

Rejoining the Local Government Pension Scheme (LGPS)

This information applies only to Scheme members who left a concurrent employment after 31 March 2014 with an entitlement to a deferred benefit in the LGPS which is based on post 31 March 2014 membership (or on membership which is treated as post 31 March 2014 membership) only, and continue to be an active member in an ongoing employment.

In the Local Government Pension Scheme (LGPS) you have a separate pension account for each employment. We have been informed that one of your employments in the LGPS has ceased and you therefore now hold deferred benefits in respect of that employment.

As you are continuing in the LGPS in your other employment(s) you need to decide what should happen to the deferred benefits you have built up in respect of the ceased employment.

Unless you tell us otherwise, the amount of pension in your deferred pension account will automatically be transferred and added into your ongoing active pension account.

Decision Required

However, you can elect to keep your deferred benefit separate and, if you wish to do so, this must be done within 12 months from the date you left the scheme in the employment which gave rise to the deferred benefit, and while you are still paying into the scheme.

If you make an election to keep your benefits separate you cannot change your decision. If you do not make a decision within 12 months of the date you left the scheme in the employment which gave rise to the deferred benefit your deferred benefit will automatically be combined with your ongoing active pension account.

Please note that your employer can extend the 12 month window within which you can elect to keep your benefits separate. However, this is an employer discretion and you would need to speak to your current employer if you wish to seek such an extension.

What do I need to consider before making my decision?

At the moment, you have a separate deferred benefit for the employment which has ceased. If you take no action this will be automatically transferred into your ongoing active pension account.

You need to think about the following things when considering whether or not you should keep your benefits separate:

- How will the benefits from my employment which has ceased be worked out?
- When will my benefits be payable?
- Are there other key areas to consider?

How will the benefits from my employment which has ceased be worked out?

Your benefits from your employment which has ceased will be worked out in the same way regardless of whether you decide to combine them with your ongoing active pension account or if you keep them separate.

When will my benefits be payable?

The **Normal Pension Age** applicable to your benefits in the scheme is the same regardless of whether or not you combine your benefits or keep them separate. Your **Normal Pension Age** is linked to your State Pension Age (minimum age 65). For more information on **Normal Pension Age** see the glossary.

What key differences are there if I elected to keep my deferred benefit separate?		
	Combined Benefits	Separate Benefits
Redundancy/ Business Efficiency	<p>Benefits paid early because of redundancy or efficiency would include the value of earlier deferred benefits that have been transferred.</p> <p>If you are made redundant or lose your job for business efficiency reasons when aged 55 or over then your benefits would be payable immediately and would include the value of the pension that transferred from your deferred benefit.</p>	<p>Benefits paid early because of redundancy or efficiency in your ongoing employment would not include the value of earlier deferred benefits.</p> <p>If, in your ongoing employment, you are made redundant or lose your job for business efficiency reasons when aged 55 or over then your benefits from that employment would be payable immediately but would not include the value of your deferred benefit (because you had elected to retain that as a separate deferred benefit).</p> <p>Subject to the information in the boxes below, the separate deferred benefits would be payable at your Normal Pension Age.</p>
Ill- health	<p>Any benefits paid early because of ill-health would include the value of earlier deferred benefits that have been transferred.</p> <p>Your benefits will become</p>	<p>Benefits paid early because of ill-health in your ongoing employment would <u>not</u> include the value of earlier deferred benefits.</p> <p>Your benefits from your</p>

	<p>payable immediately if your employer decides, based on the opinion of an independent doctor, that you are permanently unable to perform the duties of your employment due to ill-health and you are not capable of undertaking other gainful employment. Your pension would be paid at an increased level if you are unlikely to be capable of undertaking other gainful employment within 3 years of leaving. The payment would include the value of your pension that transferred from your deferred benefit.</p>	<p>ongoing employment will become payable immediately if your employer decides, based on the opinion of an independent doctor, that you are permanently unable to perform the duties of your employment due to ill-health and you are not capable of undertaking other gainful employment. Your pension would be paid at an increased level if you are unlikely to be capable of undertaking other gainful employment within 3 years of leaving. The payment would not include the value of your deferred benefit (because you elected to retain that as a separate deferred benefit).</p> <p>Your separate deferred benefit may become payable but that would only be if your former employer decided in light of the view from an independent doctor that you are permanently incapable of the job you were working in when you left the employment in respect of which the deferred benefits were awarded and that you are not likely to be capable of undertaking other gainful employment before your Normal Pension Age or for at least 3 years, whichever is the sooner.</p>
<p>Early payment of benefits</p>	<p>You can voluntarily choose to draw the combined benefits from as early as age 55 (at, normally, a reduced rate to account for the early payment).</p> <p>However, the combined benefits would be payable at the same time (i.e. cannot be</p>	<p>You can voluntarily choose to draw benefits from as early as age 55 (at, normally, a reduced rate to account for the early payment).</p> <p>However, the deferred benefits do not have to be drawn at the same time as the</p>

	<p>paid at different times) and cannot be paid until you have ceased your ongoing employment.</p>	<p>benefits from your ongoing employment. The deferred benefits can be drawn later than, at the same time as, or subject to being at least age 55, earlier than the benefits from your ongoing employment (even if you are still in your ongoing employment at the time you wish to draw the deferred benefits).</p>
<p>Cost of living increases</p>	<p>The combined benefits will be subject to revaluation each year in accordance with HM Treasury Orders. The revaluation is currently in line with the rise in the Consumer Prices Index (see glossary for more information). However, in times of negative inflation, the revaluation under a HM Treasury Order could be negative.</p>	<p>The benefits in the active pension account will be subject to revaluation each year in accordance with HM Treasury Orders. The revaluation is currently in line with the rise in the Consumer Prices Index (see glossary for more information). However, in times of negative inflation, the revaluation under a HM Treasury Order could be negative.</p> <p>The benefits in the deferred pension account will be subject to revaluation each year under the Pensions (Increase) Act 1971. The revaluation is currently in line with the rise in the Consumer Prices Index (see glossary for more information). In times of negative inflation, the revaluation under the Pensions (Increase) Act 1971 would be 0% (i.e. it cannot be a negative amount).</p>

Are there any other key areas to consider?

Death in Service lump sum

As a member of the LGPS if you die in service a lump sum of three times your annual pensionable pay would normally be payable. If you have a deferred pension, and die before it is paid, a lump sum equal to 5 times the deferred pension is paid. However, only one amount for lump sum life cover is payable from the LGPS so, even if you keep your deferred benefits separate from your active pension account, only the greater of the lump sum life cover for your deferred benefit or for your active pension account would be payable.

Paying extra contributions

Have you paid extra contributions towards buying additional pension? This would include Additional Voluntary Contributions (AVCs) and Additional Pension Contributions (APCs). Please read the information ***paying extra contributions*** in the glossary to find out what your choices in respect of these are.

Transferring the value of your deferred benefit to another pension scheme?

Please note that even if you choose not to combine your benefits you will not be able to transfer the value of your deferred benefits to another pension scheme whilst you are contributing to the LGPS or if you have less than one year to go before reaching your **Normal Pension Age**.

If you have more than one ongoing employment in which you are continuing to contribute to the LGPS, you will need to decide which active pension account you wish your deferred benefit to be combined with.