

# Local Government Pension Scheme (LGPS) Royal Borough of Kensington & Chelsea (RBKC) Opt out election form



2016 V2

**Please read the notes on pages 3 and 4 carefully before completing this form**

If you would like to opt out of the Local Government Pension Scheme (LGPS) you will need to complete all sections of this form.

- **Please return this form to your employer's HR / Payroll department**

**IMPORTANT NOTE** – You are not able to opt out of the LGPS until you have actually started employment in the post you want to opt out of. If you are being auto enrolled, you are only able to opt out after your auto enrolment date has passed. **If you sign and date this form before you have started in your post or before your auto enrolment date your election will be treated as invalid and a new form will be sent to you.**

## SECTION 1 – Your personal details

Surname:	Forename(s)	Title:
Your home address:		Postcode:
National Insurance Number:	Date of birth:	
Email address:	Daytime phone number:	
Your employer:		

## SECTION 2 – Name of post(s) you want to opt out of

Job title: post 1	
Payroll number for job 1 (if known)	
Job title: post 2	
Payroll number for job 2 (if known)	
Job title: post 3	
Payroll number for job 3 (if known)	
Job title: post 4	
Payroll number for job 4 (if known)	

## SECTION 3 – Your reasons for leaving the scheme

**Your employer is anxious to ensure that if you opt out of the scheme you are fully aware of the benefits you will be giving up as a result of your decision to opt out.**

The LGPS is considered to be one of the best schemes in the country. Your employer makes a significant contribution to the cost of providing your benefits, typically equivalent to 2/3rds of the total cost.

The scheme offers a wide range of benefits to its members and these are shown in Section 4. Further information about the LGPS can also be found in the attached notes or on the National Members' website at: [www.lgpsmember.org](http://www.lgpsmember.org)

**It would be helpful to us to understand more about why you are choosing to leave the scheme. Please tick one or more of the boxes below to indicate your reasons for opting out.**

I cannot afford the monthly contributions

I have made / am making alternative pension arrangements

My employment is short term and I don't feel the LGPS will be of benefit to me

My earnings are low and I don't feel the LGPS will be of benefit to me

Other - please give your reason.....

.....

## SECTION 4 - Declaration

**I declare that by opting out of the LGPS I am knowingly giving up the opportunity to participate in the pension scheme which would provide a guaranteed package of benefits which are backed by law including:**

- **Tax savings** for most members
- Tax-free lump sum **life cover** of three years' pensionable pay
- **Cover for my family upon my death** – including a survivor's pension for my spouse, civil partner or eligible cohabiting partner as well as children's pensions
- **Contribution flexibility** – known as the 50/50 option

And, once I have met the two year vesting period in the scheme:

- **A secure pension** – payable for life that increases with the cost of living
- The option to exchange part of my pension for **tax-free cash** at retirement
- **Voluntary early retirement** – from age 55 (even though the scheme's normal pension age is the same as your State Pension Age, with a minimum of age 65). Benefits drawn voluntarily before normal pension age will be reduced for early payment.
- **Serious ill-health cover** – if I have to retire due to a serious illness I could receive immediate payment of my benefits including an ill-health enhancement
- **Redundancy cover** – with the early payment of pension benefits if I am made redundant or retired on efficiency grounds at age 55 or over

**I understand that:** If I opt out I will lose the right to pension contributions from my employer.  
If I opt out I may have a lower income when I retire.  
If I opt out with more than 2 years' scheme membership I will be entitled to deferred LGPS benefits. If I subsequently re-join the LGPS in the future it will not be possible to combine my two periods of scheme membership.

**I have read the above and understand that the choices I make now are important in planning for my retirement. I confirm that I wish to opt out of the pension saving in the LGPS in the post(s) I have indicated on this form.**

Signed:

Date:

**If you have any queries, please contact Pension Services on 020 8213 2802 or email [myhelpdeskpensions@surreycc.gov.uk](mailto:myhelpdeskpensions@surreycc.gov.uk)**

# NOTES ON OPTING OUT OF THE LOCAL GOVERNMENT PENSION SCHEME (LGPS)

## 1. What will happen to the contributions I have already paid?

If you opt out of the LGPS **before completing three months' membership** you will be treated as never having been a member and will receive a refund of any contributions deducted from your pay.

If you opt out **after three months' membership**, but before meeting the two year vesting period in the scheme, you will be opted out of the scheme from the beginning of the next pay period following your election. If you have **neither** transferred pension rights in to the LGPS from a scheme that does not permit a refund of contributions nor do you already have a deferred benefit or a pension in payment from the LGPS in England or Wales, it may be possible for you to receive a refund of pension contributions. Pension Services will write to you to let you know the options available to you.

If you opt out with **more than two years' membership** you will be opted out of the scheme from the beginning of the next pay period following the date of your election. You will qualify for LGPS benefits which will be held in a deferred pension account and which, unless you transfer the benefits to another pension scheme, would normally become payable to you from your normal pension age (which is the same as your State Pension age but with a minimum of age 65), or on a reduced basis from age 55 onwards, **provided you have left your current employment at the time you draw your pension.**

## 2. Re-joining the LGPS

If you decide to opt out of membership of the LGPS, and then change your mind you will be able to rejoin the scheme provided you are under age 75 and you remain in an employment that qualifies you for membership of the scheme. You will need to write to your employer if you want to opt back into the scheme.

If you stay opted out your employer will normally automatically put you back into the LGPS approximately three years from the date they have to comply with the automatic enrolment provisions of the Pensions Act 2008. You will, however, be entitled at that time to opt out of membership of the scheme.

**If you opt out with more than 2 years' membership and are therefore entitled to deferred LGPS benefits it will not be possible to combine this deferred pension account with any future period of LGPS membership.** If you re-join the LGPS in your current post or in a future employment a new pension account will be started.

## 3. From 1 April 2014, there are two sections in the LGPS – the main section and the 50/50 section.

The 50/50 section allows you to pay half rate contributions in return for half the benefits of the main scheme and has been designed to help members who are temporarily unable to pay the full amount of contributions remain an active member of the scheme rather than opting out altogether.

If you would like more information about the 50/50 section, you can request a copy of the form by telephoning Pension Services on 020 8213 2802.

Continues overleaf

## NOTES ON OPTING OUT OF THE LOCAL GOVERNMENT PENSION SCHEME (LGPS) cont

### 4. Other Information

- You can only sign and date this opt out form once you have started employment in the post you want to opt out of. If you are being auto enrolled, you can only opt out of the scheme after your auto enrolment date has passed. You cannot sign and date the form before then as it will be treated as an invalid opt out.
- Please return this form to your employer's HR / Payroll department
- If you have a job with another employer, that employer might also put you into their pension saving scheme, now or in the future. This opt out notice only opts you out of LGPS pension saving in relation to the job(s) you have named on this form. A separate opt out notice must be filled out and given to any other employer you work for if you want to opt out of pension saving with that employer as well. You will need to obtain a separate opt-out form from the administrators of the pension scheme offered by the other employer.
- If you change employer your new employer will normally put you back into pension saving straight away.
- This form, once completed and returned, will be used to stop your active membership of the LGPS in accordance with your instructions on this form. The form will be kept as a record of your election to stop your membership of the LGPS in the job(s) you have indicated on the first page of the form.

*The Local Government Pension Scheme (LGPS) allows you to save while you are working in order to enjoy a pension once you retire. It is one of the best occupational pension schemes in the UK. What's more, the LGPS is provided by your employer who meets a large part of the cost of providing the excellent range of secure benefits, so it's an extremely valuable and important part of your employment package.*

*Whatever your reasons for considering opting out of the scheme, we ask that you give this matter careful consideration before making a final decision. You may wish to take financial advice before making a decision to opt out. If you are opting out of the LGPS due to advice you have received you should ask for this advice in writing.*

*Your employer cannot ask you or force you to opt out. If you are asked or forced to opt out you can tell The Pensions Regulator - see [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk).*

*Equally, no one can force you to remain a member of the scheme but, if you elect not to be a member, you should understand the implications both for you and your dependants.*