

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	
Job Title		Payroll No	
Employer			

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

I declare that by opting out of the Local Government Pension Scheme (LGPS) 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
- **voluntary early retirement** – from age 55, after 2 or more years membership in the scheme (without employers consent)
- **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 (after 2 or more years membership in the scheme)
- **redundancy cover** – with the early payment of pension benefits if I am made redundant or retired on business efficiency grounds at 55 or over (after 2 or more years qualifying membership in the scheme)
- **life cover** – with a lump sum of three times my final pay if I die in service
- **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

I confirm that I have read the above and the explanatory 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.

I confirm that I wish to cease membership of the Local Government Pension Scheme with effect from:-

DATE	
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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 3 months 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 ☐

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: ☐

SIGNED		DATE	
<i>(Signature of the Employee)</i>			

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

MONTH OF LAST CONTRIBUTION (e.g. 31ST July)	
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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 - MUST be completed 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 100% SECTION of the SCHEME – MUST be completed 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 of the SCHEME - MUST be completed 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,

or by post to: London Borough of Hackney Pensions, Equiniti, Russell Way, Crawley, West Sussex RH10 1UH

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

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

Explanatory notes

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 elect to cease to be a member of the scheme whilst continuing in employment.

Rather than opting out you might want to 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 and build up half your normal pension during the time you are in that section. This flexibility may be useful during times of financial hardship and it allows you to remain in the scheme, building up valuable pension benefits, as an alternative to opting out of the scheme. A 50/50 option form is available from your employers HR/payroll section or from the pension administrators, Equiniti.

IT IS IN YOUR OWN INTEREST that you read the following before signing the election form. You should remember the following points.

- A. **DO NOT** sign this form if you wish to stay in the Scheme.
- B. Your employer cannot ask you or force you to opt out. If you are asked or forced to opt out you can tell The Pensions Regulator - see www.thepensionsregulator.gov.uk. Equally, 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

You can only sign and date this opt out form once you have commenced employment in the post from which you wish to opt out of membership of the LGPS. You cannot sign and date the form before then as it will be treated as an invalid opt out.

- C. If you still want to Opt Out of the Scheme, you should note that:
1. It will be for you to make your own pension arrangements within the Private Sector (e.g. a personal pension) or rely instead upon the State Pension Scheme.
 2. From the date of opting out, your service will not accumulate for any entitlement under the Scheme, e.g. an indexed retirement pension based on final pensionable pay and length of service; dependants benefits, ill health retirement benefits; death in service lump sum payment of three years' pensionable pay.
 3. Your future benefits in retirement, especially if you are forced to retire on health or redundancy grounds, could be severely limited.
 4. Opting out won't save you as much in take home pay as you may think. In most cases, you will pay more tax and National Insurance if you opt out of the LGPS. A basic rate tax payer paying pension contributions of £100 a month will pay £20 more tax.
 5. Also **DO NOT EXPECT** an automatic refund of the contributions you have paid.
 6. Whatever your reasons for considering opting out of the scheme, we ask that you give this matter careful consideration before making a final decision. You may wish to take independent 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.
 7. 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 scheme. You will need to write to your employer if you want to opt back into the scheme. However, if you have opted out (on or after 11 April 2015) with 2 years or more pensionable service and subsequently rejoin the scheme, you will not be able to join the deferred benefits with your new active account – they will be kept separately as directed by the LGPS Regulations.

- 8 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 an opt out form for the role from that employer from the pension administrators, not from the employer.
- 9 If you opt out within 3 months of joining the scheme, you will be treated as never having been a member and will receive a refund of any contributions you have paid through your employers payroll, less adjustments for income tax and National Insurance.
- 10 If you opt out of the scheme after 3 months of joining but before meeting the 2 years vesting period in the scheme, and you have not brought a transfer into the LGPS from a scheme that does not permit a refund and 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. This will not be paid via your payroll, as Equiniti will write to you giving you details of how to receive a refund of your contributions, adjusting for income tax and National Insurance accordingly.
- 11 If you opt out after meeting the 2 years qualifying period in the scheme you will be entitled to a deferred pension benefit in the LGPS which, unless you transfer the benefits to another pension scheme, would normally be payable from the scheme's normal pension age (which is the same as your State pension age but with a minimum of age 65) or from age 55 at your choice.

Data Protection & GDPR

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