

Avon Pension Fund

LOCAL GOVERNMENT PENSION SCHEME

Bath & North East Somerset Council
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OPTING OUT FORM

LGPS 04-2011 (Councillors)

1. Opting out of the Local Government Pension Scheme (LGPS)

Membership of the LGPS is not compulsory. An eligible councillor can elect to “opt-out” at any time. If you are considering this option it is important that you fully understand the implications of your decision. Please read the information on the reverse of this form. You may also wish to discuss the issues with your Trade Union, if you are a member, and/or the Pensions Department at the above address.

If you decide to opt out, your “take-home” pay will not normally increase by the amount of your pension contributions. This is explained overleaf.

2. What you will lose if you opt out

Opting-out means that you will not participate in the provisions of the LGPS, which include the following:-

- a guaranteed index-linked pension based on your final pensionable pay
- voluntary retirement from age 60 (benefits are reduced if paid before age 65)
- benefits may be released from age 50 with your Council’s consent
- an ill health pension from any age
- a death in service lump sum of two times your career average pay
- a widow’s, widower’s or civil partner’s pension
- children’s pensions

3. Reason for opting out

We are monitoring reasons why employees may be opting out of the LGPS. It would help us if you could give your reason(s) for opting out: *(Please tick relevant box)*

Age Related: Adequate Pension Provision:
Cost: Other:

4. Declaration

I have read the above and am aware of the benefits I will be foregoing. Notwithstanding this, I hereby elect to cease membership/not to become a member of the Local Government Pension Scheme with effect from* _____

*(Please enter the date you wish to opt-out of the Scheme, otherwise you will leave at the end of the next pay period)

SIGNATURE: _____ DATE: _____
COUNCIL: _____ PAYROLL REF: _____
NI NUMBER: _____
SURNAME: _____ FORENAME(S): _____
ADDRESS: _____

*NB. Please return this form to your **Payroll Section**.*

This section answers some of the questions you might have about opting out.

When can I elect to leave the LGPS?

You can opt out at any time. On the Form overleaf you will be asked to state the date that you wish to opt-out of the Scheme. If you state a date which is earlier than the date of signing the Form or you do not state a date you will cease to be a member at the end of the pay period during which you elected to opt out.

N.B. If you do not enter a valid date your Council will cease your membership at the end of the next pay period and if this causes your membership to exceed 3 months **you will not be entitled to a refund** and will be awarded deferred benefits.

I have less than 3 months membership. Can I have my contributions refunded?

Yes. However, if you have been credited with a pension service credit following a transfer of pension rights as at your date of opting-out, you will be unable to receive a refund of contributions instead you will be awarded deferred benefits.

Who pays me my refund?

Your Council will refund your pension contributions and, if applicable, will make adjustments for National Insurance and tax. Therefore you may not receive back the full amount you have paid in.

How much higher will my “take home” pay be if I opt out?

If you do not pay tax or National Insurance, opting out will mean that your “take home” pay will increase by the same amount as your pension contribution.

Otherwise, as you receive tax relief on your pension contributions and/or pay a lower rate of National Insurance contributions, opting out will mean that although your “take home” pay will be higher, the increase will be less than the pension contribution amount shown on your payslip.

I have over 3 months membership. Can I have my contributions refunded?

No. You will be entitled to deferred benefits. When we have calculated the amount of pension that you have built up in the Scheme we will send you a statement to tell you how much pension you have. You can choose to leave the deferred pension in the Scheme until normal retirement age or the date you leave office later.

Will I receive an annual benefit statement?

If you have deferred benefits in the Scheme then you will receive a benefit statement each year showing the current value of your LGPS pension.

What happens if I die whilst still a Councillor?

If you have deferred benefits in the Scheme, there will be a lump sum death grant payable to your estate equal to your deferred retirement lump sum. **(the death grant of two year’s times career average pay will not apply)**. There may also be a pension payable to your spouse or civil partner and/or children.

Can I rejoin the pension scheme at a later date?

Yes. You would need to write to your Council Payroll Section, who should then action this from the start of the next pay period. If you opt out, you can re-join the LGPS at any time whilst you remain an eligible councillor. If you opt out more than once you will only be allowed to re join at the discretion of your Council.

What do I do to opt out of the LGPS?

Complete the application form overleaf, and return it to your Council Payroll Section who will make all the necessary arrangements.