

Local Government Pension Scheme (LGPS)

Leaving before retirement - less than 2 years membership

As you left the Cheshire Pension Fund with less than 2 years membership, this factsheet outlines the options available to you:

(1) Rejoining the Cheshire Pension Fund

If you re-enter pensionable employment with an employer operating the LGPS in the Cheshire Pension Fund we will automatically look at the possibility of combining your membership with that which you are building up in your new employment.

If you require any further information about the options available to you when rejoining the Cheshire Pension Fund please contact us using the details below.



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pensions@cheshirewestandchester.gov.uk



Cheshire Pension Fund, Cheshire West and Chester Council, Council Offices, 4 Civic Way, Ellesmere Port, CH65 0BE

(2) Transfer out to another pension arrangement

You may want to consider transferring your pension benefits to your new employer's pension scheme. If your new employer does not have a pension scheme you can also consider transferring your benefits to a personal pension plan with a private provider.

If you wish to proceed with either transfer option you should notify your new pension scheme administrator or personal pension provider and they will contact us for details of the transfer value quotation.

(3) Refund of contributions

As your period of membership in the LGPS was less than 2 years, then unless you transferred a payment in from a previous pension scheme or provider, you can choose to take a refund of the pension contributions you paid.

This is only possible if you have no other LGPS benefits anywhere and have not re-joined the scheme.

It is important, if you do claim a refund, that you tell us of any other period of LGPS membership as it will affect your refund entitlement. A refund is not payable if you are continuing in another, concurrent employment.

If you require any further information, please contact us using the details below.

t: 01244 976000 e: pensions@cheshirewestandchester.gov.uk w: www.cheshirepensionfund.org

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How a Refund is calculated

Only the contributions you have paid into the Fund are refundable, you are not entitled to any of the contributions that your employer has made on your behalf.

Whilst you were a member of the LGPS you were not contributing to the State Second Pension (S2P) and paid a lower rate of National Insurance contributions. To re-instate your State Pension for this period, we have to make a payment to the Department for Work and Pensions (DWP) and your share of the payment is deducted from your refund.

If you have opted out of the LGPS, you will be automatically re-entered into the S2P and your National Insurance contributions will increase.

To comply with HM Revenue and Customs (HMRC) tax laws, we are also required to deduct tax from all refunds we pay. This applies to all payments, regardless of your individual current, or previous, tax status.

Refunds are normally paid within four weeks of your claim being received, **but please note that no refund claim can be made within one month and one day of your leaving date.** Any refund claims received or dated before one month and two days has elapsed will be returned for re-submission. This is to make sure you have not re-joined the LGPS in the meantime.

(4) Defer decision

If, when you left or opted out of the scheme, you were unsure of what decision to make, then you can choose to defer making your decision for 12 months.

This means that if you want to transfer to a new employer or another local authority at a later date (with the agreement of your new pension provider), you will still be able to do so. If you defer your decision, and return to local government employment before claiming a refund, you will automatically lose any entitlement to a refund.

If you defer your decision and a transfer does not take place, and you do not return to local government employment, the refund will be paid to you automatically after 12 months, but it can also be paid earlier if you request it.

Points to consider

- If you take a refund of contributions, and re-enter Local Government employment at a later date, this membership cannot be taken into account.
- If you have other LGPS membership, your refund entitlement may be affected.
- If you make no election at this stage the refund will be deferred for 12 months pending further action, so it is important that you notify us immediately of any changes in your address.

Disclaimer

Every care has been taken in the production of this document however readers may wish, or will need to take their own legal advice on the interpretation of any particular piece of legislation. No responsibility will be assumed by the Cheshire Pension Fund for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained herein. In the event of any dispute over your pension benefits the appropriate legislation will prevail. This guide does not confer any contractual or statutory rights and is provided for information purposes only.

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