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|  | Opting out of the Local Government Pension Scheme in England or Wales |

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.

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. You can also watch the ‘Pensions Made Simple’ videos on <https://www.lgpsmember.org/>. In making your decision, you should also consider that:

* your employer meets a large part of the cost of providing the excellent range of secure benefits offered by the LGPS
* the LGPS is a valuable and important part of your employment package
* in most cases, you will pay more tax if you opt out of the LGPS.A basic rate taxpayer paying pension contributions of £100 a month will pay £20 more tax every month if they opt out
* if you opt out of the LGPS in an employment (other than a concurrent employment) with more than two years’ membership, you will be entitled to a deferred pension. If you later re-join the Scheme, you will not be able to combine your two periods of membership.

Rather than opting out, you might want to consider moving to the 50/50 section of the Scheme. While you are in the 50/50 section, you pay half your normal contributions and build up half your normal pension. This option allows you to remain in the Scheme, building up valuable pension benefits. Joining the 50/50 section provides an alternative to opting out of the scheme in times of financial hardship. A 50/50 option form is available from <https://www.yourpensionservice.org.uk/local-government-scheme/members-active-deferred-pensioner/opt-out-of-the-scheme/>.

If you want to know more about the costs and benefits of being a member

of the LGPS, or of moving to the 50/50 section you can visit <https://www.yourpensionservice.org.uk/local-government-scheme/join-the-scheme/>.

Whatever your reasons for considering opting out of the scheme:

* you must 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**.

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 dependents.

## Opting out of the Local Government Pension Scheme (LGPS) – What you need to know:

1. Your employer cannot ask you or force you to opt out.
2. If you are asked to opt out, you can tell The Pensions Regulator – see <https://www.thepensionsregulator.gov.uk/>
3. You cannot opt out of the LGPS before you have started the employment you wish to opt out of, or before your re-enrolment date, if you have opted out previously and are being automatically re-enrolled by your employer. If you sign and date the form before then it will be treated as an invalid opt out.
4. Once you have fully completed your form, you must return it to your employer’s Payroll Section or Human Resources Department, as they are responsible for stopping pension deductions from your salary.
5. If you have another job with another employer within the LGPS, that employer might also put you into the LGPS, now or in the future. This opt out notice only opts you out of LGPS in relation to the employer and jobs you have named on this 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 LGPS with that employer as well. You will need to obtain the relevant opt out form from the pension administrators of the LGPS provided by that employer.
6. If you opt out of the LGPS before completing three months’ membership, you will be treated as never having been a member. You will receive a refund of any contributions deducted from your pay from your employer.
7. If you opt out of the LGPS:
* with more than three months’ but less than two years’ membership, and
* you do not already have a deferred benefit, or pension in payment, from the LGPS in England or Wales

you will **normally** be able to take a refund of your contributions, which is processed by LPP. There will be a deduction for tax.

1. If you opt out of the LGPS with two or more years’ membership, you will be entitled to a deferred pension benefit in the LGPS. You can only take your deferred pension **after you have left your employment**, and usually from:
* your normal pension age (which is the same as your State Pension age but with a minimum of age 65) or
* on a reduced basis from age 55 onwards.

Your LGPS pension must be paid to you at age 75 at the latest. Alternatively, you can transfer your deferred benefit to another pension scheme as long as you elect to do this at least one year before your normal pension age.

1. 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 LGPS. You will need to write to your employer if you want to opt back into the Scheme.
2. If you stay opted out of the pension scheme, your employer will normally automatically put you back into the LGPS approximately every three years from their automatic enrolment staging date to comply with the provisions of the Pensions Act 2008. You will need to opt out again within 3 months to ensure you are guaranteed a refund of your pension contributions.
3. If you change employer within the LGPS, your new employer will normally put you back into the LGPS straight away.

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|  | Opting out of the LGPS (Please complete this form in black ink) |
|  | Your Personal Details  |  |
|  | Surname:  |  |
|  |  |  |
|  | First name(s):  |  |
|  |  |  |
|  | Title: Mr / Mrs / Miss / Ms / Other (please specify) |  |
|  |  |  |
|  | Your home address: |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  | Post code: |  |
|  |  |  |
|  | Your national insurance number:  |  |
|  |  |  |
|  | Your date of birth:  |  |
|  |  |  |
|  | Your employer’s name:  |  |
|  | Your pay reference: |  |
|  |  |  |
|  | **From when do you wish to opt out of membership of the LGPS?**  |  |
|  | Please tick the relevant box |  |
|  | From the beginning of my next pay period |  |  |  |  |
|  | OR |  |  |  |
|  | From ……………………………………..*[DD/MM/YYYY]* |  |  |  |  |
|  | *The date entered cannot be before the date you sign this form* |  |
|   |   |   |   |   |   |   |   |   |
| If you hold more than one post, do you wish to opt out of all membership of the LGPS with the above named employer? |   |   | Yes |
|   |   |   |
|   |   | No |
|   |   |   |   |   |   |   |   |
| If no, please specify the posts you wish to opt out of the LGPS below: |   |
|  | Post 1 | Job title:  |  |
|  |  | Payroll reference for that job (if known):  |  |
|  |  |  |  |
|  | Post 2 | Job title:  |  |
|  |  | Payroll reference for that job (if known):  |  |
|  |  |  |  |
|  | Post 3 | Job title:  |  |
|  |  | Payroll reference for that job (if known):  |  |
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| DeclarationI declare that by opting out of the Local Government Pension Scheme (LGPS) I am knowingly giving up the opportunity to be a member of the LGPS which would provide a guaranteed package of benefits that are backed by law including:* **a secure pension** – payable for life that increases with the cost of living
* **tax-free cash** –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 when I die –** including a survivor’s pension for my spouse, civil partner or eligible cohabiting partner as well as children’s pensions

and, once I have two years’ membership in the Scheme: * **voluntary early retirement** – from age 55 (even though the Scheme’s normal pension age is the same as my State Pension age with a minimum of age 65). Benefits taken before normal pension age may be reduced for early payment.
* **serious ill health cover** – if I have to retire due to serious illness, I could receive immediate benefits based on an enhanced period of Scheme membership
* **redundancy cover** – early payment of pension benefits if I am made redundant or retired on business efficiency grounds at age 55 or over.

I have read the above and understand that the choices I make now are important in planning for my retirement. **I confirm that I wish to opt out of the pension scheme in the post(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**. **Please see the notes attached to this form for information about when you can sign, date and return this form. It is important to complete this form fully. We will not accept an incomplete form as a valid option out and the form will be returned to you for completion.** We will use this form to end your active membership of the LGPS in accordance with your instructions. The form will be retained as a record of your election to end membership of the LGPS, or as a record of your election to end membership in the post or posts you have indicated on the form. |
|  | Signed:  |  |
|  |  |  |
|  | Date:  |  |
|  | You should return the completed opt out form to **your employer’s Payroll Section or Human Resource department** as they are responsible for stopping pension deductions from your salary.Once your employer has received your opt out form, they will stop deducting contributions from your next salary payment. They will then notify us of your decision to opt out of the pension scheme and we will process your benefits accordingly. |  |
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