



## Opting out of the Local Government Pension Scheme (LGPS) Notice to opt out of pension saving

The LGPS allows you to save while you are working for an employer which offers the LGPS 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 "Important information" section of this form.

Opting out might not save you as much in take home pay as you may think. In most cases, you will pay more tax if you opt out of the LGPS. A basic rate taxpayer paying pension contributions of £100 a month will pay £20 more tax.

Rather than opting out of the Scheme you may wish to consider opting into the 50/50 section. The 50/50 section allows you to pay half your contributions and build up half your pension. Enhancement of ill health pension and the death grant lump sum are unaffected. You can opt into the 50/50 section by completing the Opt in form available at [www.kentpensionfund.co.uk/optin](http://www.kentpensionfund.co.uk/optin). Further information can be found on the 50/50 section page in the current member (paying in) area of [www.kentpensionfund.co.uk](http://www.kentpensionfund.co.uk)

If you want to know more about the costs and benefits of being a member of the LGPS please visit our website at [www.kentpensionfund.co.uk](http://www.kentpensionfund.co.uk) in the current member (paying in) area.

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 deciding 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 – visit [www.tpr.gov.uk](http://www.tpr.gov.uk) for further information.

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 dependents.

**Please read the Important information on page 2  
before you complete the Opt out form.**

## Important information

### Benefits of being a member of the LGPS

By opting out, you are giving up the opportunity to receive a package of benefits.

You may wish to consider these 10 good reasons to be a member of the LGPS: -

- 1 Tax relief on the contributions you pay**
- 2 Your employer contributes too, sharing the cost of your benefits**
- 3 Safe and guaranteed with no investment risk**
- 4 Life cover of 3 times your pay – no medicals required – and a survivor's pension subject to conditions**
- 5 50/50 section – in times of financial hardship you can pay half your contributions and build up half your benefits**
- 6 Ill health retirement benefits at any age (conditions apply)**
- 7 No hidden fees or administration charges**
- 8 Yearly pension and option to convert some pension to a lump sum**
- 9 Your pension rises with the cost of living**
- 10 Redundancy pension benefits (minimum age and membership conditions apply)**

### What happens to my benefits if I opt out?

- **Opting out of the Scheme with less than 3 month's membership:** you are treated as never having been a member of the LGPS. The contributions that you paid are returned to you by your employer with your salary. You will not receive the gross amount of contributions paid as you are no longer entitled to receive tax relief on your pension contributions.
- **Opting out of the Scheme with more than 3 months but less than 2 years membership:** you may be entitled to a refund of contributions less any tax relief you received. However, certain factors can disqualify you from receiving a refund. Instead you will be awarded a deferred benefit in the Scheme. We will write to let you know.
- **Opting out of the Scheme with more than 2 years membership:** you will be entitled to a deferred benefit. This will be payable at your state pension age and is increased with the cost of living. You may draw your benefit from age 55 but it may be subject to a reduction for early payment. You will need to have left your employment before the pension can be paid. Should you die before your deferred benefit is brought into payment, a death grant lump sum is usually payable to your nominated beneficiaries. You may transfer your pension rights to another pension arrangement.
- **If you rejoin the LGPS anywhere in England and Wales, you cannot join your deferred pension with your new pension account. If you think this may affect you, please contact us.**

**If you still want to opt out of the LGPS,  
please complete the form on page 3**

# OPT OUT FORM

## LOCAL GOVERNMENT PENSION SCHEME (LGPS)



Kent Pension Fund

Complete this form if you want to opt out of the LGPS (Pension Saving).

A separate form is required for each employment you may have.

**Do not** send this form to the Pension Section. Give this form to your employer who will keep records and forward it to their payroll provider. You will be opted out from the next available pay period.

It is important to complete all details and in BLOCK CAPITALS in **BLACK** ink.

**Please refer to the 'Checklist of actions' on page 4 for guidance.**

### Your personal details

Surname	<input type="text"/>	Title	<input type="text"/>
Forename(s)	<input type="text"/>	Date of birth	<input type="text"/>
National Insurance number	<input type="text"/>		
Home address (including postcode)	<input type="text"/>		
Personal email address	<input type="text"/>		
Employer	<input type="text"/>	Payroll reference number (if known)	<input type="text"/>
Job title (employment)	<input type="text"/>		

A separate form must be completed for each post you hold.

### What you need to know about opting out of the LGPS

- 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 – visit [www.tpr.gov.uk](http://www.tpr.gov.uk) for further information
- If you change your mind you may be able to opt back in – complete a copy of the Opt in form (available at [www.kentpensionfund.co.uk/optin](http://www.kentpensionfund.co.uk/optin)) or write to your employer if you wish to do this
- If you stay opted out, your employer will normally put you back into pension saving in around 3 years
- If you change your employment, your new employer will normally put you back into pension saving straight away
- If you have another employment, your other employer might also put you into pension saving, now or in the future
- This notice only allows you to opt out of pension saving with the employer (and employment) you name above. A separate notice must be filled out and given to any other employer you work for, if you wish to opt out of that employer's pension saving as well.

### Declaration

I have read the attached documentation 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 Scheme in the employment I have indicated on this form.

I understand that a 50/50 section of the Scheme is available.

I understand that if I opt out, I will lose the right to pension contributions from my employer and I may have a lower income when I retire.

**Signed:**

**Date:**

Please note: If you wish to opt into the 50/50 section or from the 50/50 section back into the main section you should not complete this form. You should complete the Opt in form available at [www.kentpensionfund.co.uk/optin](http://www.kentpensionfund.co.uk/optin)

**See the checklist on page 4 regarding when you can sign, date and return this form. This form should be returned to your employer.** Any delay in your employer receiving a valid Opt out form will delay your opt out

### Privacy notice

In order to administer the pension scheme, we collect, hold, process and share personal data. For further information read our privacy notice on the Kent Pension Fund website – [www.kentpensionfund.co.uk/privacynotice](http://www.kentpensionfund.co.uk/privacynotice)

# OPT OUT FORM

## CHECKLIST OF ACTIONS

- **Have you read and understood the important information?**
  - **Have you signed and dated the Opt out form on or after the date you have entered the pension scheme?**  
You can only sign and date this Opt out form on or after the date that you have entered the pension scheme in the employment from which you wish to opt out of membership of the LGPS. If you sign and date the form before then, it will be treated as an invalid opt out.
  - **Have you indicated the Job title (employment) or Payroll reference number on the form?**  
This Opt out form only opts you out of LGPS pension scheme in relation to the employment you have named on this form. A separate form must be completed for each employment you wish to opt out of and given to your employer. You can obtain additional Opt out forms from [www.kentpensionfund.co.uk/optout](http://www.kentpensionfund.co.uk/optout) . If you have another employment, you might also be entered into the pension scheme in relation to that employment now or in the future.
  - **Return the completed Opt out form to your employer**  
The completed Opt out form should be returned to your employer, **not** the Pensions Section. If you are unsure of who your employer is, you should speak to your line manager. Your employer will keep records and forward your Opt out form to their payroll provider.
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## FREQUENTLY ASKED QUESTIONS

- **What happens next?**  
If you opt out of the LGPS before 3 months membership you will be treated as never having been a member and the contributions you have paid will be returned to you by your employer through payroll. If you opt out after 3 months your employer will let us know and we will write to you.
- **What do I do if I want to rejoin the LGPS?**  
If you decide to opt out of the LGPS and subsequently change your mind you can re-join 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 complete the Opt in form available at [www.kentpensionfund.co.uk/optin](http://www.kentpensionfund.co.uk/optin) . You will not be able to pay contributions for the period for which you had opted out.
- **Will I be re-entered into the Scheme in the future?**  
Your employer is required to re-enrol you into the pension scheme at certain points to comply with the automatic enrolment provisions. You will be contacted by your employer at the relevant time to inform you of when and why you have been re-enrolled. You will, however, again be entitled at that time to opt out of membership of the Scheme or opt into the 50/50 section.
- **What happens if I change employment or employer?**  
If you change employment, even with the same employer, you may be re-entered into the Scheme. If you change employer, you will normally be put back into the pension scheme straight away.