

Exit cap update

******This email is only for those employers who are subject to the Restriction of Public Sector Exit Payments Regulations 2020 (£95k cap). If your organisation is not subject to these regulations then please disregard this email. If you are not sure whether or not your organisation is subject to these regulations then please check [the schedule to the regulations](#).******

Dear Colleague

Following the [STOP PRESS](#) issued on 6th November 2020, we now attach a briefing note for the attention of Scheme Employers in the Hampshire LGPS Pension Fund who are subject to the Restriction of Public Sector Exit Payments Regulations 2020 (£95k cap). This note sets out the position that will be taken by Hampshire as the administering authority for the Fund.

You should read this carefully and bring it to the attention of your senior management team, and seek your own legal advice as necessary.

You will see from this note that until the new LGPS regulations are in place, Hampshire Pension Fund will only pay a fully reduced pension (Or deferred benefit) where an individual breaches the Cap. An extract from the employer note sets out that:

Where redundancies proceed before the LGPS Regulations are amended, and the aggregate value of a member's redundancy package (including strain cost) exceeds the Capped Amount:

- (a) the Administering Authority will pay a reduced early retirement pension (or a deferred pension payable at normal retirement age); but**
- (b) the scheme employer should not immediately pay the member a cash sum under Regulation 8 equivalent to the capped strain cost.**

If you have a redundancy which takes place prior to the implementation of the amended LGPS regulations and breaches the £95k cap, please ensure that you make this clear to Pension Services *at the earliest possible time* so that they can take the actions outlined in the briefing note.

Pension Services will continue to provide redundancy estimates based on the current LGPS regulations and will provide further updates when more information is available.

Kind regards

Employer Services

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How are we doing? Click [here](#) to let us know.

Have you registered to view your pension details on our Member Portal?

