

## Opting out of the Local Government Pension Scheme (Northern Ireland)

The Local Government Pension Scheme (Northern Ireland), LGPS (NI), 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 (NI) is provided by your employer who meets a large part of the cost of providing the excellent range of secure benefits and it is an extremely valuable and important part of your employment package.

You might be thinking of opting out of the LGPS (NI) 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 for financial reasons, you might want to consider reducing your contributions using the 50/50 section instead. This allows you to pay half the contributions and build up half the amount of pension, plus you will still keep the full value of life cover. This can be used as a short-term option if your financial circumstances are difficult, instead of opting out of the Scheme.

Opting out also won't save you as much in take home pay as you may think. In most cases, you will pay more tax and National Insurance if you opt out of the Scheme. For example, a basic rate taxpayer paying

pension contributions of £100 a month will pay £20 more tax and £8 more National Insurance if they opt out.

If you are 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 (NI) 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 should contact The Pensions Regulator - visit its website, [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.

If you want to know more about the costs and benefits of being a member of the Local Government Pension Scheme you can visit the NiLGOSC website, [www.nilgosc.org.uk](http://www.nilgosc.org.uk) or contact the Pensions Administration Team:

# Section A – Opting out - member details

To be completed by the member and returned directly to your employer

Please read the Notes section on the back page of this document.

## Your personal details (please complete this form in block capitals and in black ink)

Surname:

First Name (s):

Title: Mr/Mrs/Miss/Ms/Other (please specify)

Home Address:

Date of Birth:

Marital Status:

National Insurance No:

Postcode:

Employer:

## Employment(s) from which you wish to opt out of membership of the LGPS (NI)

**Job title - Post 1:**

Payroll reference number  
for that job (if known):

NILGOSC  
Reference:

**Job title - Post 2:**

Payroll reference number  
for that job (if known):

NILGOSC  
Reference:

**Job title - Post 3:**

Payroll reference number  
for that job (if known):

NILGOSC  
Reference:

**Job title - Post 4:**

Payroll reference number  
for that job (if known):

NILGOSC  
Reference:

# Member Declaration

I declare that by opting out of the LGPS (NI), I am knowingly giving up the opportunity to participate in the Scheme which would provide a guaranteed package of benefits including:

- a secure pension – payable for life that is revalued with the cost of living
- tax-free cash – the option to exchange part of my pension for some tax-free cash at retirement
- life cover – a lump sum death grant of three times my pay if I die in service
- voluntary early retirement – from age 55. Benefits drawn before normal pension age may be reduced for early payment
- ill-health cover – if I have to retire due to permanent ill-health, I could receive immediate benefits based on an enhanced period of Scheme membership
- redundancy cover – early payment of pension benefits if I am made redundant or retired on business efficiency grounds at age 55 or over
- protection for my family on my death – a survivor's pension for my husband, wife, civil partner or nominated cohabiting partner as well as a pension for eligible children

I wish to opt out of the LGPS (NI) with effect from:   
(Please see note 8)

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 pension saving through my membership of the LGPS (NI) in the post(s) indicated on this form. I understand that if I opt out I will lose the right to pension contributions from my employer and I also understand that if I opt out I may have a lower income when I retire.

Signature\*:

Date of completion of form:

Please note if you are opting out within the first three months of joining the scheme you will still receive a new member pack from NILGOSC, as required by law. You can check your payslip to ensure contributions are no longer being deducted.

\* If completed electronically - by typing your name in the signature box you are confirming that you are the job holder detailed above, you agree with the declaration and that you have personally submitted this opt-out notice.

Please see the notes on the next page regarding when you can sign, date and return this form. It is important to fully complete this form. An incomplete form will not be accepted as a valid opt out and the form will be returned to you for completion.

## Notes:

1. You cannot sign and date the opting out form until, at the earliest, the first day of membership of the Scheme. An invalid Opt-Out Notice cannot be accepted by your employer.
2. The completed Opt-out Notice should be returned to your employer's Payroll Section or Human Resources department.
3. If you have another job, your other employer might also put you into the LGPS (NI), now or in the future. This notice only allows you to opt out of membership of the Scheme with the employer you name on this form and the jobs you have listed. A separate notice must be filled out and given to any other employer you work for, if you wish to opt out of that membership as well.
4. If you opt out of the LGPS (NI) before completing two years' membership you will receive a refund of any pension contributions deducted from your pay (subject to conditions). If you opt out after two years' membership you will be entitled to a deferred pension benefit in the LGPS (NI). Unless you transfer the benefits to another pension scheme this would normally be payable from your normal pension age (or from age 55, subject to reductions).
5. If you decide to opt out of membership of the LGPS (NI) 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.
6. You should understand that if you fit the required age/salary criteria, you will be automatically enrolled into the Scheme on your employer's next Automatic Enrolment date, which will occur every three years. You will, however, again be entitled at that time to opt out of membership of the scheme.
7. If you change employer your new employer will normally put you back into the LGPS (NI) straight away.
8. You have been asked to state the date that you wish to opt out of the Scheme.

### **Opting out within two years of joining the Scheme**

The opting out date must be within two years of joining the Scheme. You cannot insert an opt-out date which is before your date of joining. You must give this notification to your employer within two years of joining the Scheme if you wish to receive a refund of contributions. If you give this Opt-Out Notice to your employer after you have been in the Scheme for two years you will no longer be entitled to a refund of your contributions.

### **Opting out after two years of joining the Scheme**

If you state a date which is earlier than the date of signing the form, or if you do not state a date, you will cease to be a member at the end of the pay period during which you notified your employer of your request to opt out. You cannot insert an opt-out date which is before your date of joining.