

NEW
LOCAL
GOVERNMENT
PENSION
SCHEME
REGULATIONS
1 April 2008

PENSION
STARTER
INFORMATION
PACK

**AUTOMATIC
ENTRY TO
SCHEME**

lgps

Pensions Section,
Gloucestershire County Council,
Shire Hall, Gloucester GL1 2TG
Telephone: (01452) 426677
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June 2013



Information for new Employees who are eligible for automatic entry to the Local Government Pension Scheme

Please find enclosed the following information regarding the Local Government Pension Scheme:

- Overview of the Local Government Pension Scheme (LGPS)
- Pension starter & service history form
- Expression of Wish form

Under the LGPS regulations **\$** all new employees who have a contract of employment for 3 months or more and are aged under 75 (including casuals where mutuality of obligation exists) must be admitted to the pension scheme automatically upon commencement. If, once you have been admitted to the Scheme, you decide that you no longer wish to remain a member, then you can make a written election, by completion of a scheme opt out form only, to cease membership of the Scheme (see notes overleaf).

The Regulations also state that where an employees original contract was for less than 3 months and the contract is subsequently extended so that, in aggregate, the contract periods are for 3 months or more, and they are aged under 75 (this includes casuals where mutuality of obligation exists), then they should be admitted to the scheme automatically from the date of the contract extension **\$**.

Enclosed, for information, is an overview of the scheme. Further information, including a full guide to the scheme is available on our website which can be found at the following link: www.gloucestershire.gov.uk/pensions. Links to the Communities & Local Government (CLG) website and the LGPS National website are also available on our website.

Please complete the '**pension starter & service history**' and '**Expression of Wish**' forms enclosed in this pack as soon as possible and return to the Pensions Section at the address shown overleaf, unless directed otherwise on the form.

\$ in the case of an Employee of a designating body, such as a town or parish Council, or an Admission Body, you can only join if the post in which you are employed has been designated as being eligible for membership of the LGPS by your Employer

In addition (and if applicable) you may also wish to complete the forms described below, which are available for download on our website at the link shown above:

- **‘nominated co-habiting partner form’**, you can nominate a cohabiting partner, of either opposite or same sex to receive a survivor’s pension in the event of your death. There are a number of conditions that must be met in order for a nomination to be made, full details of which are provided on the form. Please note that this form is not appropriate if you are married or have a legal Civil Partner (i.e. have gone through a Civil Partnership Ceremony), as the Regulations automatically provide partner benefits in these situations
- **‘combined annual benefit statement form’**, each year we issue Annual Pension Benefit Statements to Scheme members. Included with this by default, will be information about your State Pension, as well as information about the pension from this Scheme. The information we obtain from the DWP will only be used for the purposes of providing you with a combined annual benefit statement. If however, they DO NOT wish to have your state pension information to be included in the annual statement we provide, then you will need to complete and return this form.

OPTING OUT

If, after having read the enclosed scheme overview and the full guide to the scheme, which is available on our website, you decide that you do not wish to remain a member of the Local Government Pension Scheme, then you can make a written election to cease membership by completing and returning a pension scheme opt out form only, no other forms of written notice to opt out will be accepted. The pension scheme opt out form is available for download from our website at the following link: www.gloucestershire.gov.uk/pensions or alternatively you can obtain a copy from this office, contact details are provided below. Please note that any election to cease membership of the Scheme cannot be made until you are a member of the Scheme, you cannot therefore complete a Scheme opt out before you have actually commenced in the employment to which your membership of the Scheme relates.

The completed pension scheme opt out form should be returned direct to your employer, who will then arrange for your contributions to the Scheme to cease. Your Employer should (in accordance with the LGPS Regulations) remove you from the pension scheme effective from the 1st day of the next convenient pay period following receipt of your completed opt out form. If at this date, you have paid into the Scheme for less than 3 calendar months, then your Employer will refund all the pension contributions taken via your pay. However, if this results in your having contributed to the scheme for 3 months or more, then in accordance with the Local Government Pension Scheme Regulations, you WILL NOT be eligible to receive a refund of pension contributions. Instead, you will be awarded a deferred pension benefit.

All the forms and guides referred to in this document are available, upon request, from this office and if you do require any further information about the Scheme (which isn’t covered in the information available) before making a decision, then please contact the Pensions Section as follows:

**The Pensions Section,
Gloucestershire County Council,
Shire Hall
Westgate Street,
Gloucester, GL1 2TG.**

Pension helpline phone number: 01452 426677

e-mail: pensions@gloucestershire.gov.uk

website: www.gloucestershire.gov.uk

What are my retirement benefits?

Your pension is based on your length of total membership in the scheme and the pensionable pay you received in respect of, normally, your final year of service. If you are part-time, your scheme membership will count at its part-time length when working out your pension and your final pay is increased to what you would have received had you been full-time.

Annual Pension = $1/60 \times \text{Total Membership} \times \text{Final Pensionable Pay}$.

There is no automatic lump sum, however up to 25% of the capital value of the **total** benefits can be taken as a lump sum. The commutation rate is 12 to 1 i.e.: for every £1 of pension given up you will receive £12 by way of a lump sum.

What protection is there for my family?

If you die in service as a member of the LGPS, subject to the certain qualifying conditions, the benefits shown below may be payable.

Lump Sum Death Grant – normally three times your actual final pay.

Widow's/Widower's Pension – normally equal to 1/160th of your final Pensionable Pay times the total membership you would have built up in the LGPS to age 65.

Civil Partner's/nominated Co-habiting partner Pension – normally calculated in the same way as that of a widow/widower but only based on membership after 6th April 1988.

Children's Pension(s) – calculated as a proportion (dependant on circumstances) of your final Pensionable Pay times the total membership you would have built up in the LGPS to age 65.

If you die after retiring on pension, a widow's, widower's, civil partner's or, subject to certain qualifying conditions, a nominated co-habiting partners pension and pensions for eligible children are payable. If you die within the first 10 years of receiving the pension, a death grant equal to the balance of 10 years of pension is paid as a lump sum.

What if I leave before retirement?

Less than 3 months membership

If you leave with less than 3 months membership, and have not transferred previous pension rights into the Scheme, you may normally either transfer the value of your pension into another pension scheme or receive a refund of contributions (less any deductions for tax and the cost of buying back into the State Second Pension Scheme (S2P)).

More than 3 months membership

If you leave before the age 65 and your total membership is more than 3 months, or you have transferred previous pension rights into the Scheme, you will be entitled to a preserved pension. Unless you decide to transfer your deferred benefits to another pension scheme, the deferred benefits will normally become payable at age 65, but may be brought into payment early in certain circumstances.

An Overview to the Local Government Pension Scheme

effective from the 1st April 2008



This Short Guide has been written to provide a brief overview of the membership conditions and benefits of the New Local Government Pension Scheme for members joining on or after the 1st April 2008. It does not cover rights applicable to specific groups or classes of members and is provided as for general information purposes only. In the event of any dispute over your pension benefits, the appropriate legislation will prevail.

More detailed information about the scheme is available from the Gloucestershire County Council Pension section's website at www.gloucestershire.gov.uk/pensions. Alternatively our contact details are:

Address: Pensions Section
Gloucestershire County Council
Shire Hall
Westgate Street
Gloucester
GL1 2TG

Email pensions@gloucestershire.gov.uk

Telephone: (01452) 426677

What is the LGPS?

The Local Government Pension Scheme (LGPS) is a tax approved, defined benefit occupational pension scheme set up under the Superannuation Act 1972. The benefits under the scheme are based on the length of your membership and your final salary. It is very secure because the benefits are set out in law. The alternatives to joining the scheme are to take out a personal or stakeholder pension or to rely on the State Pension.

Who can join the Scheme?

The LGPS covers Local Government and other organisations that have chosen to participate in it.

§ All Employees aged under 75 with a contract of employment for 3 months or more, including claim/casual employees where mutuality of obligation exists will be admitted to the Scheme automatically upon commencement. § Employees aged under 75 with a contract of less than 3 months and claim/casual employees where no mutuality obligation exists, can join the Scheme but must make a written election if they wish to do so.

To secure your entitlement to the Scheme benefits, it is important that you complete and return the “**starter and service history form – automatic entry to Scheme**”, for employees who are eligible for automatic entry or the “**starter and service history form – entry to scheme by election**”, if you are eligible for membership but are required to make an election, if you wish to join. On receipt of your form, relevant records will be set up and an official notification of your membership of the LGPS will be sent to you. You should also check your pay slip to make sure that pension contributions are being deducted.

Membership of the Scheme is not compulsory. You can leave the LGPS at any time by completing an opt out form. If you opt-out within 3 months of joining you will normally receive a refund of contributions. However, an employee who is eligible for automatic membership cannot complete an opt out form prior to commencement of the employment or prior to the date they are designated for membership. You may wish to obtain independent financial advice before you make a decision to opt-out of the LGPS.

§ *in the case of an Employee of a designating body, such as a Town or Parish Council, or an Admission Body, you can only join if the post in which you are employed has been designated as being eligible for membership of the LGPS by your Employer*

How much does it cost?

Your contribution to the scheme will be determined by your **Employer** based on the whole time rate of pensionable pay for your post. There are 7 stepped contribution rates between 5.5% and 7.5% depending on your relevant rate of pay.

The pay band ranges are increased each April in line with the cost of living. Details of the bands applicable to each financial year can be found on the pages of our website, or alternatively you could contact the pension section for further information. Contact details are provided at the start of this document.

As a member of the LGPS, your contributions will attract tax relief at the time they are deducted from your pay and you will be contracted-out of the state second pension scheme (S2P). Whilst you are a member of the LGPS you will pay reduced national insurance contributions.

Your employer pays the balance of the cost of providing your benefits in the LGPS. Every three years an independent review is undertaken to calculate how much your employer should contribute to the Scheme.

Can I transfer in Pension Benefits?

Generally speaking, benefits that you have previously accrued in the LGPS or in other pension arrangements can be transferred and will buy membership in the LGPS. An option to transfer your pension rights into the LGPS must be made within twelve months of joining or such longer period as your employer allows. If you wish to investigate transferring your pension benefits please complete the reverse side of the “**starter and service history form**”.

Can I increase my benefits?

You can make additional payments to increase your retirement benefits and/or life cover. You can do this either by paying additional contributions (ARC's) to buy extra LGPS pension (within the scheme), by making payment to the Scheme's additional voluntary contributions (AVC) arrangement administered by the Prudential, or by making payments to a personal pension, stakeholder pension or free-standing AVC scheme of your own choice.

For further information please see the “**increasing your pension benefits**” guide available from our website.

When can I retire?

- Normal retirement age is 65, from which date you can receive your benefits in full.
- Employees can stay in the Scheme beyond age 65 but benefits must be taken before age 75. Benefits drawn after age 65 will be actuarially increased.
- You may elect to retire and receive actuarially reduced benefits from age 60.
- You may be able to elect to retire and receive your LGPS benefits from age 55, subject to your employer's agreement and policy. Similarly, there is also provision for “flexible” retirement from age 55, whereby subject to your employers agreement and policy, if you reduce your contractual hours or grade (i.e. move to a less senior role), you can draw some or all of the pension benefits you have built up and continue paying into the LGPS on your continuing role. Both of these provisions are employer discretions for which they are required to have a written policy. Also, benefits would normally be paid at an actuarially reduced rate.
- The scheme provides for early payment of unreduced benefits for scheme members aged over 55 who are made redundant or dismissed on inefficiency grounds.
- The scheme also provides for early payment of unreduced benefits for members whose employment is terminated due to permanent ill health. The level of benefits is based on a tiered system dependant on the severity of the incapacity. Benefits may be paid at an increased rate if you are unlikely to be capable of gainful employment within 3 years of leaving.



**AUTOMATIC ENTRY TO
SCHEME**

PENSION STARTER AND SERVICE HISTORY FORM

YOUR PERSONAL DETAILS										
Full Name				Title	Mr	Mrs	Miss	Other		
Home Address				Tel No						
				Home						
				Work						
				Mobile						
				E-Mail						
Date of Birth			Ni No							
Marital Status										
Single		Married		Civil Partnership		Divorced		Widowed		
Dissolved Civil Partnership			Nominated Co-Habiting partner (you must complete co-habiting nomination form, a copy of which can be obtained from our website or this office)							
Employing Dept (i.e. District or Dept)							Pay No			
<p>I understand that my Employer has admitted me to the Local Government Pension Scheme automatically because I meet the criteria for automatic entry, as specified in the Local Government Pension Scheme Regulations.</p> <p>I further understand that, under the current provisions of the scheme, I can make a written election to cease membership of the scheme at any time.</p>										
<p>I understand the above information and confirm that the details I have provided above are correct.</p>										
Signed					Dated					

Please return the completed form, together with a copy of your birth certificate to:

The Pensions Section, Gloucestershire CC, Shire Hall, Gloucester GL1 2TG

For any queries regarding the completion of this form please ring (01452) 426677

PLEASE COMPLETE DETAILS OVERLEAF

Transferring of benefits

Please note that an election to transfer benefits must be made within 12 months of joining the Scheme.

If you have previously been a member of any other pension scheme, do you wish the possibility of transfer to the Gloucestershire Pension Fund to be investigated?

YES NO

If YES, please enter details of all previous benefits that you may wish to transfer in the box below or alternatively attach full details and sign the declaration at the end of the form.

If you are interested in transferring from a Money Purchase Scheme, (i.e. Personal Pension, Group personal Pension, Section 32 Contract), please ensure that full details of your Policy No. and Providers address is supplied. A transfer of benefits will not be finalised without your written consent, after you have received details of the potential benefits the transfer would purchase in the Local Government Pension Scheme.

FULL Name and Address of Employer / Pension Provider	From	To	Scheme reference/Policy number	Detail (see note below)

Note: If you have previous Local Government membership, please state whether pension rights were refunded, transferred to another employer, entitle you to immediate or deferred pension etc.

If you were previously subject to the **Local Government Pension Scheme Regulations** do you wish to investigate the possibility of transferring (aggregating) your previous Local Government membership to your current period of membership

YES NO

IMPORTANT NOTE If you do not wish to investigate the possibility of transferring (aggregating) your previous Local Government membership at present you should be aware that, in accordance with the above Regulations, if you do not elect to aggregate your previous membership within 12 months of becoming a member of the Scheme with your Employer then you will lose this right.

Please also indicate if you previously paid Additional Contributions:

- to increase your scheme benefits (added years or ARC's).
- as Additional Voluntary Contributions (In-House AVC's).

YES NO

If you do wish to investigate the possibility of aggregating your previous Local Government membership, then we will issue further information to you, once we have details of your previous LG membership. Enclosed with this information will be an election form for you to complete to confirm whether you wish the aggregation of your previous LG membership to proceed. No aggregation will take place unless we have received a completed election form from you.

Declaration to be completed where you have asked for a transfer of benefits to be investigated

I the undersigned give permission for the value of my deferred benefits/transfer value to be given on request to the Pensions Section of Gloucestershire County Council.

*SURNAME

*FORENAMES

(*block capitals)

SIGNED:

DATE:



EXPRESSION OF WISH FORM FOR DEATH GRANTS

PLEASE READ THE FOLLOWING CAREFULLY BEFORE MAKING YOUR CHOICE OVERLEAF

1 Why make an expression of wish?

Electing someone to receive your death grant means that we will be able to pay it quickly, if the worst should happen.

- ◆ It means that your death grant may be made without the possible liability to Inheritance Tax.
- ◆ Payment can generally be made immediately without having to wait for Grant of Probate or Letters of Administration.

2 Who can I choose?

The choice is yours. You can choose one person, or you can choose more than one person and decide what share each would get. You can also choose an organisation, e.g. a charity.

However you should be aware that once an expression of wish has been made and (at the date of death) if either:

- ◆ The person you have chosen has died;
- ◆ You choose your spouse but have subsequently divorced;
- ◆ Gloucestershire CC, as administrator of your pension scheme, does not consider your request is reasonable or practical;
- ◆ There is any dispute regarding your expression of wish;

Then payment would not be made until receipt of the Grant of Probate or Letters of Administration and the death grant may be paid to your estate. This might make your death grant liable for Inheritance Tax.

3 How much is my death grant?

Active member aged under 75	three times your actual annual pay
Deferred member	up to five times your deferred annual pension
Pensioner member aged under 75 in the first 10 years of retirement	up to 10 years' pension LESS the pension already paid

YOU SHOULD SEEK YOUR OWN INDEPENDENT ADVICE WITH REGARD TO ANY TAX PLANNING, INHERITANCE TAX OR ESTATE MATTERS.

EXPRESSION OF WISH FORM FOR DEATH GRANTS

Please complete using BLOCK CAPITALS

Name and Address

Your National Insurance No

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Your Date of Birth

--	--	--	--	--	--

Your Employer

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Staff No

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In the event of my death I wish Gloucestershire County Council (as administrators of the Local Government Pension Scheme) using its absolute discretion, to consider paying any lump sum death grant to the following. I confirm that I have read and understand the note shown overleaf.

Name	Address	Relationship	Proportion %
The Proportion must add up to			100%

Signed		Date	
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This nomination supersedes any previous nomination signed by me

Please remember it is important to keep your expression of wish up to date. Your Expression of wish form may be revoked or revised at any time.

<p>Please return the completed form to:</p> <p>The Pensions Section, Gloucestershire CC, Shire Hall, Gloucester, GL1 2TG.</p> <p>For any queries regarding the completion of this form please ring the pension helpline number: (01452) 426677</p>
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