

Local Government Pension Scheme
Cash equivalent Transfer Value (CETV) of your Pension Rights in the LGPS
Question and Answer

Introduction

The information contained in this question and answer leaflet only applies to you if you are more than 12 months away from your **Normal Pension Age (NPA)** and you are considering transferring your pension benefits from the Local Government Pension Scheme (LGPS) to another pension scheme.

NPA can be:

- a. For a post 31 March 2014 leaver this is equal to a member's State Pension Age (with a minimum of age 65. If you are unsure what your SPA is, you can use the Government's State Pension Age calculator at - <https://www.gov.uk/calculate-state-pension>
- b. For a 1 October 2006 to 31 March 2014 leaver is age 65.
- c. For a pre 1 October 2006 leaver is either:
 - i) In the case of a member who by their 60th birthday has a total period of membership of at least 25 years, that birthday; or
 - ii) In the case of a member who first meets the '85 year rule' (your age and membership in complete years equals 85) by a date between their 60th and 65th birthday, the day after this date; or
 - iii) In the case of a member who does not fall within (i) or (ii), their 65th birthday.

To be entitled to a transfer of your LGPS benefits you must have been a member for more than 3 months.

Can I transfer my pension rights from the Local Government Pension Scheme (LGPS)?

Yes, a transfer of pension rights is an option that may be available to you. This applies:

- If your new job provides access to another pension scheme.
- If you start a personal pension or a stakeholder pension.

What are the time limits?

As well as the time limits mentioned above, please be aware that many schemes operate strict transfer deadline rules, and if you do not tell them about a transfer quickly you may not be able to proceed. You need to find out the deadlines and take action as requested by:

- Checking the scheme literature you have been provided with; or
- Checking the website of your new pension arrangement if there is one; or
- Contacting the administrators of your new pension arrangement by telephone or in person.

What will my new pension provider require?

Your new pension provider will require a transfer value quotation, which Northamptonshire Pension Fund will guarantee for a period of three months from the date of calculation.

What do I do if I am responsible for obtaining transfer details for my new pension provider?

If you are responsible for getting the transfer details from us, please complete the 'Application to Transfer Out Local Government Pension Scheme Benefits Form' and return it to us, together with any forms issued by your new scheme.

Can I transfer my main LGPS even though I am contributing to the LGPS?

No. You may only transfer your main LGPS benefits if you are no longer contributing member of the LGPS. If you are contributing to the LGPS you must first complete an opt-out form and cease membership of the LGPS.

If you have re-joined LGPS and have a separate deferred Benefit the same rule applies, you cannot transfer the deferred benefit whilst you are contributing to the LGPS.

Can I transfer a deferred benefit that I have, if I am already in a receipt of a LGPS pension relating to a separate employment?

No it is not possible to transfer any of your LGPS pension benefits.

Do I have to take advice if I am transferring my LGPS benefits to another pension scheme that offers the new flexible benefits?

If you decide to transfer your pension rights from LGPS to another pension arrangement with a view to acquiring a right or entitlement to one of the new flexible benefit arrangements, you may be required to take **independent financial advice**.

Independent Financial Advice is required if the transfer value of the main scheme benefits is more than £30,000. The cost of obtaining the financial advice has to be paid for by you, the member. Please note that if you have more than one LGPS benefit in the same fund or other LGPS funds these benefits would count when assessing whether independent financial advice must be taken. Before a transfer value can be paid by the fund to an alternative scheme you will have to provide the Pension Fund with a signed statement from your financial advisor.

Where the transfer value is less than £30,000 although not required it is recommended that you seek financial advice before deciding to transfer your LGPS pension benefits.

How can I find an Independent Financial Adviser?

An authorised independent adviser can be located by accessing one of the following websites:

FSA register – <https://register.fca.org.uk/>

Personal Finance Society website – www.thepfs.org

The Association of Professional Financial - www.apfa.net

Your local Citizens' Advice Bureau may also be able to tell you about Pension Wise and book a face-to-face appointment – www.citizenadvice.org.uk

Can a member just transfer an AVC plan and leave the main scheme benefit with LGPS?

Yes, an AVC plan can be transferred independently of a member's main scheme benefits as long as it is before age 75. There is no requirement to take independent advice if the plan value is worth more than £30,000, nor is the value of your plan included in the assessment of your LGPS benefits to decide whether you are required to take financial advice.

Are there any restrictions or time limits if I am transferring my LGPS benefits to a Club scheme?

Under the Club scheme rules a transfer can still proceed where a member is already in receipt of a pension (other than a pension in respect of a Pension Credit or a survivor's pension) and a member can elect to transfer up to their NPA or if the receiving scheme rule allows, after that age.

The restrictions for the club scheme rules are:

- a) the period between leaving the LGPS and joining the receiving scheme is no more than 5 years, and
- b) the member has a right to a deferred benefit (for a member who is already in receipt of a pension, as above), and

- c) the election to proceed with the transfer is within 12 months of first becoming eligible to join the receiving Club scheme.

Do I have to take advice if I am transferring my LGPS benefits to another pension scheme, if that scheme does not offer the new flexible benefits?

When considering whether to transfer benefits, you must make sure that you have full information about the two pension arrangements, details of what your benefits are worth in the LGPS and details of what your benefits would be worth in the new pension scheme, if transferred. When you compare your options, do not forget that your LGPS benefits are guaranteed cost of living increases.

Any decisions about your pension are an important financial decision. We always advise that you seek independent financial advice before making important financial decisions.

The site <http://www.unbiased.co.uk/questions-ask-ifa> has some useful questions to ask an advisor before employing them.

The Consumer Financial Education Body was established by the Financial Services Authority and their website, www.money.made.clear.org.uk, has information on a wide range of topics, including getting financial advice. They can also be contacted by telephone on **0300 500 5000**.

Why do I have to be aware of Pension Liberation Fraud and what is it?

Companies are singling out those with pension savings and claiming they can help cash in a pension early. This is known as 'Pension Liberation Fraud'. Agreeing to this could lead to a tax bill for the saver of more than half of the pension savings. The Pensions Regulator has produced a leaflet giving more information is attached. An electronic version can be found on our website:

<http://pensions.cambridgeshire.gov.uk/index.php/deferred-members/transferring-from-the-lgps/>
http://pensions.northamptonshire.gov.uk/index.php/forms_deferred-members/transferring-from-the-lgps/

What can I expect from LGSS Pensions Service throughout this process?

- No unnecessary technical terms or jargon in correspondence will be used.
- Clear guidance on what you need to do will be given.
- Routine reminders will not be issued.
- We will always inform you or your new pension provider where delays occur in providing information.

What is expected of me throughout this process?

- To provide any information that is requested in **FULL** and by the date requested.
- To get information from your new scheme (this may require you to remind them).
- To make a decision on whether or not to transfer.

What if I have comments, compliments or complaints about the service?

Comments and compliments

We welcome and value your comments on the standard of service that we provide. If you have any comments you wish to make please contact LGSS Pensions Service.

If you are unhappy with the service you have received from LGSS Pensions Service

While we always try to do things accurately and on time, we recognise that things can and do sometimes go wrong. In that event there are several courses of action you can take:

In the first instance please contact LGSS Pensions Service directly. Contact information for the person dealing with your case can usually be found on any correspondence you have received, and every effort will be made to clarify any misunderstanding or put right any error.

Where a disagreement cannot be resolved, you have the right to ask for it to be looked at again under the formal complaint procedure. The complaint procedure's official name is the "Internal Dispute Resolution Procedure". Full details of the Internal Dispute Resolution Procedure will be provided to you upon request.

In addition, The Pensions Advisory Service (TPAS) provide free advice and information to explain your rights and responsibilities, and their contact details are as follows:

The TPAS Helpline phone number: 0300 123 1047

Lines are open Monday to Friday 9am to 5pm.

The TPAS website <http://www.pensionsadvisoryservice.org.uk/contacting-us> also offers:

- a live webchat service from Monday to Friday 9am to 5pm, and also on Tuesdays from 7pm to 9pm, and
- an online enquiry form.

You can write to them at: TPAS

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