



## Notice to opt out of Pension Saving

### Opting out of the Local Government Pension Scheme in England or Wales

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.

You might be thinking of opting out of the LGPS for a variety of reasons. Whatever the reason, it's worth taking some time to look at the benefits you could be giving up. A brief summary of these is included in the "Declaration" section of this form.

You may wish to consider the **50/50 section of the LGPS** where you **pay half your normal contributions** and build up half your normal pension during the period that you are in that section. Whilst you are in the 50/50 section you will still get full life assurance cover, full ill health cover and full survivor benefits in the event of your death. For more information about the 50/50 section please visit - [www.yourpension.org.uk/CityofLondon/Home](http://www.yourpension.org.uk/CityofLondon/Home) or contact the Pension Office.

Opting out won't save you as much in take home pay as you may think. In most cases, you will pay more tax and National Insurance if you opt out of the LGPS. A basic rate tax payer paying pension contributions of £100 a month will pay £20 more tax and their NI will go up by about the same if they opt out.

If you opt out with an entitlement to a preserved benefit (see point 5 on notes page) and subsequently re-join the scheme you will not be permitted to join the two periods of membership together. Instead you will have two separate sets of pension benefits in the scheme.

If you want to know more about the costs and benefits of being a member of the Local Government Pension Scheme please visit - [www.yourpension.org.uk/CityofLondon](http://www.yourpension.org.uk/CityofLondon)

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.

**Your Personal Details (please complete this form in black ink)**

Surname:

First name (s):

Title: Mr / Mrs / Miss / Ms / Other (please specify)

Your home address:

Post code:

Your national insurance number:

Your date of birth:

Your employer's name:

If you hold more than one post with us we will assume you wish to opt out of membership of the LGPS in all of these posts. However, if you wish to opt out of membership in some but not all of these posts, please indicate in the box below the name of the post (or posts) from which you wish to opt out of membership of the LGPS.

Job title – Post 1: \_\_\_\_\_

Job title – Post 2: \_\_\_\_\_

Job title – Post 3: \_\_\_\_\_

Job title – Post 4: \_\_\_\_\_

## Declaration:

I declare that by opting out of the Local Government Pension Scheme (LGPS) I am knowingly giving up the opportunity to participate in the LGPS which would provide a guaranteed package of benefits which are backed by law including:

- **a secure pension** – payable for life that increases with the cost of living
- **tax free cash** – the option to exchange part of my pension for some tax-free cash at retirement
- **life cover** – with a lump sum of three times my pay if I die in service
- **voluntary early retirement** – from age 55 even though the normal pension age is linked to my individual State Pension Age (SPA). Benefits drawn before normal pension age may be reduced for early payment
- **serious ill-health cover** – if I have to retire due to a serious illness I could receive immediate benefits based on an enhanced period of scheme membership
- **redundancy cover** – with the early payment of pension if I am made redundant or retired on business efficiency grounds at age 55 or over
- **cover for my family upon my death** – including a survivor's pension for my husband, wife, civil partner or cohabiting partner as well as children's pensions

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 pension saving in the post(s) I have indicated on this form.

I am aware of the 50/50 section of the LGPS where I can pay half my normal contributions and build up half the normal pension.

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 I may have a lower income when I retire.

Signed:

**You can only sign and date this opt out form once you have commenced employment in the post from which you wish to opt out. If you sign and date the form before then it will be treated as an invalid opt out.**

Date:

**It is important to fully complete this form. An incomplete form will not be accepted as a valid opt-out and the form will be returned to you for completion.**

## Notes:

- 1. You can only sign and date this opt out form once you have commenced employment in the post from which you wish to opt out of membership of the LGPS. You cannot sign and date the form before then as it will be treated as an invalid opt out.**
2. The completed opt out form should be returned to your employer's Payroll Section or Human Resource department.
3. If you have another job with another employer, that employer might also put you into pension saving, now or in the future. This opt out notice only opts you out of LGPS pension saving in relation to the employer and jobs 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 wish to opt out of pension saving with that employer as well. You will need to obtain the opt out form for employment with that employer from the pension administrators for the scheme provided by that employer.
4. 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 you have paid via your salary. If you opt out after completing more than three months but less than 2 years membership you will be entitled to a refund which will be paid from the City of London's Pension Fund. You are not able to claim this refund **until a period of one month and one day** has passed since your last day of membership. To claim a refund please complete Option C of the leaver form which can be found at: [www.yourpension.org.uk/CityofLondon/Home](http://www.yourpension.org.uk/CityofLondon/Home)
5. If you joined the LGPS on or after 1 April 2014 and have at least two years membership of the LGPS (or less than two years membership but you have transferred pension rights in from another scheme) you have the right to a preserved benefit. This means the pension benefits you have built up will remain with the City of London until they either become payable to you or you decide to transfer them. If you were a member of the LGPS on or before 31 March 2014 and you have at least three months membership of the LGPS (or less than three months membership but you have transferred pension rights from another scheme) you may also elect to a preserved benefit.
6. If you decide to opt out of membership of the LGPS and subsequently 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.
7. 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, again be entitled at that time to opt out of membership of the scheme.
8. If you change employer your new employer will normally put you back into pension saving straight away.
9. If you re-join the scheme and have a right to a preserved benefit in respect of your previous membership you will not be permitted to join the two periods of membership together. Instead you will have two separate sets of pension benefits in the scheme.

## Purpose for which this form will be used

This form should be returned to your employer's Payroll Section or Human Resource department; it will be used to cease your active membership of the Local Government Pension Scheme as per your instruction. The form will be retained as a record of your election to cease membership of the Local Government Pension Scheme or, if you hold more than one post with us, as a record of your election to cease membership in the job or jobs you have indicated on the form.