

OPT OUT FORM July 2023

Please complete all sections in BLOCK CAPITALS and note the following:

- If you opt out after 3 months and are entitled to a refund, your refund options can only be posted to you by us after a month and a day has elapsed.
- If you opt out within 3 months, your employer will refund you through their payroll.

Title:	
Surname:	
Forenames:	
Date of birth:	
National insurance number:	
Address:	
Postcode:	
Employer:	
Please specify the job titles and pay numbers for each post that you wish to opt out of the LGPS for:	<u>Job title</u> <u>Pay number including any suffix e.g. A or AA</u>

The 50/50 option

Before you opt out, have you considered the 50/50 option? This allows you to elect to leave the main section of the Local Government Pension Scheme (LGPS) and become a member of the 50/50 section. You will only pay half of your current pension contributions and build up half of the pension benefits but will retain the full life cover.

Please note: 50/50 is only intended as a short-term option until your financial situation improves.

Declaration:

BEFORE SIGNING THIS FORM PLEASE READ THE NOTES THAT FOLLOW

I have read the notes that follow 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 post(s) I have indicated on this form.

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.**

I understand that, if I opt out and become entitled to deferred benefits, **this cannot be transferred to future LGPS membership.**

I understand that I am **giving up my right to future benefits** under the LGPS that include:

- An index-linked pension for life based on my pensionable pay, part of which could be exchanged for tax free cash at retirement.
- An immediate ill-health pension if I become permanently incapable of working after 2 years.
- Early retirement benefits if I am made redundant /retired in the interests of efficiency of the service (applicable for members over age 55 only with a minimum of 2 years' service).
- Widow(er)'s / civil partner's / cohabiting partner's / children's pensions.

A lump sum death in service grant of three times my final years actual pay.

Signed:	
Date:	

**** PLEASE RETURN PAGES 1 - 3 OF THIS FORM TO YOUR EMPLOYER'S PAYROLL DEPARTMENT WHO ARE RESPONSIBLE FOR STOPPING PENSION CONTRIBUTIONS FROM YOUR PAY, NOT WORCESTERSHIRE PENSION FUND ****

OPT OUT FORM (CONT)

Worcestershire Pension Fund will use this form to end your active membership of the LGPS in accordance with your instructions. The form will be retained as a record of your election to end membership of the LGPS, or as a record of your election to end membership in the post or posts you have indicated on the form.

We process the personal data (including sensitive or special category personal data) we collect from you and your employer for the purposes of administering the LGPS and paying benefits. This may include passing such data to the actuary, administrators, auditors, insurers, lawyers and such other third parties as may be necessary for the operation of the LGPS. For the purposes of data protection legislation, we as the Administering Authority are the data controller. Further information on how your data is processed can be found in our privacy notice: <https://www.worcestershirepensionfund.org.uk/privacy-notice>

FOR COMPLETION BY EMPLOYER PAYROLL

I confirm that the member (Please tick one box in each of the next two sections)

**has opted out within 3 months and has had any contributions refunded, where appropriate.
or**

has opted out after 3 months and their Cessation Leaver Form is attached.

was brought into the LGPS: under LGPS rules. or

under automatic enrolment rules.

I declare that I have checked all the details provided by this employee relating to their job titles and post numbers for all the posts that s/he wishes to opt out of the LGPS for, and I can confirm that they are correct or require amending as follows or are missing the following information:

Name:

Signature:

Date:

On behalf of (state name of organisation):

OPT OUT FORM NOTES (FIRST PAGE)

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.

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 can also watch the 'Pensions Made Simple' videos on <http://www.lgpsmember.org>

In making your decision, you should also consider that:

- Your employer meets a large part of the cost of providing the excellent range of secure benefits offered by the LGPS.
- The LGPS is a valuable and important part of your employment package.
- In most cases, you will pay more tax if you opt out of the LGPS. A basic rate taxpayer paying pension contributions of £100 a month will pay £20 more tax every month if they opt out.
- If you opt out of the LGPS in an employment (other than a concurrent employment) with more than two years' membership, you will be entitled to a deferred pension. If you later re-join the LGPS, you will not be able to combine your two periods of membership.
- The LGPS offers early payment of pension benefits if you are made redundant or retired on business efficiency grounds at age 55 or over.

Rather than opting out, you might want to consider moving to the 50/50 section of the LGPS. While you are in the 50/50 section, you pay half your normal contributions and build up half your normal pension. This option allows you to remain in the LGPS, building up valuable pension benefits. Joining the 50/50 section provides an alternative to opting out of the LGPS in times of financial hardship. A 50/50 option form is available from our website.

Whatever your reasons for considering opting out of the scheme:

- You must 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.

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.

OPT OUT FORM NOTES (CONTINUED)

Opting out of the LGPS – What you need to know:

- Your employer cannot ask you or force you to opt out. If you are asked to opt out, you can tell The Pensions Regulator – see <http://www.thepensionsregulator.gov.uk>
- 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.
- You should return the completed opt out form to your employer's Payroll Section or Human Resource department.
- 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 form 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 form 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 relevant opt out form from the pension administrators of the scheme provided by that employer.
- If you opt out of the LGPS before completing three months' membership, you will be treated as never having been a member. You will receive a refund of any contributions deducted from your pay.
- If you opt out of the LGPS with more than three months' but less than two years' membership, and you do not already have a deferred benefit, or pension in payment, from the LGPS in England or Wales, you will normally be able to take a refund of your contributions. There will be a deduction for tax.
- If you opt out of the LGPS with two or more years' membership, you will be entitled to a deferred pension benefit in the LGPS. You can only take your deferred pension after you have left your employment, and usually 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.
- Your LGPS pension must be paid to you at age 75 at the latest. Alternatively, you can transfer your deferred benefit to another pension scheme as long as you elect to do this at least one year before your normal pension age.
- If you decide to opt out of membership of the LGPS and subsequently change your mind, you will be able to re-join the LGPS provided you are under age 75 and you remain in an employment that qualifies you for membership of the LGPS. You will need to write to your employer if you want to opt back into the LGPS.
- 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 be able to opt out of membership of the LGPS again at that time.

- If you change employer, your new employer will normally put you back into pension saving straight away.