

## OPT OUT FORM

### Section 1 – Your personal details

Surname		Title	
Forename(s)		Telephone	
Address			
Date of birth	dd/mm/yyyy	National Insurance number	
Employee Number		Employer	

### Section 2 – Opting out of the LGPS

From when do you wish to opt out of membership of the LGPS? *(Please select one)*

From the beginning of my next pay period	<input type="checkbox"/>
From...	dd/mm/yyyy <input type="checkbox"/>

If you hold more than one post, please state below the name and/or reference of the post (or posts) from which you wish to opt out of LGPS membership:

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### Section 3 – Declaration

I declare that by opting out of the Local Government Pension Scheme (LGPS) I am knowingly giving up the opportunity to be a member of the LGPS which would provide a guaranteed package of benefits that are backed by law, including:

- **life cover** – with a lump sum of three times my pay if I die in service
- **serious ill health cover** – if I must retire due to serious illness, I could receive immediate benefits based on an enhanced period of LGPS membership,

and, once I have two years' membership in the LGPS:

- **redundancy cover** – early payment of pension benefits if I am made redundant or retired on business efficiency grounds at age 55 or over
- **voluntary early retirement** – from age 55 (even though the normal pension age is the same as my State Pension age with a minimum of age 65). Benefits taken before normal pension age may be reduced for early payment
- **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 tax-free cash at retirement
- **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.

**I have read the 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 the LGPS 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.**

Signature		Date	dd/mm/yyyy
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**Once completed, this form should be given to your employer's payroll or HR team**

*Incomplete forms, or forms signed and dated before a post has started or been re-enrolled, are not permissible*

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### Guidance

The Local Government Pension Scheme (LGPS) is secure and flexible. Before making your decision, you should consider that:

- the LGPS is a valuable and important part of your employment package for which your employer meets a large part of the cost
- pension contributions attract tax relief, in most cases, you will pay more tax if you opt out of the LGPS
- 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 Scheme, you will not be able to combine your two periods of membership.

**50/50 section:** You might want to consider moving to the 50/50 section of the LGPS, in which you pay half your normal contributions and build up half your normal pension. This option allows you to remain in the Scheme in times of financial hardship. A 50/50 option form is available from [www.derbyshirepensionfund.org.uk/optout](http://www.derbyshirepensionfund.org.uk/optout)

Opting out will have implications for you and your dependants. You may wish to take financial advice before deciding.

If you are opting out of the LGPS due to advice you have received, you should ask for this advice in writing.

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

- **Your employer:** Your employer cannot ask you or force you to opt out.
- **The Pensions Regulator:** If you are asked to opt out, you can tell The Pensions Regulator: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)
- **When you can opt out:** 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.
- **More than one job:** 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 relevant opt out form from the pension administrators of the scheme provided by that employer.
- **Less than 3 months' membership:** 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.
- **More than 3 months', less than 2 years:** 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.
- **Deferred benefits:** 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 (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 if you elect to do this at least one year before your normal pension age.
- **Re-joining:** If you decide to opt out of membership of the LGPS and subsequently change your mind, you will be able to re-join, 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.
- **Auto enrolment:** 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.
- **Move to a new employer:** If you change employer, your new employer will normally put you back into pension saving straight away.