



**ELECTION TO CHANGE SECTIONS OF THE
LGPS**

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. The LGPS is provided by your employer who meets a large part of the cost of providing the range of secure benefits, so it is a valuable and important part of your employment package.

However, it may be that for your own personal reasons, you wish to reduce or increase your contributions to the scheme.

The LGPS has 2 sections: the Main Section and the 50/50 Section.

Both sections offer:

- A pension that is secure and backed by law
- A Career Average pension with a guaranteed level of retirement benefit
- The option to exchange part of your pension for a tax-free lump sum on retirement
- Voluntary retirement from age 55 (even though the scheme retirement age is State Pension Age or 65 if later)
- An ill health pension from any age (which could be paid at an enhanced rate if ill health meant that you are incapable of gainful employment within three years of leaving)
- Early payment of pension benefits if you are made redundant or retire on grounds of business efficiency at age 55 or over
- The ability to take benefits from age 55 with your employer's consent if you continue in employment, but reduce your hours or grade, helping you ease into retirement (Flexible Retirement)
- A death in service lump sum of three times your actual pay
- Protection for your family on death, including either a widow's, widower's, civil partner's or (nominated) cohabiting partner's pension as well as children's pensions
- The index-linking of benefits to ensure they keep pace with the cost of living
- The contributions you pay into the scheme attract tax relief

None of these benefits are affected by a decision to move between the Sections of the LGPS.

However, if you do elect to change Sections, your own pension benefit will be affected as shown overleaf:

Main Section

A member earning £10,000 per year pays into the Main Section of the Scheme.

They pay contributions at a rate of 5.5% - this equates to a gross monthly deduction from their pay of £45.83.

If they remain a member of the Main Section for 1 year, they would build up the following amount of pension:

$$\text{Pension} = 1/49 \times \text{£}10,000 = \text{£}204.08$$

50/50 Section

A member earning £10,000 per year pays into the 50/50 Section of the Scheme.

They pay contributions at a rate of 2.75% - this equates to a gross monthly deduction from their pay of £22.92.

If they remain a member of the Main Section for 1 year, they would build up the following amount of pension:

$$\text{Pension} = 1/98 \times \text{£}10,000 = \text{£}102.04$$

A member paying into the 50/50 section is not able to pay Additional Pension Contributions (except to cover authorised absences for example child-related leave).

NOTES:

1. You can only sign and date this election form once you have commenced employment and joined the Scheme; you cannot sign and date the form before commencement. An election takes effect from the start of the next pay period.
2. The completed form should be returned to your employer's Payroll Section or Human Resources department. Alternatively, you can scan the form and email it to the Pensions Section (pensions.options@staffordshire.gov.uk) and we will forward it to your employer. If you are unsure where to forward the form to, please ask your line-manager.
3. If you have more than one job with the same or another Local Government employer you will need to make a separate election for each job. This election only moves you into a different section of the scheme in relation to the employer and job(s) you have named on this form.
4. If you subsequently change your mind and decide to change sections of the LGPS provided you are under age 75, you can do so by completing a further election form.
5. If you are part of the 50/50 Section there are circumstances where your employer is required to automatically put you back into the Main Section of the LGPS; on the anniversary of your employer's automatic enrolment date and if you are absent because of illness and not in receipt of any pay at the start of a payroll period. You will, however, be entitled to re-elect to re-join the 50/50 Section.
6. If you voluntarily change job, or your employment is compulsorily transferred to a new employer, the new employer will normally put you back into the Main Section of the scheme straight away.
7. By completing and returning this form you are giving notice that you wish to change section in the scheme and you move into the appropriate section from start of the next payroll period after the date you complete the form. If you wish to change section at a later date, please attach a note to this effect to the form before returning it to your employer.



PEN 4



**Staffordshire
Pension Fund**
Local Government Pension Scheme

**ELECTION TO CHANGE SECTIONS OF THE
LGPS**

Complete in BLOCK CAPITALS:

Surname

Forename(s)

Address

.....

National Insurance number

Date of Birth

Employer's name

Job Title(s).....

.....

Payroll or post reference number(s) (*if known*).....

.....

Date of commencement of employment

Please complete Part 1 or 2 overleaf and then return the completed form to your employer's Payroll Section or Human Resources department.

Name:.....

NINo:

Part 1 – election to join the Main Section of the LGPS

I elect to join the Main Section of the LGPS

- I have read and understood the notes overleaf.
- I confirm that I wish to move to the main section in the job(s) I have indicated on this form.
- I understand that I will cease to pay half rate pension contributions in that job and that my contribution rate for that job will increase to my normal full rate.
- I understand that during the period I am in the main section in that job I will be building up my normal pension in that post.
- I am aware that at any time whilst I am eligible for membership of the LGPS I can choose to opt back into the 50/50 section of the LGPS by making an election to my employer.

Signed Date

Part 2 – election to join the 50/50 Section of the LGPS

I elect to join the 50/50 Section of the LGPS

- I have read and understood the notes overleaf.
- I confirm that I wish to move to the 50/50 section in the job(s) I have indicated on this form.
- I understand that during the period I am in the 50/50 section in that job I will only be building up half my normal pension in that job.
- I understand the choices I make now are important in planning for my retirement and that if I elect to join the 50/50 section I will have a lower income when I retire than if I was a member of the main section of the LGPS.
- I understand that any additional pension (APC) contract I have to purchase additional pension in the LGPS must cease (unless it is to purchase pension 'lost' during a period of authorised unpaid leave of absence or during a period of unpaid additional maternity, paternity or adoption leave).
- I have not been forced or asked by my employer to elect to join the 50/50 section of the LGPS.
- I am aware that at any time whilst I am eligible for membership of the LGPS I can choose to opt back into the main section of the LGPS by making an election to my employer.
- I am aware that:
 - if, during a pay period, I go onto no pay due to sickness or injury and I am still on no pay at the beginning of the next pay period, my employer will then move me back into the main section of the LGPS. On return to work I would have the right to make an election to move back to the 50/50 section if I wished to do so
 - my employer is required to automatically put me back into the main section of the LGPS approximately three years from the date they first have to comply with the automatic enrolment provisions of the Pensions Act 2008 (and approximately every three years thereafter). I will have the right to make a further 50/50 election at that time if I wish to do so.

Signed Date