LGPS Starter Information Booklet and Forms

City of Westminster PENSION FUND

HAMPSHIRE PENSION SERVICES

Please complete a Membership Option form on the Member Portal. Please complete this form within 1 year of joining the LGPS.

This booklet is for general use so cannot cover every circumstance. It does not give you any rights under contract or statute law. LGPS rules will apply if there is any dispute over your pension.

Starter Information in the Local Government Pension Scheme (LGPS)

This is for use once your employer has opted you into the LGPS pension scheme. For most employees this happens automatically, however if you are not a member and are eligible, then you should contact your employer to arrange membership first.

This booklet:

- Introduces the LGPS (page 3).
- Informs you how to opt out and what will happen if you do (page 4).
- Informs you of how your pension is calculated (5-6).
- Informs you of what to consider if you have other LGPS pensions (pages 7-11).
- Includes the Membership Option Form for you to confirm your details (Part A, page 13-15) and tell us if previous membership should be combined (Part B, pages 16-17).

What do you need to do?

- ✓ Read through the information contained in this booklet.
- ✓ Complete Part A of the Membership Option Form and return to Hampshire Pension Services as soon as possible.
- ✓ Complete Part B of the Membership Option Form within 1 year of joining the scheme to confirm how you wish any previous LGPS membership to be treated.
- ✓ Complete and return a 'Death Grant Expression of Wish' Form which can be completed securely on the Member Portal or found on the Hampshire Pension Services website.
- ✓ If you have non LGPS pensions that you may wish to transfer in to your new LGPS membership, read the 'Transfer Booklet' available on the Hampshire Pension Services website (please note **you must opt to transfer within one year of joining the LGPS**)

If you have any questions, please contact Hampshire Pension Services using the details on the title page.

About the Local Government Pension Scheme (LGPS)

- The LGPS is a statutory pension scheme. Its benefits are set out in law and guaranteed, so it is very secure.
- The LGPS is a CARE (Career Average Revalued Earnings) pension scheme which means pension built up after 1 April 2014 is based on your career average pay. Every scheme year, a pension equal to 1/49 of your pensionable pay is added to your pension account. Every April your pension account will be adjusted in line with inflation.
- For more information, please visit our website: https://www.hants.gov.uk/hampshire-services/pensions

Who can join?

- The LGPS is open to most employees in Local Government and to some employees in other organisations who participate in the scheme.
- You can join at any age up to two days before your 75th birthday.
- If your contract of employment with a participating employer is 3 months or more, you will be enrolled into the scheme.
- If your contract of employment with a participating employer is for less than 3 months, you will need to contact your employer for further details about joining the scheme.
- You can carry on contributing towards other pensions such as a personal pension or a stakeholder pension scheme.

What does it cost?

- You pay towards your pension – your contribution rate is based on your actual pensionable pay and is based on a banding system. The rates are reviewed annually by the government and the up-to-date rates and banding can be viewed on our website.
- Your employer can review your contribution rate each month dependent on their policy, however, as a minimum they must review the rate once a year in April.
- You do not pay tax on what you pay into the LGPS.
- Your employer would normally also pay contributions to The Pension Fund. These are often much more than you pay, and in most cases at least double your contribution. The employer's contribution rate will be set by the scheme actuary following a scheme valuation.

What are the benefits?

- A guaranteed pension that will increase with the cost of living when in payment.
- The choice to take part of your pension as a tax-free lump sum at retirement.
- The ability to pay 50% contributions for 50% pension benefits.
- The ability to increase your pension by paying extra contributions.
- Your normal pension age in the LGPS is the later of your State Pension age or age 65.
- You can choose to retire from age 55, although your pension may be reduced to account for early payment. You must take your pension by age 75. **Note:** the earliest age you can access your pension is rising from 55 to 57 on 6 April 2028.
- If you pay into the LGPS for at least two years and then become permanently unable to work, you could receive an ill-health pension, whatever your age.
- A death grant will be paid if you die before retirement. If you die after

retirement, you must be under the age of 75 and have been receiving your pension for less than 10 years; this is the guarantee period. If you die having paid into the LGPS for at least two years, your husband, wife, civil partner or cohabiting partner, and any eligible children will receive a pension.

Additional contributions

Members of the LGPS can increase their pension benefits in two ways:

- Paying Additional Pension Contributions (APCs): A member can buy additional pension for themselves either by regular contributions or by paying a lump sum amount.
- Paying into an in-house Additional Voluntary Contribution (AVC) scheme.

Please see our website for details of these options.

What if you do not want to join?

You can opt out by completing an opt out form and sending it to your employer's payroll department. You cannot opt out before your employer has enrolled you into the LGPS. You could join the 50/50 section of the LGPS instead of opting out – you would pay half the contributions and build up half the pension, but the death grant and partner's pension would not be affected. You can find the opt out form and the 50/50 section form on Hampshire Pension Services website.

What happens if you opt out?

If you opt out of the LGPS less than three months after joining, your employer will refund your contributions with your pay.

If you opt out of the LGPS more than three months but less than two years after joining, what will happen depends on your circumstances:

- If you have no other LGPS accounts, we can refund your contributions. As your contributions were not taxed, a deduction for tax will be made to the refund.
- If you are eligible for a refund of contributions, you could instead choose to transfer the LGPS benefits to another pension scheme or leave them in case you join the LGPS again later. You must take a refund if you do not make a decision within five years.
- If you are paying into another LGPS account, the accounts will be combined – you cannot have a refund.
- If you have transferred other pensions into your LGPS account, your membership may come to more than two years. If it does, your pension will become deferred.

If you opt out of the LGPS with two or more years of membership:

- Your pension will be deferred – this means it will be held in the scheme and index-linked until you claim it between ages 55 and 75, unless you transfer it to another LGPS pension account or another pension scheme before then.

- If you opt out after 11 April 2015 and subsequently re-join then your pension benefits will remain separate and cannot be joined to any future period of membership.

Pensionable Pay

Pensionable pay is the pay on which you pay pension contributions, and which is used to calculate your CARE pension. Typically, pensionable pay includes the following:

- Your normal salary or wages
- Bonuses
- Overtime (both contractual and non-contractual)
- Maternity, paternity, adoption and shared parental pay
- Shift allowance
- Additional hours payments if you work part-time
- Any other taxable benefit specified in your contract as being pensionable

You do not pay contributions on the following:

- Any travelling or subsistence allowances
- Pay in lieu of notice
- Pay in lieu of loss of holidays
- Payment as an inducement not to leave before the payment is made
- Any award of compensation (other than payment representing arrears of pay) made for the purpose of achieving equal pay
- Pay relating to loss of future pensionable payments or benefits
- Pay paid by your employer if you go on reserve forces service leave
- The monetary value of a car or pay received in lieu of a car
- Any sum which has not had tax liability determined on it

How is my pension calculated?

The LGPS has been a CARE scheme since 1 April 2014. The following example shows how pension is calculated.

Example: Ben is in the main section of the scheme from 1 April 2023 to 31 March 2024 and had pensionable pay of £24,500 during that year.

Section of the scheme:	Main
Rate of build up:	1/49
Pensionable pay:	£24,500
Amount of pension built up:	£500 (£24,500 divided by 49)
Pensions Increase for 2024 (6.7%):	£33.50 (6.7% of £500)

Pension plus Pensions Increase:	£533.50 to be carried forward to the next year

At the end of the scheme year, £500 is added to Ben's pension account. However, to ensure that the pension keeps its value, the total pension account will be adjusted in line with the Pension Increase for that year.

The government publishes the Pension Increase figure to be used in April each year. It is currently based on the annual inflation figure to the previous September.

If inflation was 6.7%, Ben's total pension account would be increased on 1 April 2024 to £533.50.

If Ben had been in the 50/50 scheme for the year ending 31 March 2024, the pension benefits he would have built up would have been half the amounts shown above.

Pensions in payment will be revalued in line with the Pensions Increase figure.

Independent Financial advice

Pension Services can give you information about your pension, but we cannot give financial or tax advice. We are not allowed to advise you to take a particular course of action when a choice arises. Instead, you may wish to seek the assistance of an independent financial adviser or tax adviser. Some advisers may charge you for their services.

MoneyHelper

At any stage, you or your beneficiaries can contact the MoneyHelper Service for free and impartial guidance advice on money and pensions on:

Telephone: 0800 0113797

Website: https://www.moneyhelper.org.uk/en/pensions-and-retirement

Do you have other LGPS pension accounts?

Deferred LGPS pension account

You must normally make a decision about your deferred LGPS accounts within a year of starting to pay into your new account, and whilst still paying into it.

Deferred Pension account - membership before April 2014
Your LGPS accounts will stay separate. **If you want to combine them you must elect to do so, using Part B of the Membership Option Form.** If you elect to combine and have not had a continuous break of more than five years in your service, then your benefits built up to 1 April 2014 will be based on your final salary. This is known as "the final salary link". If you have had a break in service of more than five years, your previous LGPS membership will purchase an amount of CARE pension to be added to your new pension account. The employer responsible for your new LGPS account can extend the one-year limit for making a decision if their policy allows.
Deferred Pension account – membership ended after April 2014.
Your LGPS accounts will automatically be combined after 12 months. **You can elect to keep them separate or combine them sooner, using Part B of the Membership Option Form.** If your deferred membership ended due to you opting out on or after 11 April 2015, it must remain separate and cannot be joined to a later membership. The employer responsible for your new LGPS account can extend the one-year limit for making a decision on combining if their policy allows. The final salary link will be retained in respect of any pre-April 2014 membership, if there has not been a break of more than 5 years since the account was deferred.

LGPS frozen refund accounts

You will have a frozen refund if you previously paid into the LGPS but stopped before you had built up an entitlement to pension, and if you have not yet received a refund of contributions or transferred the benefits to another pension. Your frozen refund account will be added to your new LGPS account automatically, there is no option to defer.

Other active LGPS accounts

If you are paying into more than one LGPS account at a time, they must stay separate. If you stop paying into one of the accounts, you will have to decide whether the accounts should be combined or left separate.

What key differences are there if I elect to keep my deferred benefit separate?		
	Combined Benefits	**Separate Benefits**
Redundancy/Efficiency	Benefits paid early because of redundancy or efficiency would include the value of earlier deferred benefits that have been transferred. If you are made redundant or lose your job for business reasons when aged 55 or over, then your benefits would be paid immediately and would include the value of the pension that transferred from your deferred benefit.	Benefits paid early because of redundancy or efficiency in your on-going employment would **not** include the value of earlier deferred benefits. 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 benefit).
Ill Health	Any benefits payable early because of ill health would include the value of earlier	Benefits paid early because of ill health in your on-going employment would **not**

	deferred benefits that have been transferred. 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 the duties of your employment due to ill health and you are not capable of undertaking other gainful employment.	include the value of earlier deferred benefits. Your benefits from your ongoing employment will become payable immediately if your employer decides, based on the opinion of an 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 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 which gave rise to the deferred benefits, and - you are not likely to be capable of undertaking other gainful employment before your Normal Pension Age.
Early Payment of Benefits	You can choose to claim the combined benefits from age 55 onwards.	You may voluntarily choose to claim:

	However, if benefits are claimed before your normal pension age, they may be reduced to account for early payment. However, the combined benefits would be payable at the same time (i.e. cannot be paid at different times) and cannot be ongoing employment.	a) Your deferred benefits from age 55 onwards (if benefits are claimed before your normal pension age, they may be reduced to account for early payment) and b) the pension you build up in your pension account in your new employment from as early as age 55 (if benefits are claimed before your Normal Pension Age, they may be reduced to account for early payment). The deferred benefits do not have to be claimed at the same time as the benefits from your on-going employment.
Cost of living increases	The combined benefits 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***. However, in times of negative inflation, the revaluation	The benefits in the active pension account for your new employment 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 Price Index.*** However, in times of negative inflation, the revaluation

	under a HM Treasury Order could be negative.	under a HM Treasury Order could be negative. The benefits in the deferred pension account will be 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).

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 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.

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.

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Administered by HAMPSHIRE PENSION SERVICES

LGPS Membership Option Form

Hampshire Pension Services
The Castle, Winchester,
Hampshire SO23 8UB

Telephone 01962 845588
Email pensions@hants.gov.uk
www.hants.gov.uk/pension

Part A: Confirming your details

Use this form once your employer has opted you into the LGPS pension scheme. Please complete **all** sections and send it to Hampshire Pension Services. If you have joined the LGPS in more than one employment, please complete a separate form for each one.

1. Personal details

Please send a photocopy of your birth certificate or passport with this form. If you no longer use the name on your birth certificate or passport, please also send something to prove your current name, such as your change of name deed or marriage certificate.

Title ..... First name(s) ..... Surname .....

Address .....

..... Postcode .....

National Insurance number | | | | | | | | | |

Date of birth __ __ __ __ __ __ __ __

Email address ..... Daytime telephone .....

2. Partnership status

Please select your current partnership status and send copies of any documentation to verify this.

☐ Married ☐ Civil partner ☐ Cohabiting partner

☐ Single ☐ Divorced ☐ Civil partnership dissolved

Date effective from: __ __ / __ __ / __ __ __ __

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3. Current employment

Tell us about the employment that this pension membership relates to, including your personnel or pay reference if you know it. Please complete as much information as known.

Name of employer .....

Post or job title .....

Date joined LGPS __ __ / __ __ / __ __ __ __ Payroll number .....

4. Previous LGPS/public service scheme membership

Please let us know if you have previously been a member of the LGPS or any public service pension scheme. This is for information only and is NOT an election to transfer benefits.
You need to complete Part B within one year of joining the scheme, to confirm if you wish to combine previous LGPS membership or keep it separate.
Use our Transfer Booklet if you wish to investigate the transfer of any non LGPS pensions.

Employer's name	Pension fund's name and address	Dates paid in From	Dates paid in To	Do you hold an AVC linked to your previous employment? (This may need to be transferred if combined)

Declaration and authority

Please sign and date the form to confirm that the information you have given is correct and you consent to us contacting any other pension funds you have listed and sharing necessary information with them.

We can only accept forms that are signed and dated on or after the date your employer enrolled you into the LGPS.

The details in this form are correct to the best of my knowledge.

I have included a clear photocopy of the documents as requested in sections 1 and 2.

Signature Date .....

Date cannot be earlier than the date you joined the LGPS in this employment.

Please return the completed form to:

Hampshire Pension Services,

The Castle, Winchester,

SO23 8UB.

Email: pensions@hants.gov.uk

Telephone: 01962 845588

Privacy Notice

For information on how we hold and use your data, please visit: https://www.hants.gov.uk/hampshireservices/pensions/local-government/contact-and-resources/privacy-notice

Part B: Combining previous LGPS pensions

Hampshire Pension Services
The Castle, Winchester,
Hampshire SO23 8UB

Telephone 01962 845588
Email pensions@hants.gov.uk
www.hants.gov.uk/pension

Please use this form to confirm whether your previous LGPS accounts should be combined or left separate from your new account. You must return this form to Hampshire Pension Services within a year of starting this current period of LGPS membership, unless the employer liable for the LGPS account has a policy to allow longer. Please refer to page 7 of this booklet for further guidance on combining membership.

1. Personal details

Title _____ First name (s) _____ Surname _____

Address _____

_____

_____ Postcode _____

National Insurance Number | | | | | | | | |

Date of birth ____ / ____ / ____

Email address _____ Daytime telephone _____

Employer _____ Payroll number _____

2. Your previous LGPS pensions

(Please read the explanatory notes in the starter information booklet)

You must decide whether to combine your previous LGPS pension or to keep it separate from your new membership. You must make this choice for **each** previous period of membership. If you have several periods of membership, please use further copies of this form.

Pension 1 - About your previous LGPS pension

Previous LGPS Scheme Name & Address	Date membership started	Date membership ended	Status at leaving (deferred/pensioner/ transfer)

Your decision: I have read this booklet and scheme guide and have made the following decision:

- Please keep this pension separate from my new LGPS pension account ☐
- Please combine this pension with my new LGPS pension account ☐

Pension 2 - About your previous LGPS pension

Previous LGPS Scheme Name & Address	Membership of scheme from	Membership of scheme to	Status at leaving (deferred/pensioner/ transfer)

Your decision: I have read this booklet and scheme guide and have made the following decision:

- Please keep this pension separate from my new LGPS pension account ☐
- Please combine this pension with my new LGPS pension account ☐

3. Declaration and authority

My signature below confirms that the information I have given is correct and that I have:

- Read this booklet and the scheme guide before making my decision,
- Listed all your previous LGPS pensions and made a decision about each of them,
- Consented to Hampshire Pension Services contacting the other pension funds I have listed and
- Understood that I cannot change the decision I have made once Hampshire Pension Services has received and processed this form.

Signature ..... Date .....

Please return the completed form to:
Hampshire Pension Services, The Castle, Winchester, SO23 8UB.
Email: pensions@hants.gov.uk
Telephone: 01962 845588

Privacy Notice

For information on how we hold and use your data, please visit https://www.hants.gov.uk/hampshireservices/pensions/local-government/contact-and-resources/privacy-notice