

Opting out of the LGPS

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

Your details

| | | | |
|----------------|----------------------|---------------------------|----------------------|
| Surname | <input type="text"/> | Forenames | <input type="text"/> |
| Date of birth | <input type="text"/> | National Insurance number | <input type="text"/> |
| Address | <input type="text"/> | | |
| | <input type="text"/> | | |
| Contact number | <input type="text"/> | | |
| Email address | <input type="text"/> | | |
| Employer | <input type="text"/> | | |

Declaration of Opting Out of Pension Saving

I declare that I wish to opt out of the LGPS in the following employment(s)*: **please tick only one option*

Option 1 – In this job only

Job title

Payroll number

Option 2 – In all current jobs with the employer named above

I understand that by opting out of the LGPS I am knowingly giving up a complete package of benefits as listed below:

- A secure pension
- The option to exchange part of my pension for a tax free lump sum at retirement
- A death in service lump sum of three years pay
- Voluntary retirement from age 55
- A tiered ill health pension from any age
- Redundancy cover from age 55
- Protection for my family including dependants pensions

I understand that if I opt out I will lose the right to pension contributions from my employer and that I may have a lower income when I retire.

I also understand that if I opt back in to the pension scheme at a later date I will not have the option to combine my deferred pension with my new scheme membership

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 of the LGPS.

Signed:

Date:

Once completed, please return this form to your payroll department. Do not return it to the East Riding Pension Fund as this may delay your form being processed.

For more information about how we hold your data, who we share it with and what rights you have to request from the Fund, please visit <http://erpf.eastriding.gov.uk/privacy-notice/>

Can I really afford to opt out of the LGPS?

What you need to know

You can elect to opt out of the Local Government Pension Scheme (LGPS) at any time on or after your first day of employment. You might, however, want to take independent financial advice before making the final decision to opt out.

If you are thinking of opting out you might want to first consider an alternative option which is to elect to move to the 50/50 section of the scheme. The 50/50 section allows you to pay half your normal contributions in return for half your normal pension build up. More information about the 50/50 section of the scheme is available on the website <http://www.lgps2014.org/>.

If you opt out of the LGPS before completing 3 months membership you will be treated as never having been a member and your employer will refund to you, through your pay, any contributions you have paid during that time.

If you opt out of the LGPS with 3 or more month's membership but within 2 years you may be able to take a refund of your contributions (less any statutory deductions) or transfer out your pension to another scheme.

If you opt out of the LGPS after 2 years membership you will have deferred benefits in the scheme and will generally have the same options as anyone leaving their job before retirement.

If you opt out of the pension scheme on or after 11 April 2015 and then subsequently rejoin the pension scheme at a later date, the LGPS regulations state you will not be able to combine your deferred pension with your new period of scheme membership.

If you opt out, you can, provided you are otherwise eligible to join the scheme, opt back into the scheme at any time before age 75.

If you opt out of the LGPS then your employer **may** in the future need to opt you back in to comply with the automatic enrolment provisions under the Pensions Act 2008. Your employer must notify you if this happens. You would then have the right to again opt out of the LGPS. If you stay opted out your employer will normally automatically enrol you back into the LGPS approximately every 3 years from the date they have to comply with the automatic enrolment provisions.

Purpose for which this form will be used

This form, once completed and returned to your employer, will be used to cease your active membership of the LGPS as per your instructions on this form. The form will be retained as a record of your election to cease membership of the LGPS or, if you hold more than one post with us, as a record of your election.

Why should I remain in the LGPS?

As a member, the LGPS will provide you with a secure future retirement income, independent of share prices and stock market fluctuations. The benefits of joining the LGPS also include life cover and family benefits in the event of your death. There's also cover in the event of your early retirement on the grounds of permanent ill-health. As a member of the LGPS you have the security of these benefits at a relatively low cost. No matter how young you are - it's never too early to plan for your retirement.

How much does membership cost?

This depends on how much you are paid but will range between 5.5% and 12.5%. The rate you pay depends on which pay band your pensionable pay falls into.

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