

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, were in the scheme on both the 31 March and 1 April 2014, 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 your ceased employment.

If you have more than one active pension account (because you have more than one current employment in which you are contributing to the LGPS) you will also, if you decide to combine your benefits, need to decide which active pension account your deferred benefit is combined with.

Unless you tell us otherwise, the amount of pension you have built up after 31 March 2014 in your deferred pension account will automatically be transferred and added to your ongoing active pension account and the membership you built up before 1 April 2014 in the final salary scheme will continue to count as final salary membership automatically linked to your new active pension account.

Decision Required

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?

You have built up benefits in both the final salary scheme (up to 31 March 2014) and the career average scheme (from 1 April 2014). See ***Working out your benefits in the LGPS*** in the glossary for information on how these benefits are calculated.

If the deferred benefit from the employment which has ceased is combined with the active pension account from the ongoing employment then:

- i) the membership you built up before 1 April 2014 in the final salary scheme will continue to count as final salary membership. This membership will be linked to your active pension account and when you leave the ongoing employment in the future your ***final pay*** in that employment will be used to work out your final salary benefits for your pre 1 April 2014 membership.
- ii) the amount of pension you have built up in the career average scheme from 1 April 2014 would transfer over to your ongoing active pension account.
- iii) in order to ensure you get the appropriate level of membership in respect of your pre 1 April 2014 service, your pre 1 April 2014 membership from the employment that has ceased is adjusted, using the following formula, if your ***final pay*** on the day you ceased being a member in the employment that has ceased is different to the pay on that day in your ongoing employment.

$$\frac{\text{Period of membership} \times \text{Your whole time rate of pay from the employment that has ceased}}{\text{Your whole time rate of pay from your ongoing employment}} = \text{adjusted period of membership.}$$

If the membership in the final salary scheme built-up before 1 April 2014 was variable time and your ongoing employment is not variable time then, to ensure you get the appropriate level of membership for that period, your pre 1 April 2014 membership from the employment that has ceased is adjusted, using the following formula:

$$\frac{\text{Period of membership} \times \text{Your annual rate of pay in the variable time employment}}{\text{Your annual rate of pay in the ongoing employment}} = \text{adjusted period of membership.}$$

If you elect to keep your deferred benefit from the employment which has ceased separate from the active pension account in the ongoing employment then your deferred benefits will increase each year in line with inflation, as currently measured by the rise in the ***Consumer Prices Index*** (see glossary for more information).

There are, also other matters that you will need to consider including:

When will my benefits be payable?

For the pension you have built up in the final salary scheme (before 1 April 2014) your **Normal Pension Age** would be protected at age 65. For the pension you have built up in the career average scheme (on or after 1 April 2014) your **Normal Pension Age** is linked to your State Pension Age. For more information on **Normal Pension Age** see the glossary.

What key differences are there if I elected to keep my deferred benefits 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 value of earlier deferred benefits that have transferred.</p> <p>Your benefits will become payable immediately if your employer decides, based on the opinion of an independent doctor that you are permanently unable to perform</p>	<p>Benefits paid early because of ill-health in your ongoing employment would not include the value of earlier deferred benefits.</p> <p>Your benefits from your ongoing employment will become payable immediately if your employer decides, based on the opinion of an</p>

	<p>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>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 benefit was 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 paid at different times) and cannot be paid until you have ceased your ongoing employment.</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 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</p>

		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).
Rule of 85 (see glossary for more information on what this is)	If your previous benefits are combined with your ongoing employment, and you have rule of 85 protections these protections will also transfer to your ongoing active pension account.	If you decide not to combine your previous benefits with your ongoing active pension account, if you have rule of 85 protections then these continue to apply to your deferred benefits only.
Pay upon which pre 1 April 2014 benefits are calculated	If your previous benefits are combined with your ongoing employment the pre 1 April 2014 element of your benefits will continue to be final salary benefits. They will be calculated using your whole-time equivalent final pay in the ongoing employment when you cease membership of the LGPS in that employment (based on the definition of final pay in the final salary scheme). Please note to ensure you get the appropriate level of membership an adjustment is carried out on your pre 1 April 2014 membership as outlined in point (iii) above.	If you decide not to combine your previous benefits with your ongoing active pension account, the pre 1 April 2014 element of your deferred benefit will have been calculated on your whole-time equivalent final pay in the employment that gave rise to the deferred benefits (based on the definition of final pay in the final salary scheme).
Cost of living increases	If your previous benefits are combined with your ongoing employment the combined benefits in respect of your post 31 March 2014 membership 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	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. The benefits in the deferred pension account will be

	<p>negative.</p> <p>The combined benefits in respect of your pre 1 April 2014 membership will, as mentioned in the previous entry in this table, continue to be final salary benefits. They will be calculated using your whole-time equivalent final pay in the ongoing employment when you cease membership of the LGPS in that employment (based on the definition of final pay in the final salary scheme).</p>	<p>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>
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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 or membership? These would include Additional Voluntary Contributions (AVCs), Added Years, Additional Regular Contributions (ARCs) or Additional Pension Contributions (APCs). Please read **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**.

Please note - If you have more than one active pension account (because you have more than one current employment in which you are contributing to the LGPS) you will also, if you decide to combine your benefits, need to decide which active pension account your deferred benefit is combined with.