

The Local Government Pension Scheme (LGPS) An Introduction for Employees Surrey Pension Fund

v1 2018

This purpose of this guide is to provide you with information about the main benefits of the LGPS and your options as a scheme member.

Your employer has supplied you with this guide for one of the reasons shown in the table below:

| About your employment | What this means for you |
|--|--|
| You are starting a new post with a contract for more than 3 months | You will join the LGPS when your employment starts |
| You are an existing employee who will join the scheme under auto-enrolment or re-enrolment rules | Your employer will notify you of the date that your LGPS membership will start |
| You are due to start a post with a contract of less than 3 months | You will not automatically become a member of the LGPS but you can elect to join |
| You are an existing employee and your age and earnings level mean that you will not automatically join the LGPS under auto-enrolment or re-enrolment rules | You will not automatically become a member of the LGPS but you can elect to join |
| You have opted to join the scheme by making a valid election to join the LGPS | You will become a member from the next pay period after your employer received your election |

You should check the position with your employer if you do not know whether you will automatically become a member of the LGPS.

You **will not** become a scheme member if you have reached the scheme's upper age limit of 75.

If you are under age 75 and you will not become a LGPS member automatically, but you would like to elect to join the scheme, you can find an Opt in form in the 'Forms' section of the [pension fund website](#).

What are the benefits of the LGPS?

The LGPS is a valuable part of your employment package and offers a range of excellent benefits and financial security for you and your dependants:

- You pay your contributions and **your employer pays too**
- **Tax savings** for most members
- **Contribution flexibility** – you can choose to pay less or more
- **Benefits for your loved ones** if you die, with life cover of three years' pensionable pay and pensions for eligible dependants

And provided you have been a scheme member for at least 2 years:

- **A secure pension** payable for life with cost of living increases
- The option to receive a **tax-free lump sum** in exchange for part of your pension
- **Immediate payment** of your pension if you retire due to **ill health**
- The freedom to **choose when to take your pension** – between age 55 and 75



How is my pension worked out?

Every scheme year (1 April to 31 March) an amount equal to a 49th of your pay in that year is added to your pension account. At the end of every scheme year the total pension in your account is adjusted to take into account the cost of living as currently measured by the Consumer Prices Index (CPI).

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What if I have previous pension rights?

You can request a transfer of previous pension rights – including previous LGPS membership – within your first year of scheme membership. The Pensions Team will contact you to welcome you to the scheme after your employer informs us that you have joined the LGPS. Information about how to request a pension transfer will be included in the initial information that we send to you.

How much does it cost?

The amount you pay depends on how much you are paid in your job. The current contribution rates that apply can be found on the national [LGPS members' website](#).



Can I pay more?

You can pay extra contributions to increase your benefits. More information about the different types of additional contributions that you can pay can be found on the [LGPS members' website](#).

Additional Voluntary Contributions

You can contribute to the Surrey AVC plan where your additional contributions would be invested for you in a personal account maintained by Prudential Assurance.

You can contact Prudential to find out more about AVCs by calling them on 0800 032 6674 or by visiting their website at: www.pru.co.uk/localgov.

Can I pay less?

Yes – there are two sections to the LGPS the main and the 50/50. As a short-term option, you can join the 50/50 section and pay half the normal contributions. Your pension would build up at half the normal rate – 1/98th of your pay in each scheme year would be added to your pension account for any period that you are a member of the 50/50 section.

IMPORTANT – You can only make a valid election to join the 50/50 section after you have joined the LGPS

You can elect to join the 50/50 section by completing an option form that you can find in the 'Forms' section of the [pension fund website](#). The option form also includes more information about the 50/50 section that you should read carefully before making your final decision.

What to do if you do not want to join the LGPS

You can choose to opt out of the scheme at any time. If you are thinking about opting out because you can't afford to pay full contributions then you could consider joining the 50/50 section of the scheme – see the [Can I pay less?](#) section above. You are recommended to seek independent financial advice before making a decision to opt out of the LGPS.

IMPORTANT – You can only opt out after you have started employment in the post that you want to opt out of the LGPS in respect of. If you are being auto-enrolled, you can only opt out after your auto-enrolment date has passed

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If you do decide to opt out:

- Download an opt out form from the 'Forms' section of the [pension fund website](#) and return it to your employer
- If you opt out **within 3 months** of your employment start date (or auto-enrolment date) any contributions that have been deducted from your pay will be refunded through the payroll
- If you opt out more than three months after your LGPS membership began then the pensions team will contact you to let you know your options

My Pension Portal

As a LGPS member you will have access to a free online portal where you can view personal and financial information about your LGPS pension securely.

Each year a benefit statement will be available on the portal that sets out the value of your pension on 31 March and includes a forecast of the LGPS pension you could receive at retirement.

The Pensions Team will contact you to welcome you to the scheme after your employer informs us that you have joined the LGPS. Instructions on how to register and information about the other features available on the portal will be included in the initial information that we send you.



Your Personal Data

The Surrey Pension Fund is a Data Controller under the General Data Protection Regulations. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. We are required to share your information with certain bodies, but will only do so in limited circumstances. You can read more about how we hold your data, who we share it with and what rights you have to request information from the Fund, in our Privacy Notice on the [pension fund website](#).

How can I find out more information?

You can find more information about the LGPS in the scheme guide which you can read in the 'Guides' section of the [pension fund website](#).

Useful links and contacts

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| National member's website | www.lgpsmember.org |
| Pension fund website | www.surreypensionfund.org |
| Email the Pensions Team | myhelpdeskpensions@surreycc.gov.uk |
| Phone the Pensions Team | 0300 200 1031 |

Please note – it is likely that you have received this guide before your LGPS membership has started. The Pensions Team will only be able to answer questions about your individual circumstances after your employer has informed us that you have joined the scheme.



Produced by Orbis Pension Services on behalf of:

