trustees of the pension scheme to pay part or all of the pension member's benefits to their separated or former spouse on retirement or once the pension member chooses to take the pension. The pension remains however with the pension scheme member, and they can therefore control when they take their pension, and therefore when the other person receives their part of the benefits. One of the disadvantages of these orders is that they are in effect orders for maintenance, and so can be varied. They also end on the death of the pension member, or the remarriage of the other spouse.
3. **Pension Sharing Orders**  
When a pension sharing order is made, benefits are divided between the couple at the time of the divorce, and a legal transfer of ownership of benefits is made from the member to their former spouse. The person who originally has the pension therefore loses a percentage of their pension fund and the person receiving the pension share acquires a fund of their own. Each of them can then contribute into their own entirely separate pensions in the future in the normal way. One benefit of this type of order is that it is unaffected by the death of the pension member or the re-marriage of the other partner.

If you would like advice about Family Law matters, please contact Heather Weavill at Alison Fielden & Co, and please refer to this article for an initial free half hour appointment.

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