

LONDON BOROUGH OF HACKNEY PENSION FUND

TRANSFERRING YOUR PENSIONS



**A guide for members of the Local Government
Pension Scheme (LGPS)**

Transferring a previous pension to the LGPS

You may be able to transfer pension rights into the LGPS from:

- a previous LGPS fund
- a previous employer's pension scheme
- a self-employed pension plan
- a pension 'buy-out' policy
- a personal pension plan
- a stakeholder pension scheme
- an Additional Voluntary Contribution (AVC) arrangement

In some cases pension benefits from an overseas pension scheme can be transferred into the LGPS – you will need to ask the overseas scheme if this is permitted.

However, it is not possible to transfer a pension credit into the LGPS - a pension credit is a share of an ex-spouse's, or ex-civil partner's, pension benefit that can be awarded by a Court under a Pensions Sharing Order following a divorce or the dissolution of a civil partnership.

Transferring your pension rights is not always an easy decision to make, and you may wish to seek the help of an independent financial adviser.

How do I transfer?

Equiniti, your pension fund administrator, can advise you of their process for transferring previous rights into the LGPS. You can also download a **Transfer Request form** from our website: <https://hackneypension.co.uk/documents-library/member-forms>

You have only **12 months from joining** the LGPS to opt to transfer your previous pension rights, unless your employer and your administering authority, allows you longer. This is a discretion, and you can ask your employer and administering authority, what their written policy is on this matter.

Transferring your LGPS pension to another provider

If you have left the LGPS and are joining another pension scheme, you may wish to consider transferring your LGPS benefits to it. You can even transfer your LGPS pension to an overseas pension scheme provided that it meets certain conditions set by HM Revenue and Customs.

You cannot transfer your benefits (other than AVCs) if you leave less than 1 year before your Normal Pension Age. An option to transfer (other than in respect of AVCs) must be made at least 12 months before your Normal Pension Age.

If a full transfer payment is made out of the LGPS, you will not be entitled to any further benefits from the LGPS for yourself, your spouse, civil partner, eligible cohabiting partner or eligible children.

What to consider

If you are considering whether to transfer benefits, make sure you have full information about the 2 pension arrangements i.e. details of what your benefits are worth in the LGPS and details of what your benefits would be worth in the new pension scheme, if you transfer them. When you compare your options, don't forget that your LGPS benefits are guaranteed and are revalued on an annual basis in line with the cost of living (CPI).

Transfers to some other public sector schemes usually give benefits that are broadly equivalent to those in the LGPS, under what are known as Club transfer rules. However, you must apply for the transfer within 12 months of joining your new pension scheme, and have not had a break in membership of more than 5 years between leaving the LGPS and joining the new public service pension scheme.

Transferring your pension rights is not always an easy decision to make and you may, therefore, wish to seek the help of an independent financial adviser before you make a decision. This is particularly important if you are considering transferring your deferred benefits to a personal pension plan, stakeholder pension scheme, buy-out insurance policy or to an employer's money purchase scheme, as you will be bearing all of the investment risk which could significantly affect your future pension benefits.

You can only transfer benefits from the LGPS if you have left the scheme and you have not already drawn benefits from the LGPS (either in your current employment or any earlier employment). Also, if you hold more than one deferred benefit in the LGPS in England and Wales (either in the same or separate LGPS pension funds), depending on certain circumstances you may have the choice to either transfer all, some, or none, of the benefits you already hold.

Freedom and Choice - Flexible Benefits

Flexible benefits were introduced by the Government from 6 April 2015 to allow members of defined contribution schemes, who are over age 55, more freedom on how they take money from their pension pot.

The LGPS is not a defined contribution pension scheme, it is a **defined benefit scheme**, and as such it is not directly affected by these changes. However, if you stop paying into the LGPS and you have 3 or more months' membership, then unless you are retiring with immediate effect due to redundancy, business efficiency

or ill health, you will have the right to transfer your LGPS pension to a defined contribution scheme providing flexible benefits.

Please note that you will be required by law to take independent financial advice if the value of your pension benefits in the LGPS (excluding AVCs) is more than £30,000. You are not required to take independent financial advice if the value of your benefits are less than £30,000, however, transferring your pension rights is not always an easy decision to make and seeking the help of an independent financial adviser before you make a decision to transfer could help you in making an appropriate decision.

FURTHER INFORMATION

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