

## Opting out of the Local Government Pension Scheme in Scotland

**Please read this document carefully. If you have a 'Novell' log-in please use the Opt Out Offering on First Contact. Only complete the paper form if you do not have a Fife Council 'Novell' log-in.**

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's 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's 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'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.

If you are thinking of opting out you might want to first consider an alternative option which is to elect to move to the 50/50 section of the scheme. The 50/50 section allows you to pay half your normal contributions for half your normal pension build up. However, you will still receive full life cover whilst in the 50/50 section. For more information about the 50/50 section, please contact the Pensions Team.

Opting out won't save you as much in take home pay as you may think. A basic rate tax payer paying pension contributions of £100 a month will pay £20 more tax.

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 Pension Team on 01592 583278 or alternatively you can visit our website at [www.fifedirect.org.uk/LGPS](http://www.fifedirect.org.uk/LGPS).

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 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.

**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](http://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 dependants.

## **Notes:**

- 1. The completed opt out form should be returned to your payroll department**
2. 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.
3. If you opt out of the LGPS before completing three months membership you will be treated as never having been a member and will receive a refund of any contributions deducted from your pay. If you opt out after three months and before two years, have not brought a transfer into the LGPS and do not have any other benefit in the LGPS in Scotland, you will normally be able to take a refund of your contributions. There will be a deduction for tax and the cost, if any, of buying you back into the State Second Pension scheme (S2P). If you opt out after two years you will be entitled to a deferred pension benefit in the LGPS which, unless you transfer the benefits to another pension scheme, would normally be payable from state pension age (or from age 60 at your choice), providing you are no longer in this employment.
4. 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.
5. If you change employer your new employer will normally put you back into pension saving straight away.

## **Purpose for which this form will be used**

Your payroll department will use this form to cease your active membership of the Local Government Pension Scheme as per your instructions on this form. The form will then be retained as a record of your election to cease membership of the Local Government Pension Scheme or, if you hold more than one post with us, as a record of your election to cease membership in the job or jobs you have indicated on the form.

Local Government Pension Scheme  
Existing Member Opt Out Form (please use the Opt Out  
Offering on First Contact if you have a Fife Council 'Novell'  
log-in)

**Please complete in full, using black ink**

|                                   |
|-----------------------------------|
| <b>Surname:</b>                   |
| <b>First name(s):</b>             |
| <b>Home address:</b>              |
| <b>Post code:</b>                 |
| <b>National Insurance number:</b> |
| <b>Date of birth:</b>             |
| <b>Preferred contact number:</b>  |
| <b>Preferred email address:</b>   |
| <b>Employer's name:</b>           |
| <b>Payroll number:</b>            |

**Multiple jobs**

If you hold more than one post with us and 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.

|                                      |
|--------------------------------------|
| <b>Job title – Post 1:</b>           |
| Payroll reference number (if known): |
| <b>Job title – Post 2:</b>           |
| Payroll reference number (if known): |
| <b>Job title – Post 3:</b>           |
| Payroll reference number (if known): |
| <b>Job title – Post 4:</b>           |
| Payroll reference number (if known): |

|   |  |
|---|--|
| <b>Declaration:</b>   |  |
| I declare that by opting out of the Local Government Pension Scheme Scotland (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: |  |
| ➤ <b>a secure pension</b>   | payable for life that increases with the cost of living  |
| ➤ <b>tax free cash</b>  | option to exchange part of your pension for some tax-free cash lump sum at retirement  |
| ➤ <b>retire from age 60</b>   | option to retire from age 60 even though the scheme's normal pension age is state pension age) or from early as age 55 provided your employer agrees. Benefits drawn before normal pension age may be reduced for early payment. |
| ➤ <b>serious ill-health cover</b>   | immediate payment of enhanced benefits if you have to retire due to a serious illness  |
| ➤ <b>Redundancy cover</b>   | early payment of pensions benefits if made redundant or retire on business efficiency grounds at 55 or over (age 50 or over if you were paying into the LGPS on 5 April 2006)  |
| ➤ <b>life cover</b>   | lump sum of three times assumed pensionable pay if you die while paying into the scheme  |
| ➤ <b>cover for family upon your death</b>   | including a survivor's pension for your husband, wife, civil partner or 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.**

Signed:

Date\*\*:

**Notes:**

- \*\*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.**
- It is important to fully complete this form. An incomplete form will not be accepted as a valid option out and the form will be returned to you for completion.**

**RETURN COMPLETED FORM TO YOUR PAYROLL DEPARTMENT**

|  |  |
|--|--|
| To be completed by Payroll Department and form sent to Fife Council Pension Team, Rothesay House, Rothesay Place, Glenrothes, Fife KY7 5PQ |  |
| Payroll Refund   | Yes / no ( please delete as appropriate)                       |
| If not Payroll Refund  | Date opted out: ..../..../..... (please initial once complete) |