

SUTTON & KINGSTON SHARED PENSIONS SERVICE



OPTING OUT OF THE LOCAL GOVERNMENT PENSION SCHEME (OPT-OUT FORM)

This form can only be signed and dated on or after the date you start the employment from which you are opting out. If you sign and date the form before then, it will not be accepted.

It is important to fill in all sections of this form. An incomplete form will not be accepted by your employer and will be returned for you to recomplete.

Section 1: Personal Details

Full Name:			
NI Number:		Date of Birth:	
Email Address:			
Phone Number:			
Home Address:			
		Post Code:	

Section 2: Employment Information

Employer Name:	
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Please list the employment(s) from which you wish to opt out of the LGPS (any not listed will not be actioned):

Job Title	Payroll Reference / Post Number

Section 3: Declaration

<p>I hereby give notice to terminate my membership to the LGPS at the earliest opportunity, having been made aware of and considered the full implications of my actions as outlined in the accompanying opt-out guidance notes. By signing this form I confirm that:</p> <ul style="list-style-type: none">• I wish to opt out of the pension scheme in the employment(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 of the LGPS I may have a lower income when I retire.			
Signature:		Date:	

Please return the completed form to your employer who will assess the validity of the opt-out notice and remove you from the LGPS from the next available pay period.

GUIDANCE NOTES FOR LGPS MEMBERS WISHING TO LEAVE THE SCHEME

IMPORTANT INFORMATION ABOUT OPTING OUT OF THE LGPS

- The Government has introduced new laws designed to help people save for their retirement. It requires all employers to enrol their workers into a workplace pension scheme if they are not already in one. This is known as automatic enrolment.
- Although you can opt out of the Local Government Pension Scheme (LGPS) at any point after you start work, under automatic enrolment your employer may have to put you back into the Pension Scheme and start deducting contributions again.
- Your employer must tell you if they enrol you into the LGPS. If you become a member but you do not want to be, you will need to opt out by completing another opt out form, even if you have only recently done so.
- Usually your employer would put you back into the LGPS in about 3 years' time, but because of the way the new laws work, it could be much sooner, so it is important to read, and act on if necessary, any information that your employer gives you.
- You cannot opt out of the LGPS before you have started the employment you wish to opt out of, or before your re-enrolment date, if you have opted out previously and are being automatically re-enrolled by your employer. If you sign and date the form before then it will be treated as an invalid opt out.

WHAT HAPPENS ONCE YOU OPT OUT OF THE LGPS

- You must return the completed form to your employer who will then stop deducting contributions from the next available payroll.
- If you opt out of the LGPS within 3 months of joining, and you have not transferred in previous service, your employer will refund you contributions through your pay.
- If you opt out of the LGPS between 3 months and 2 years of joining, and you have not transferred in previous service, the Sutton & Kingston shared pensions service will write to you providing you with the option of a refund of contributions or transfer to another approved pension scheme.
- If you opt out of the LGPS with two or more years' membership, you will be entitled to a deferred pension in the LGPS. If you subsequently re-join the LGPS in the future, you will be unable to combine your previous period of LGPS membership (which you have opted out of) with your new period of membership. Importantly, you can only take your deferred pension after you have left your employment.

WHAT YOU NEED TO KNOW

By law, we are required to make you aware of the following:

- Your employer cannot ask you or force you to opt out of a workplace pension.
- If you are asked or forced to opt out, you can tell The Pensions Regulator, www.thepensionsregulator.gov.uk
- If you decide to opt out of membership of the LGPS and subsequently change your mind, you will be able to re-join the Scheme provided you are under age 75 and you remain in an employment that qualifies you for LGPS membership.
- If you stay opted out, your employer will normally put you back into the LGPS at a future reenrolment date.
- If you change your employment, your new employer will normally put you back into the LGPS straight away.
- If you have multiple employments with different LGPS employers, your other employer might also put you into the LGPS, now or in the future. This notice only allows you to opt out of LGPS with the employer you have named above. A separate notice must be filled out and given to any other employer you work for, if you wish to opt out of that employer's pension saving as well.

THE SCHEME CURRENTLY PROVIDES THE FOLLOWING BENEFITS

- **A secure pension** – worked out at a 1/49th of your pay every scheme year you are a contributing member. Your benefits also keep up with the cost of living as measured by the Consumer Price 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 while getting 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. If you become seriously ill and you have been in the scheme for two years, you could get an ill-health pension.
- **Freedom to choose when to take your pension** – currently 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 without a reduction. However, current regulations allow you to take your pension from 55 with a reduction for early payment. 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've been in the scheme for two years or more, you'll get your benefits paid unreduced.
- **Flexible retirement** – if you reduce your hours or move to a less senior job 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.

AN ALTERNATIVE TO OPTING OUT OF THE LGPS

If you are thinking of opting out of the LGPS, you may first want to consider an alternative option which is to elect to move to the 50/50 section of the scheme. The 50/50 section allows you to pay half your normal contributions in return for half the standard pension accrual. To find out more, please visit; www.lgpsmember.org. If you wish to move to the 50/50 section of the LGPS (instead of opting out of the LGPS) you can obtain a copy of the election to join the 50/50 scheme form from our website, www.sutton.gov.uk/w/local-government-pension-scheme-lgps.

Contact us

If you would like further information about the LGPS, you can contact us:

Email us: skpensions@sutton.gov.uk

Call us: 020 8770 5290 (between 1 – 5PM)

Write to us: Sutton Council, Civic Offices, St. Nicholas Way, Sutton SM1 1EA