

## Leicestershire County Council Pension Fund

### Opting out of the Local Government Pension Scheme in England or Wales (LGPS) – Important Information and Opt out form

It is important to fully complete this form

You can only sign and date this opt out form once you have commenced employment in the job from which you wish to opt out of membership from the LGPS. You cannot sign and date the form before your start date as it will be treated as an invalid opt out

Once completed, please return to YOUR EMPLOYER for processing NOT the Pension Section

#### Notice to opt out of pension saving

The Local Government Pension Scheme (LGPS) allows you to save while you are working in order to enjoy a pension once you retire. It is one of the best occupational pension schemes in the UK. What's more, the LGPS is provided by your employer who meets a large part of the cost of providing the excellent range of secure benefits, so it's an extremely valuable and important part of your employment package.

You might be thinking of opting out of the LGPS for a variety of reasons. Whatever the reason, it's worth taking some time to look at the benefits you could be giving up. A brief summary of these is included in the "Declaration" section of this form.

Opting out won't save you as much in take home pay as you may think. In most cases, you will pay more tax if you opt out of the LGPS. A basic rate tax payer paying pension contributions of £100 a month will pay £20 more tax if they opt out.

If you want to know more about the costs and benefits of being a member of the LGPS you can contact the Leicestershire County Council Pensions Team on 0116 305 8374 or 0116 305 4000, or view this page on the LGPS website: [www.lgpsmember.org](http://www.lgpsmember.org)

Whatever your reasons for considering opting out of the scheme, we ask that you give this matter careful consideration before making a final decision. You may wish to take financial advice before making a decision to opt out. If you are opting out of the LGPS due to advice you have received you should ask for this advice in writing.

Your employer cannot ask you or force you to opt out. If you are asked or forced to opt out you can tell The Pensions Regulator - see [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk).

Equally, no one can force you to remain a member of the scheme but, if you elect not to be a member, you should understand the implications both for you and your dependants.

## **Opting out of the LGPS – Impact on option to combine if you re-join in the future**

If you opt out of the LGPS in an employment on or after 11<sup>th</sup> April 2015 with an entitlement to a deferred benefit (and do not have a concurrent employment in which you are still a member of the scheme) you will not have the right if you subsequently re-join the scheme, to aggregate (combine) those deferred benefits with any future period of membership in the LGPS.

### Notes:

If you have another job with another employer, that employer might also put you into pension saving, now or in the future. This opt out notice only opts you out of LGPS pension saving in relation to the employer and jobs you have named on the form. A separate opt out notice must be filled out and given to any other employer you work for if you wish to opt out of pension saving with that employer as well. You will need to obtain the opt out form for employment with that employer from the pension administrators for the scheme provided by that employer.

If you opt out of the LGPS before completing three months membership you will be treated as never having been a member and will receive a refund back in your pay of any contributions that have been deducted.

If you opt out after three months but before 2 years membership has accrued, you may be entitled to receive a refund of contributions which will be paid to you by the Pension Section once the necessary information has been received from your employer. (Note: You will be unable to claim a refund if you have previously been a member of another LGPS scheme and this combined membership takes you above 2 years in total OR you have transferred in previous pension rights OR you have reached the tax year of your state pension age or you are older).

If you opt out after 2 years membership, you will be entitled to a deferred pension benefit in the LGPS which, unless you transfer the benefits to another pension scheme, would normally be payable from either age 65 or your State Pension Age (or at a reduced level from age 55 at your own choice). This will also apply if you have transferred pension rights from another provider into your Leicestershire County Council pension.

If you decide to opt out of membership of the LGPS and subsequently change your mind you will be able to rejoin the scheme provided you are under age 75 and you remain in an employment that qualifies you for membership of the scheme. You will need to write to your employer if you want to opt back into the scheme.

If you stay opted out, your employer will normally put you back into the LGPS approximately three years from the date they have to comply with the automatic enrolment provisions of the Pensions Act 2008. You will, however, again be entitled at that time to opt out of membership of the scheme.

If you change job your new employer will normally put you back into pension saving straight away.

## Notice to Opt Out of Pension Saving

**! It is important to fully complete this form. An incomplete form will not be accepted as a valid option out and the form will be returned to you for completion**

Your full name:	Date of birth:
Your employer:	NI Number:
Department /Establishment /Section:	

Name of job from which you wish to opt out of membership of the LGPS – If you wish to opt out of more than one job, please provide those details on the back of this form and mark here PTO:

Job title and payroll reference (if known):
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**I have read the notes and understand that in choosing to opt out of the Local Government Pension Scheme I am giving up:**

- A secure pension – payable for life that increases with the cost of living
- Tax free cash option – the option to exchange part of my pension for some tax-free cash at retirement
- Life cover – with a lump sum of three times my pay if I die in service
- Cover for my family upon death – including a survivor's pension for my husband, wife, civil partner or co-habiting partner as well as children's pensions
- Serious ill health cover – if I have to retire due to a serious illness

I understand that the choices I make now are important in planning for my retirement. I confirm that I wish to opt out of pension saving in the job (s) I have indicated on this form

I understand that if I opt out I will lose the right to pension contributions from my employer

I understand that if I opt out I may have a lower income when I retire

<b>! You can only sign and date this opt out form once you have commenced employment in the job from which you wish to opt out of membership from the LGPS. <u>You cannot sign and date the form before your start date</u> as it will be treated as an <u>invalid</u> opt out*</b>
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Print Name:	Job Commencement date:
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Signed:	*Signature Date:
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**! Once completed, please return to YOUR EMPLOYER for processing NOT the Pension Section**

<p><b>Payroll use only:</b> The above LGPS opt out has been actioned by payroll. Please tick one of the following boxes before signing and sending this form to the Pension Section: Payroll refund paid under 3 months case ( <input type="checkbox"/> ) <u>or if not</u> ePen3 form will now be sent to Pensions ( <input type="checkbox"/> )</p>
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Signed:

Date: