



## Local Government Pension Scheme- Opt Out Form

### Thinking of opting out?

The Local Government Pension Scheme (LGPS) helps you to save for retirement. It's one of the best occupational pension schemes in the UK, because benefits are defined and set out in law. What's more, your employer pays towards your pension, so it's a valuable and important part of your employment package.

You should think carefully about your retirement before opting out. You may wish to take financial advice. If you're opting out of the LGPS because of professional advice, you should ask for confirmation of this advice in writing.

If you want to know about the costs and benefits of LGPS membership, please visit our website at [www.shropshirecountypensionfund.co.uk](http://www.shropshirecountypensionfund.co.uk), or the national LGPS website at [www.lgpsmember.org.uk](http://www.lgpsmember.org.uk).

### The LGPS gives you:

- **A secure pension** – worked out at a 1/49<sup>th</sup> of your pay every scheme year. Your benefits also keep up with the cost of living as measured by the Consumer Prices Index (CPI).
- **Flexibility to pay more or less** – you can pay half your normal contributions in return for half your normal pension through the 50/50 section of the scheme. You can also boost your pension by paying more in contributions, on which you would get tax relief.
- **Tax-free cash** – when you take your benefits, you can give up some of your annual pension for a tax-free cash lump sum.
- **Peace of mind** – your family enjoys financial security, with a death grant of three times your pay and survivor's pensions if you die in service. Also, if you ever become seriously ill and you've been in the scheme for two years, you could get an ill-health pension.
- **Freedom to choose when to take your pension** – you can choose to retire and draw your pension at any time between 55 and 75. Your normal pension age is when your pension is due in full. However, you can take your pension from 55 with a reduction for early payment. Likewise, if you take your pension after your normal pension age it will be increased.
- **Redundancy and Efficiency Retirement** – if you're made redundant or leave because of business efficiency on or after 55, and you have been in the scheme for two years or more, you'll get payment of your benefits.
- **Flexible retirement** – if you reduce your hours or move to a less senior role on or after 55, you can take some or all your pension benefits and carry on working. Your employer must agree, and you must have been in the scheme for two years or more. Your benefits may be reduced for early payment.

### Before opting out, have you thought about the 50/50 section?

Before opting out you might want to think about the 50/50 section. This allows you to pay half contributions in return for half your normal pension build up. To find out more, please see the *brief scheme guide* available on our website; [www.shropshirecountypensionfund.co.uk](http://www.shropshirecountypensionfund.co.uk).



### **What happens to my benefits already built up if I opt out?**

If you opt out of the LGPS within three months of joining, you'll be treated as never having been a member. Your employer will refund your contributions through your pay.

If you opt out of the LGPS after three months but before two years, you can take a refund of your contributions (less tax) or transfer your pension to another scheme.

If you have been a member of the scheme for two years or more and opt out, your benefits will become deferred. These will be held in the fund, increasing in line with inflation, until you take them at retirement, or transfer them to another scheme.

For more information, please read the *brief scheme guide* available on our website [www.shropshirecountypensionfund.co.uk](http://www.shropshirecountypensionfund.co.uk) or call 01743 252130.

### **Opting back into the LGPS and joining your benefits together**

If you opt out, you can re-join the scheme at any time before 75 if you qualify for membership.

But, if you opt out of the LGPS, or have opted out on or after 11 April 2015, resulting in deferred benefits, and later re-join the LGPS, you can't join the two periods of membership together and, instead, you will have two separate sets of pension benefits in the scheme.

### **Don't forget...**

Your employer can't make you opt out of the scheme. If you're asked or made to opt out against your wishes, tell the Pensions Regulator; [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk).

Also, no one can force you to stay in the scheme. But, if you opt out you should understand what this means for you and your dependants.

If you want to opt out of the scheme, please fill in the *opt out form* on the next page.

### **Data protection**

The Shropshire County Pension Fund is a data controller under data protection law. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we are required to share your information with certain bodies but will only do so in limited circumstances. For more information about how we hold your data, who we share it with and what rights you have to request information from the fund, please visit [www.shropshirecountypensionfund.co.uk](http://www.shropshirecountypensionfund.co.uk).



## Opt out form

Please note, this form can only be signed and dated on or after the date you have started the job from which you are opting out.

It is important to fill in all the sections on this form. An incomplete form will not be accepted and will be returned for you to complete. **Once you have filled in the form, please return to your employer, NOT the pensions team.**

Section 1 - Personal details					
Surname				Mr/Mrs/Miss/Ms/other (please specify)	
Forename(s)				Date of birth	
National insurance number				Gender	Male <input type="checkbox"/> Female <input type="checkbox"/>
Home address					
Postcode			Phone number		
Email address					
<i>I confirm that by providing my email address, I freely consent to Shropshire County Pension Fund emailing me about my pension. (Please note that you do not have to provide your email address, if you do not this means we will not be able to contact you with information about your pension and you will not be able to register to view your pension account online including your annual benefit statement and a paper copy must be requested. For more information on how we use your personal data, please refer to our Privacy notice on our website.)</i>					
Marital status	Single <input type="checkbox"/> Married <input type="checkbox"/> Living with partner <input type="checkbox"/> Widow(er) <input type="checkbox"/> Civil partner <input type="checkbox"/>				
Section 2 - Employment details					
Employer				Payroll number	
Name of post (or posts) from which you wish to opt out of membership of the LGPS					
Job title post 1					
Post number for job 1					
Job title post 2					
Post number for job 2					
Job title post 3					
Post number for job 3					
Job title post 4					
Post number for job 4					



**Section 3- Declaration**

I declare that by opting out of the Local Government Pension Scheme (LGPS) I am knowingly giving up the opportunity to participate in the LGPS, which would provide a guaranteed package of benefits backed by law 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
- A flexible retirement date between 55-75 (with reductions to benefits for taking these early)
- 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
- Life cover – with a lump sum of three times my final pay if I die in service
- Cover for my family upon my death

**Please tick the boxes to confirm that you have read and understood the statements below:**

- I have read the above declaration 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 am aware I have the option to join the 50/50 section but have decided to opt out of the LGPS.
- I understand that if I opt out I will lose the right to pension contributions from my employer.
- I understand that if I opt out I may have a lower income when I retire.
- I understand that I cannot opt out before beginning my employment.

<b>Signed</b>		<b>Date</b>	
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**Please return this form to your employer’s payroll section or HR department.**