



## LGPS Pensions Starter Pack - Notes for BSC:

The criteria for automatic entry to the LGPS wef 1<sup>st</sup> April 2008 are as follows:

Employees (*who are NOT eligible for the Police Pension Scheme, Firefighter's Pensions Scheme or Teachers Pension Scheme*), who have a contract for 3 months or more and who are under age 75; this includes casual members where mutuality of obligation exists.

Please note that where an employee's original contract was for less than 3 months and their contract is subsequently extended, so that in aggregate, the contract periods are for 3 months or more, then the employee should be admitted to the Scheme from the date of the contract extension

All Employees who meet the criteria for automatic entry to the scheme should be issued with a '**Pension Starter Information Pack – Automatic Entry to Scheme**' immediately upon commencement of employment (ideally issued with "offer of employment").

**The following employees are eligible to join the Scheme but NOT automatic entry:**

- Employees with a contract for less than 3 months, who are aged under 75
- Casual/Claim Employees where NO mutuality of obligation exists, who are aged under 75

All employees with a contract for less than 3 months and all casual/claim Employees where NO mutuality of obligation exists should be issued with a '**Pension Starter Information Pack – Entry to Scheme by Election**' immediately upon commencement of employment (ideally issued with "offer of employment").

If these groups of employees wish to join the Scheme, then they must make a written election by completing a '**Pension Starter & Service History form – Entry to Scheme by Election**', which is available in the '**Pensions Starter Information Pack – Entry to Scheme by Election**'

Just to recap, the following employees **are not** eligible for membership of the LGPS:

- Any Employees who are aged 75 or over
- Any Employees who are eligible for membership of the Police Pension Scheme, Firefighter's Pensions Scheme or Teachers Pension Scheme

Please do not keep supplies of the pension starter information packs and print only as and when needed direct from the pensions website at the following URL: [www.gloucestershire.gov.uk/pensionsbsc](http://www.gloucestershire.gov.uk/pensionsbsc) (do not hold a copy locally). This will ensure that only the most recent version of the scheme documentation is used.

The 'Pension Starter Information Pack – Automatic Entry to Scheme' contains the following information for the member to either retain, or to complete and return direct to the pension's office:

- **Starter pack information sheet** – this gives information of the documents contained in the pack (you should refer to this to ensure that all the relevant forms/information is contained in the packs that you issue to your employees) and advises the member of their right to opt out of the Scheme (*MEMBER TO RETAIN*)
- **Overview to New Local Government Pension Scheme** – a brief summary of the LGPS (*MEMBER TO RETAIN*)
- **Pension starter & service history form** – the form for the member to complete their personal details and advise whether they have any pension benefits held elsewhere which they may wish to look at transferring to the LGPS (*MEMBER TO RETURN TO DIRECT TO THE PENSIONS*)
- **Expression of Wish form** – the form for the member to 'nominate' a person/s to receive any death gratuity that may be due from the scheme in the event of their death (*MEMBER TO RETURN DIRECT TO THE PENSIONS SECTION*)

The 'Pension Starter Information Pack – Entry to Scheme by Election' contains the following information for the member to either retain, or to complete and return direct to the BSC (representing the employer):

- **Starter pack information sheet** – this gives information of the documents contained in the pack (you should refer to this to ensure that all the relevant forms/information is contained in the packs that you issue to your employees)
- **Overview to New Local Government Pension Scheme** – a brief summary of the LGPS (*MEMBER TO RETAIN*)
- **Pension starter & service history form – Entry to Scheme by Election** - the form for the member to complete and return, should they wish to make an election to join the Scheme, and advise whether they have any pension benefits held elsewhere which they may wish to look at transferring to the LGPS (*MEMBER TO RETURN DIRECT TO THE BSC*)
- **Expression of Wish form** – the form for the member to 'nominate' a person/s to receive any death gratuity that may be due from the scheme in the event of their death (*MEMBER TO RETURN DIRECT TO THE BSC WITH THE FULLY COMPLETED 'PENSION STARTER & SERVICE HISTORY FORM'*)

The following forms are also available to scheme members by following the links on the Pension Sections website at [www.gloucestershire.gov.uk/pensions](http://www.gloucestershire.gov.uk/pensions).

They have not been included in the pension starter packs, as they are unlikely to be relevant to/required by the majority of scheme members and we do not want to over complicate the pension starter information packs.

The aim of the information packs is to include information that will be relevant and apply to all members/prospective members. The starter information sheet enclosed in the packs does make the member aware that these forms are available on the website, if required, and confirms the circumstances in which they should be used.

- **Nominated co-habiting partner form** – scheme members who meet certain criteria, the full details of which are given in the form, can nominate an eligible co-habiting partner (i.e. not a married spouse) to receive a dependant's pension in the event of their death
- **Combined Annual Pension form** – included with the Annual Benefit Statements (ABS) we issue each year is information regarding a member's state pension, where made available by the Inland Revenue. However, if the member does not wish to have this information shown on their ABS then they can make a request for this not to happen by the completion and return of the 'combined annual pension' form, which will then be held on their record.

***What do I do once I have received a fully completed 'Pension starter & service history form – Entry to Scheme by Election' form from the member?***

You should first check that the member is eligible for membership of the Scheme. Provided they are, you should, in accordance with the LGPS Regulations, admit the employee to the pension scheme from the first day of the next convenient pay period/date of commencement of the employment (depending on when the completed form is received), or from such other later date as specified by the Employee (an Employee who is not eligible for automatic entry to the Scheme can specify a date from which they wish membership to commence). Once you have brought the employee into the Pension Scheme, you should forward the completed **Pension starter & service history form – Entry to Scheme by Election** form to this office (with any other forms the employee sent with this form) together a fully completed '**GCC Pension Starter entry to the Scheme by election notification form**', ensuring that you keep copies of all documents sent to this office for your records.

Where you receive a completed **Pension starter & service history form – Entry to Scheme by Election** form and the employee is not eligible for membership of the LGPS, then you must contact the member to confirm that they are not eligible and give the reason why. In these cases, a copy of the completed **Pension starter & service history form – Entry to Scheme by Election** form received, together with a copy of your reply, should be sent to this office, for information.

## **Opting out of the scheme**

Under the Pension Regulator legislation on safeguarding pension, which came into effect from the 1<sup>st</sup> July 2012 in preparation for auto enrolment, Employees who do not wish to remain a member of the LGPS can make an election to opt out of the Scheme, by completion of a pension scheme opt out form only, no other forms of written notice to cease membership must be accepted. They can only make an election to opt out once they have actually commenced the employment to which their membership of the Scheme relates. You, as the Employer, are responsible for ensuring that any opt out form you accept is signed and dated AFTER the date on which the member commenced the post to which membership of the Scheme relates and you should not, in accordance with the above mentioned legislation, accept any opt out form which is dated before the date on which the employee actually commenced their employment. Under the above mentioned legislation, an Employer must play no part in a member opting out of the Scheme, which includes proving the member with a copy of the opt out form. Therefore if you receive a request from a member for an opt out form; you should direct them to the pension scheme website at [www.gloucestershire.gov.uk/pensions](http://www.gloucestershire.gov.uk/pensions) or to this office to obtain a copy.

### ***What do I do once I have received a scheme opt out form?***

You should first check how long the employee has been a member of the scheme, if at the date you bring them out of the scheme (the first day of the next convenient pay period following receipt of their completed form) they would have contributed to the scheme for;

**less than 3 months**, then you must cease the employee's membership of the scheme AND refund the contributions deducted back to the member via an adjustment to their pay (making any necessary NI and tax adjustments). You should also ensure that an adjustment is made for the Employer contributions deducted. The completed '**opt out form**' (with the relevant 'for office use' section completed on the reverse of the form) should then be sent to the pensions office, without delay, once the opt-out form has been actioned.

OR

**3 months or more**, then you must cease the employees membership of the scheme and send the completed '**opt out form**' to this office (with the relevant 'for office use' section completed on the reverse of the form) without delay. DO NOT REFUND THE CONTRIBUTIONS ALREADY PAID. The pension section will then calculate the members deferred benefits in the scheme and send the relevant deferred notification to them.

A refund can be only be paid where the member has contributed to the scheme for **LESS than 3 months**, for example, if a member was admitted to the scheme on the 5<sup>th</sup> September 2012 and the completed opt out form was received on the 4<sup>th</sup> December 2012, the earliest date you could bring them out of the scheme would be from the 1<sup>st</sup> December, so the last day they contributed to the scheme would be the 30<sup>th</sup> November 2012. They would therefore be eligible to receive a refund of contributions, as they would have less than 3 months membership in the Scheme. However, if they had commenced membership of the scheme on the 1<sup>st</sup> September 2012, and the opt out form was received on the same date as shown above (4<sup>th</sup> December 2012), again the earliest possible date they could be brought out of the Scheme would be the 1<sup>st</sup> December 2012. At this date the person would have attained 3 months membership in the Scheme (1<sup>st</sup> September 2012 to the 30<sup>th</sup> November 2012) and would not therefore be entitled to receive a refund of the contributions paid. This period of membership would be deferred in the scheme.

## **General notes regarding opting out of the scheme**

You should only bring a member out of the scheme if you receive a fully completed scheme '**opt out form**'; no other form of notice to cease membership of the Scheme should be accepted. You should also ensure that any form received is the most current version of the form (if you are unsure then you simply need to check the form received against the opt out form on the member pages of the website, as this will always have the most recent version of the form on it).

A copy of the completed '**opt out form**' should always be sent to this office with the 'Employer use only' section on the back of the member opt out form completed fully before a copy is issued to the Pensions Office, so as the original form and copy sent to this office show the same information.

Employees with more than one concurrent contract with the same employer, have the right to opt out of membership in all, or some of their employments. The opt out form advises them that if they wish to opt out on certain posts only, and remain in the scheme on others, then they must provide a covering letter with the completed opt out form clearly stating the posts on which they wish to continue paying pension contributions. If they do not supply such information, you should remove the employee from the pension scheme on all concurrent appointments with that employer.