East Sussex Pension Fund

Local Government Pension Scheme
Notice to opt out

Form – LGPS - 1A

It is important that you read the explanatory notes on page 3 before opting out.

What is this form for?

East Sussex Pension Fund members should use this form to opt out of the Local Government Pension Scheme.

This form should be sent to your Payroll or HR team, not directly to the Pension Fund

Personal details

Surname	
Forename(s)	
Home address 1	
Home address 2	
Home address 3	
Home address 4	
Postcode	
National Insurance number	
Date of birth	
Telephone number	
Email address	
Employer and department	

From when do you wish to opt out of membership of the LGPS?

Please tick the relevant box

From the beginning of my next pay period ☐

OR

From (please specify a future date - dd/mm/yyyy) _____ ☐

Note: The date entered above cannot be before the date you sign this form

If you hold more than one post with us, we will assume that you wish to opt out of membership of the LGPS in all of those posts. However, if you hold more than one post with us and only wish to opt out of membership in some but not all of those 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.

Name of post (or posts) from which you wish to opt out of membership of the LGPS:

POST 1

Payroll ref	
Job title	

POST 2

Payroll ref	
Job title:	

POST 3

Payroll ref	
Job title	

POST 4

Payroll ref	
Job title	

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 final pay if I die in service
- cover for my family when I die – including a survivor's pension for my spouse, civil partner or eligible cohabiting partner as well as children's pensions

And once I have two years' membership in the Scheme:

- voluntary early retirement – from age 55 (even though the scheme's normal pension age is the same as your State retirement age with a minimum of age 65). Benefits taken before normal pension age may be reduced for early payment.
- serious ill-health cover – if I must 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 benefits if I am made redundant or retired on business efficiency grounds from 55

I have read the declaration 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 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:	
Date:	

1. **Please see the notes on the next page regarding when you can sign, date and return this form.**
2. **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.**
3. **We 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.**

Explanatory notes

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 is 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 is 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 is worth taking some time to look at the benefits you could be giving up. A summary of these is included in the "Declaration" section of this form.

Opting out will not save you as much in take home pay as you may think. 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 want to know more about the costs and benefits of being a member of the Local Government Pension Scheme you can contact the scheme administrators –

Write: Pensions, East F, County Hall, St Anne's Crescent, Lewes, East Sussex, BN7 1UE
Call: 0300 100 1022
Email: pensions@eastsussex.gov.uk

East Sussex County Council maintains a dedicated pension website www.eastsussexpensionfund.org
There is a national LGPS website for members – www.lgps.org.uk.

Pensions guidance

MoneyHelper is here to make your money and pension choices clearer. Here to cut through the complexity, explain what you need to do and how you can do it. Here to put you in control with impartial guidance that is backed by government and to recommend further, trusted support if you need it. For clear money help that is on your side and free to use just call 0800 011 3797 or visit www.moneyhelper.org.uk/en.

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 deciding 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

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 dependents.

You should also note the following points:

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. You will receive a refund of any contributions deducted from your pay.

5. 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.

6. 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.

7. 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.

8. 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.

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

10. As an alternative to opting out, there is provision within the LGPS for you to elect to pay reduced contributions. This is known as the '50/50' option and allows you to pay half your normal contributions and accrue half the benefits that you would normally earn. Further details on this option and an election form can be obtained from the scheme administrators.

11. You should return the completed form to your employer (either your Payroll or HR team).

Purpose for which this form will be used

This form once completed will be retained as a record of your election to opt out of the Local Government Pension Scheme.