

Leaver's Form – Guidance Notes

An LGS15 Leaver's form must be completed for all members who leave the Scheme. The information below describes when benefits are payable, the timescales for forwarding the completed forms to NILGOSC and the relevant reasons for leaving.

Employee leaving the Scheme with entitlement to immediate pension benefits

An employee leaving the Scheme for any of the following reasons will be entitled to immediate payment of pension benefits.

- Normal retirement at the member's normal pension age.
- Voluntary retirement – age 55 to the member's normal pension age.
- Voluntary retirement – age 55 to 60 and employer applies the Rule of 85.
- Flexible Retirement – from age 55 with employer's consent.
- Redundancy/Efficiency of the service – age 55 and over with 2 or more years' membership.
- Late Retirement over the member's normal pension age.
- Approaching Age 75 – the member must leave the Scheme two days before his / her 75th birthday but can continue in employment.
- Permanent ill-health (as certified by the Committee Doctor) with 2 or more years' membership.

In these circumstances, you should have already submitted an LGS16 form (and LGS13 if applicable) directly to NILGOSC three months in advance of the retirement date. This form allows us to contact the member regarding various retirement benefit options. Forms LGS16 and LGS13 can be downloaded from the NILGOSC website at www.nilgosc.org.uk

This LGS15 form must be completed, detailing the reason for leaving from the list above, and sent to NILGOSC within five working days of the member's date of leaving or date of final payment (if later).

Death in service benefits

If an employee dies in service, death benefits will be payable immediately in the form of a death grant and survivors' pensions if applicable. This form must be completed and sent to the Committee within five working days of the date of death or date of final payment to representatives (if later).

In this circumstance, employers should also complete and return an LGS 19 Notification of Death Form which is available at www.nilgosc.org.uk.

Employee leaving the Scheme without entitlement to immediate pension benefits (i. e. Refunds, Preserved Benefits, Transfers)

An employee leaving the Scheme for any of the following reasons will not be entitled to immediate payment of pension benefits.

- Voluntary resignation / end of fixed term contract (including ill-health which is not permanent).
- Opted-out after two years' membership but still employed (opting-out form LGS2 to be completed by employee).
- Redundancy/Efficiency of the service under age 55 (or if over age 55, with less than two years' membership).
- Dismissal (under age 55).
- Opted-out after 3 months but within two years of membership and entitled to a refund.
- TUPE transfers*

This form must be completed, detailing the reason for leaving from the list above, and sent to NILGOSC within ten working days of the member's date of leaving or date of final payment (if later).

** An LGS 15 form is only to be completed if the TUPE transfer is to a non-NILGOSC employing authority. If the TUPE transfer is to a NILGOSC employing authority, please forward a spreadsheet detailing all members who are transferring.*

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Section 1 - Member Details

This section requests important details about the member who is leaving the Scheme. It is important that we have the current address of the member so that we can advise them of their pension entitlements. Notes on some of the critical information requested are provided below:

Date of Leaving: This establishes when the member's benefits are calculated to/payable from.

Reason for Leaving: This establishes the type of benefit a member is entitled to.

Does this member contribute to our in-house AVC scheme?: This helps to identify if an AVC statement/final fund value is required.

Final payment date of AVC to AVC provider: Important to ensure that the member's AVC funds include the final payment.

Section 2 - National Insurance Contracted Out Record for Refund Entitlement

To be completed only if the member is eligible for a refund of contributions from the Scheme, i.e. they have left employment within two years of joining and have not aggregated or transferred in service.

Contracted out from: These dates are normally the same as the dates the member joined and left the Scheme.

The table should be completed as follows:

- (1) Gross Pay for National Insurance purposes
- (2) Employee's Contracted Out Earnings (i.e. earnings between the upper accruals point and lower earnings limits – tax years prior to 2009/2010 earnings between upper and lower earnings limits). If none exist please confirm this rather than leaving blank.
- (3) Employee's Contracted Out Contributions
- (4) National Insurance Table Letter – As a member of the scheme the NI contributions will normally be paid under NI table D.

Section 3 - Award of Additional Pension

Additional Pension

An employing authority may resolve to award a member additional pension of not more than £6,644 a year payable from the same date as his pension becomes payable.

Awards made under regulation 18 - If paid before the member's normal pension age, the additional pension will be reduced.

Awards made under regulation 32 - The additional pension is unreduced if paid before the member's normal pension age and the reason for leaving is redundancy/efficiency.

If an award of additional pension is granted, it must be in accordance with the employer's policy statement which will be verified by NILGOSC prior to the payment of benefits.

Section 4 - Part-time employment or working at a lower grade as a result of a medical condition

Where, at the date of ill-health retirement or death, a member is wholly or temporarily in part-time service or is working at a lower grade as a result of the condition that caused or contributed to their ill-health retirement or death, no reduction shall be made in their membership due to this reduction in service (if 2009 Scheme protections apply) or to their APP (for CARE benefits). Please also forward appropriate medical evidence to NILGOSC, to confirm that the hour or grade reduction was due to the same condition that caused the members' ill-health retirement or death.

Section 5 - Final Pay - (2009 Definition) to be completed for members with pre 2015 scheme membership (or final salary protections from aggregation or a transfer in)

References to pensionable pay in this section are as per the definition of pensionable pay in the 2009 Scheme, i.e. does not include non-contractual overtime or additional hours

a) Reductions to Final Pay

Where the member is downgraded, he/she may choose to have the final pay calculated as the average of his/her pensionable pay in any three consecutive years ending with a 31st March in the ten year period prior to the date of leaving.

b) Final Pay

The pensionable pay used to calculate any pre-1 April 2015 benefits is the pensionable pay for as much of the final pay period which he/she can count as active membership in the final employment.

The final pay period is normally the 12 months or 52 1/5 weeks ending on the day the pensionable employment ends. However, if the active membership in the final employment is a shorter period, then a pro-rata increase will be applied.

Any changes to the contractual hours or weeks in the last 12 months prior to the date of leaving, will need to be provided.

The pensionable pay of either of the two preceding years can be used if this would result in a higher pensionable pay. You will be required to advise NILGOSC of the pensionable pays for the preceding years.

If a period of sick leave occurred in the last year with reduced or nil pay, pensionable pay is based on the notional pay the member would have received if he/she had been working normally.

Arrears paid during the year as a result of retrospective pay awards that relate to earlier years must not be included.

Fluctuating Emoluments: e.g. Performance Related Pay, Profit Related Pay, Honoraria, Election Fees.

An employer may also consent to a member using the average of any fluctuating emoluments received for any 3 consecutive years ending 31st March within 10 years of his last day as an active member. If this discretion is applied it must be in accordance with the employer's policy statement which will be verified by NILGOSC prior to the payment of benefits.

Section 6 - CARE pay – to be completed for all members with Post 31 March 2015 membership

The pensionable pay used to calculate the pension is the pensionable pay received in the Scheme year (1 April to 31 March) and not the pay due during that period. It should therefore include any payment of arrears or other payments which are paid in the current year. However, any pensionable pay received after 31st March 2015 that relates to a period prior to 1 April 2015 should not be included in the pensionable pay calculation. The value of the pensionable pay and contributions should be noted in the relevant part in section 8.

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Pensionable pay is the total of all the salary, wages, fees and other payments paid to the employee and any benefits specified in the employee's contract of employment as being a pensionable emolument, including overtime and payments for additional hours.

Section 7 - Assumed Pensionable Pay – if applicable to be completed for all members with Post 31 March 2015 membership

Assumed pensionable pay (APP) must be used when a member is:

- on leave due to sickness or injury and is on reduced contractual pay or no pay
- on child-related leave (except additional unpaid maternity/paternity/adoption leave)
- absent on reserve forces service leave (does not apply if they qualify for any other occupational pension scheme in relation to that employment)

It is calculated as the average of the pensionable pay the member received for the 12 weeks (or 3 months if monthly paid) prior to the pay period in which the relevant leave commenced.

This figure is then grossed up to an annual figure and then divided by the period of time the member was on reduced pay or no pay for sickness or injury or on relevant child related leave or reserve forces service leave.

The Annual Assumed Pensionable Pay is used to calculate the enhanced benefits awarded on ill-health retirement and death in service. It is calculated as the average of the pensionable pay the member received for the 12 weeks (or 3 months if monthly paid) prior to the date of leaving or death.

APP calculation sheets are available from our website. Worked examples have also been provided which may help. A completed APP calculation sheet must accompany this LGS15 if APP is applicable.

Section 8 – Contributions Record – to be completed for all leavers

a) Pensionable Pay and the Pension Contributions deducted in the financial year to date of leaving.

If a member moves from the Main Section to the 50/50 Section (or vice versa) in the financial year to date of leaving, the cumulative pensionable pay and contributions should be completed for each section.

Where anomalies exist between section 6 and section 8 please explain these. If pension contributions have been taken on pay relating to membership before 1 April 2015, please detail these in terms of the pay and contributions taken.

b) Pensionable Pay and Pension Contributions deducted in the previous financial year

If a member leaves the Scheme at the beginning of a new financial year (all leavers during April) it is very likely that we will not have received your annual return for the previous year. You must therefore also complete this section and as above if the member moved from the Main Section to the 50/50 Section (or vice versa) in that financial year, the cumulative pensionable pay and contributions should be completed for each section.

Please ensure that the form is fully completed and signed before returning to NILGOSC within the timescales noted on page one of these guidance notes.