

LOCAL GOVERNMENT PENSION SCHEME (LGPS) ELECTION TO CEASE SCHEME MEMBERSHIP OPT OUT FORM

An Employee who wishes to opt out of the Scheme whilst remaining in employment, **must complete** Part A and B of this form and return it to their **Employer** for completion of Part C.

The **Employer** should comply with the member's declaration in Part B, then **complete Part C** and send the form to your **Payroll provider and Equiniti** at the address on Page 3 - if sending a scanned copy, please ensure you send both sides of the form.

Part A: MEMBER DETAILS (to be completed by the EMPLOYEE)

Surname		Title	
Forename(s)			
Date of Birth		NI No	
Employer		Employee No	

Part B: EMPLOYEE DECLARATION (to be completed by the EMPLOYEE)

If you hold more than one post and only wish to opt out of membership in some but not all of those posts, please indicate in the box below the name of the post (or posts) from which you wish to opt out of membership of the LGPS

I confirm that I wish to opt out of the Local Government Pension Scheme (LGPS) for the following job(s)/role(s):

Post 1	Job title	
	Payroll reference for the above role	
Post 2	Job title	
	Payroll reference for the above role	
Post 3	Job title	
	Payroll reference for the above role	

I confirm that I wish to opt out from:-

Please indicate the date of your last contribution (this should be the last day in the month e.g 31 st August)	
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NB: this date should be the last day of the current month that you are contributing into the LGPS and cannot be back dated. But if you are opting out with less than 3months pensionable service, the date you enter should be the date of your first contribution, and your contributions will be refunded via payroll with adjustments for tax and national insurance.

I confirm have been a member of the scheme for: 3 months or less more than 3 months

I declare that I knowingly give up the opportunity to participate in the LGPS, which would provide a guaranteed package of benefits which are under written by central government 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 3 times my final pay if I die in service, payable to my nominated beneficiaries
- **cover for my family upon my death** – including a survivor’s pension for my spouse, civil partner or eligible cohabiting partner as well as children’s pensions

And, once I have 2 years’ membership in the Scheme:

- **voluntary early retirement** – from age 55 (without employers consent) - 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 a serious illness I could receive immediate benefits based on an enhanced period of scheme membership
- **redundancy cover** – with the early payment of pension benefits if I am made redundant or retired on business efficiency grounds at 55 or over

I confirm that I have read the above and the guidance notes, and understand that the choices I make now are important in planning for my retirement. I confirm that I wish to opt out of pension saving in the post(s) I have indicated on this form.

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

SIGNED		DATE	
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(Signature of the Employee)

Reason for opting out

We are monitoring reasons why employees may be opting out of the LGPS.

It would help us if you could give your reason(s) for opting out: *(Please tick relevant box)*

- Personal Financial Reasons: Adequate Alternative Pension Provision:
 Short Term Contract: Other:

Part C: TO BE COMPLETED BY THE EMPLOYER / PAYROLL PROVIDER

Has the employee opted out within the first 3 months of joining the LGPS?

YES NO

Has the employee receive a refund of LGPS contributions (less statutory deductions) through the employer's payroll?

YES NO

Part C: SALARY, HOURS & WEEKS DETAILS – for members who opt out AFTER 3 months

Final Pensionable Pay starts 365 days prior to LDS. Pensionable pay based on the 2008 regulations e.g. <u>including pensionable bonuses but not overtime.</u>			Annual salary FTE	Actual Pay (if Part Time)
Year	Start date (365 day period prior to end date)	End date	£	£
Latest year (365days from LDS)				
Previous year 1				
Previous year 2				
Total salary for the 365 days prior to LDS or the earlier two years prior to last day of service if higher *			£	£
If part-time, term time, or part time term time, please state Full Time Equivalent Salary (FTE)			£	
If the member works part-time, term time, or part time term time please detail the hours worked per week and weeks per year at the date of opt out.			Actual hrs	/ Full time hrs
			Actual wks	/ Full time wks 52.143

PENSIONABLE PAY/ASSUMED PENSIONABLE PAY - MAIN SECTION - for members who opt out AFTER 3 months

Actual pensionable pay since 1 April to LDS. Where a member has been on reduced pay or nil pay an adjustment may need to be made (APP). **Pensionable pay based on the LGPS 2014 definition e.g. including pensionable bonuses and all overtime.**
 Start date – must be 1 April. Only enter the date of joining the scheme if member joins and opts out within the same scheme year (April to March) e.g. If member joins February and leaves October – enter start date as 1 April. If member starts June and leaves February - enter start date as June.

Start date	Opt out date	Actual Pensionable Pay and/or Assumed Pensionable Pay (APP) for the period

PENSIONABLE PAY/ASSUMED PENSIONABLE PAY - 50/50 SECTION - for members who opt out AFTER 3 months

Actual pensionable pay since 1 April to LDS. Where a member has been on reduced pay or nil pay an adjustment may need to be made (APP). **Pensionable pay based on the LGPS 2014 definition e.g. including pensionable bonuses and all overtime.**
 Start date – must be 1 April. Only enter the date of joining the scheme if member joins and opts out within the same scheme year (April to March) e.g. If member joins February and opts out October – enter start date as 1 April. If member starts June and opts out February - enter start date as June.

Start date	Opt out date	Actual Pensionable Pay and/or Assumed Pensionable pay (APP) for the period

DATE MEMBER JOINED 50/50 SECTION of the SCHEME

Start date

End date

DECLARATION BY THE EMPLOYER

I confirm that the above employee ceased membership of the Scheme on -

DATE	
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and I have arranged for the necessary payroll adjustments to cease payment of all contributions

Signed, on behalf of the Employer		Date	
Name in block capitals		Contact Tel No	

When completed:

Employers HR/Payroll – send completed form to Equiniti using the secure up-load facility, Sharefile,

Equiniti, Administering Pensions on behalf of the London Borough of Hackney Pension Fund

Data Protection & GDPR

The laws around data protection changed on 25 May 2018. The new legislation includes GDPR - General Data Protection Regulation as well as the Data Protection Act 2018. The new law gives clarity over the roles and responsibilities of anyone who gathers information on others, as well as setting out enhanced rights of the people whose data is collected. This may require us to share some of that information with other sources, including Government departments like the Department for Work & Pensions and HMRC. This is to make sure that the information provided is accurate, to prevent or detect crime or fraud, to protect public funds, and to comply with our statutory duties. For information about how we handle your data, please read the full privacy notice on our website – www.hackneypension.co.uk

OPTING OUT OF THE LOCAL GOVERNMENT PENSION SCHEME

Guidance notes & important information

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 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 2 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 our website <https://hackneypension.co.uk/documents-library/member-forms> - you cannot get an opt out from your employer.

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 get more information from the factsheets available on our website <https://hackneypension.co.uk/documents-library/member-factsheets>.

You can also visit the LGPS national website for members <https://www.lgpsmember.org> which has videos and a cost and a benefits calculator.

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 dependants.

Opting out of the 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 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. You should return the completed opt out form to your employer's Payroll Section, so they can cease your contributions from the next available pay run
5. If you have another job with another employer, that employer might also put you into pension saving, now or in the future. This opt out notice only opts you out of LGPS pension saving 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 pension saving with that employer as well. You will need to obtain the relevant opt out form from the pension administrators of the scheme 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.
7. If you opt out of the LGPS:
 - with more than 3 months' but less than 2 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, less statutory any deductions for tax and national insurance.

8. 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.

9. 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 complete a starter form to opt back into the scheme, this is available from your employer.
10. If you stay opted out, your employer will normally automatically put you back into the LGPS approximately 3 years from the date they have to comply with the automatic enrolment provisions of the Pensions Act 2008. You will be able to opt out of membership of the LGPS again at that time. Your employer will write to you to confirm that you have been re-enrolled and what your options are.
11. If you change employer, your new employer are legally obliged to enroll you into a pension saving scheme straight away.

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www.hackneypension.co.uk