

Dear M

Local Government Pension Scheme

You have re-joined the Local Government Pension Scheme (LGPS) and we note that you have previous deferred benefits in the LGPS with *****.

If you were awarded those deferred benefits as a result of choosing, on or after 11 April 2015, to opt out of membership of the Scheme, those benefits will remain deferred in the Scheme and you cannot add them to the benefits you are accruing in the Scheme in your current job.

If, however, you were awarded those deferred benefits as a result of ceasing employment, or as a result of choosing, before 11 April 2015, to opt out of membership of the Scheme, you have a decision to make about what should happen to those deferred benefits and this is explained below.

Decision Required

Unless you tell us otherwise, the amount of pension in your deferred pension account will automatically be transferred and added into your new active pension account.

However, you can elect to keep your deferred benefit separate and, if you wish to do so, this must be done within 12 months of re-joining the scheme and while you are still paying into the scheme.

If you make an election to keep your benefits separate you cannot change your decision. If you do not make a decision within 12 months of re-joining the scheme your deferred benefit will automatically be combined with your new active pension account.

What do I need to consider before making my decision?

At the moment, you have a separate deferred benefit for your previous employment in the LGPS. If you take no action this will be automatically transferred into your new active pension account.

You need to think about the following things when considering whether or not you should keep your benefits separate:

- How will the benefits from my previous employment be worked out?
- When will my benefits be payable?
- Are there other key areas to consider?

How will the benefits from my previous employment be worked out?

Your benefits from your previous employment will be worked out in the same way if they are combined or if they are kept separate.

When will my benefits be payable?

The **Normal Pension Age** applicable to your benefits in the scheme is the same regardless of whether or not you combine your benefits or keep them separate. Your **Normal Pension Age** is linked to your State Pension Age. For more information on **Normal Pension Age** see the glossary.

What key differences are there if I elected to keep my deferred benefit separate?		
	Combined Benefits	Separate Benefits
Redundancy/ Business Efficiency	<p>Benefits paid early because of redundancy or efficiency would include the value of earlier deferred benefits that have been transferred.</p> <p>If you are made redundant or lose your job for business efficiency reasons when aged 55 or over then your benefits would be payable immediately and would include the value of the pension that transferred from your deferred benefit.</p>	<p>Benefits paid early because of redundancy or efficiency in your new employment would <u>not</u> include the value of earlier deferred benefits.</p> <p>If you are made redundant or lose your job for business efficiency reasons when aged 55 or over then your benefits would be payable immediately but would not include the value of your deferred benefit (because you had elected to retain that as a separate deferred benefit).</p> <p>Subject to the information in the boxes below, the separate deferred benefits would be payable at your Normal Pension Age.</p>
Ill- health	<p>Any benefits paid early because of ill-health would include the value of earlier deferred benefits that have been transferred.</p> <p>Your benefits will become payable immediately if your</p>	<p>Benefits paid early because of ill-health would <u>not</u> include the value of earlier deferred benefits.</p> <p>Your benefits will become payable immediately if your</p>

	<p>employer decides, based on the opinion of an independent doctor, that you are permanently unable to perform the duties of your employment due to ill-health and you are not capable of undertaking other gainful employment. Your pension would be paid at an increased level if you are unlikely to be capable of undertaking other gainful employment within 3 years of leaving. The payment would include the value of your pension that transferred from your deferred benefit.</p>	<p>employer decides, based on the opinion of an independent doctor, that you are permanently unable to perform the duties of your employment due to ill-health and you are not capable of undertaking other gainful employment. Your pension would be paid at an increased level if you are unlikely to be capable of undertaking other gainful employment within 3 years of leaving. The payment would not include the value of your deferred benefit (because you elected to retain that as a separate deferred benefit).</p> <p>Your separate deferred benefit may become payable but that would only be if your former employer decided in light of the view from an independent doctor that you are permanently incapable of the job you were working in when you left their employment and that you are not likely to be capable of undertaking other gainful employment before your Normal Pension Age or for at least 3 years, whichever is the sooner.</p>
<p>Early payment of benefits</p>	<p>You can voluntarily choose to draw the combined benefits from as early as age 55 (at, normally, a reduced rate to account for the early payment).</p> <p>However, the combined benefits would be payable at the same time (i.e. cannot be paid at different times) and</p>	<p>You can voluntarily choose to draw benefits from as early as age 55 (at, normally, a reduced rate to account for the early payment).</p> <p>However, the deferred benefits do not have to be drawn at the same time as the benefits from your new employment. The deferred benefits can be</p>

	cannot be paid until you have ceased your new employment.	drawn later than, at the same time as or, subject to being at least age 55, earlier than the benefits from your new employment (even if you are still in your new employment at the time you wish to draw the deferred benefits).
Cost of living increases	The combined benefits will be subject to revaluation each year in accordance with HM Treasury Orders. The revaluation is currently in line with the rise in the Consumer Prices Index (see glossary for more information). However, in times of negative inflation, the revaluation under a HM Treasury Order could be negative.	<p>The benefits in the active pension account will be subject to revaluation each year in accordance with HM Treasury Orders. The revaluation is currently in line with the rise in the Consumer Prices Index (see glossary for more information). However, in times of negative inflation, the revaluation under a HM Treasury Order could be negative.</p> <p>The benefits in the deferred pension account will be subject to revaluation each year under the Pensions (Increase) Act 1971. Future revaluation is currently in line with the rise in the Consumer Prices Index (see glossary for more information). In times of negative inflation, the revaluation under the Pensions (Increase) Act 1971 would be 0% (i.e. it cannot be a negative amount).</p>

Are there any other key areas to consider?

Death in Service lump sum

As a member of the LGPS if you die in service a lump sum of three times your annual pensionable pay would normally be payable. If you have a deferred pension, and die before it is paid, a lump sum equal to 5 times the deferred pension is paid. However, only one amount for lump sum life cover is payable from the LGPS so, even if you keep your deferred

benefits separate from your active pension account, only the greater of the lump sum life cover for your deferred benefit or for your active pension account would be payable.

Paying extra contributions

Have you paid extra contributions towards buying additional pension? This would include Additional Voluntary Contributions (AVCs) and Additional Pension Contributions (APCs). Please read the information ***paying extra contributions*** in the glossary to find out what your choices in respect of these are.

Transferring the value of your deferred benefit to another pension scheme

Please note that even if you choose not to combine your benefits you will not be able to transfer the value of your deferred benefits to another pension scheme whilst you are contributing to the LGPS or if you have less than one year to go before reaching your ***Normal Pension Age***.

What next?

Please complete the attached option form to tell us whether or not you wish to combine your benefits. This will enable us to take the appropriate action in respect of your pension rights as quickly as possible. If we do not receive your completed form within 12 months of the date you re-joined the scheme, your previous deferred benefit will automatically be transferred to your new active pension account at the end of the 12 month period.

If you have any queries please contact

Yours sincerely



City of London Pension Fund
Local Government Pension Scheme (LGPS)

Aggregation of previous LGPS deferred benefits

Forename(s)		Mr/Mrs/Miss/Ms/Other (please specify)																					
Surname		National Insurance Number:	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				

Relationship Status: Single /Married Civil Partnership /Divorced / Dissolved Civil Partnership / Cohabiting Partnership / Widow(er)

I have read the attached letter regarding the aggregation of my deferred benefit held with ***** and hereby give notice that:

(Please tick)

Option 1 – I elect to combine my deferred benefit with my active pension account.

Option 2 - I elect to retain my deferred benefit separately. I understand that I will not have an option to combine it with my active pension account at a later date

I understand that once I have made an election my decision is binding.

Signed:		Date:	
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Ref: PEN/A2/.../*****