# Letter B – to be issued to eligible jobholders who are being automatically enrolled into NILGOSC under the automatic enrolment rules

*[Please note: The elements that are required by law are shown in blue]*

[Insert Date]

## Northern Ireland Local Government Pension Scheme – A change in the law that affects you

Dear

To help you save more for your retirement, the government now requires employers to enrol their workers who meet the following criteria into a workplace pension scheme:

• earn over £10,000 a year (or pro-rata per pay period),

• are aged 22 or over, and

• are under State Pension Age.

The Northern Ireland Local Government Pension Scheme (LGPS (NI)) is a qualifying pension scheme which meets the Government’s standards and is an extremely valuable and important part of your employment package.

We are therefore enrolling / We have therefore enrolled [*select as appropriate*] you into the LGPS (NI) on [*insert automatic enrolment date*] in your post as [*enter name of post – if the person participates in the LGPS (NI) in more than one post with the employer, enter the titles of all the posts*].

You can choose to opt out of the Scheme if you want to, but if you stay in you will have your own pension when you retire.

Once a year you will get a statement indicating how much your pension has built up to help you plan for retirement.

Please find enclosed the NILGOSC Pension Guide outlining the benefits of joining the Scheme. For more information about the Scheme a Members’ Guide is available directly from NILGOSC, or can be viewed at www.nilgosc.org.uk

The contact details for NILGOSC are as follows:

NILGOSC, Templeton House, 411 Holywood Road, Belfast BT4 2LP

Tel: 0345 3197 325

Email: autoenrolment@nilgosc.org.uk

Web: [www.nilgosc.org.uk](http://www.nilgosc.org.uk)

### Why is this happening?

In an effort to encourage more people to save for their retirement, the government has introduced legislation requiring employers to automatically enrol their workforce into a pension scheme. The full basic State Pension for those who reached state pension age prior to 6th April 2016 in 2024/25 is £169.50 a week. For those who reached state pension age on or after 5th April 2016 the full new state pension is £221.20 in 2024/25.

The state pension will only provide for a very basic standard of living in retirement, and so the Government is encouraging people to save more for their retirement so they can enjoy a more comfortable and financially secure retirement.

Requiring employers to enrol their eligible workers automatically into a scheme will make it easier for people to start saving.

### What does this mean for you?

Your contribution rate depends on how much you are paid, but it will be between 5.5% and 10.5% of your pensionable pay. We will also contribute to the LGPS on your behalf, with our employer contribution rate being determined at each triennial valuation of the pension fund by NILGOSC’s appointed actuary. Our current contribution rate is …% [*enter employer contribution rate*] of your pensionable pay.

Employee contribution tables for 2024/25

|  |  |
| --- | --- |
| **Pensionable Pay** | **Employee Contribution Rate** |
| Up to £18,000 | 5.5% |
| £18,001 to £27,700 | 5.8% |
| £27,701 to £46,300 | 6.5% |
| £46,301 to £56,300 | 6.8% |
| £56,301 to £111,700 | 8.5% |
| More than £111,700 | 10.5% |

Notes:

1. The pensionable pay figures will be increased annually in line with the cost of living.

2. [*If the employer’s policy differs from this approach, please enter appropriate wording relating to your policy*]

We may revise your contribution rate if there is a material change which affects your pensionable pay. As it is an employer decision, based on an employer policy, NILGOSC cannot take queries about contribution bandings on behalf of employers.

Your contributions to the LGPS (NI) will be deducted from the pensionable pay you receive each pay period. You will receive tax relief on these contributions through the net pay arrangements. This means you do not need to do anything to get the tax relief paid into your pension, it will happen automatically.

### What you need to do now

**If you want to stay in the pension scheme**, you do not need to do anything, you will receive your membership details from NILGOSC shortly.

**If you want to stay in the pension scheme but feel you cannot afford to make full contributions**, you could initially join the main section of the scheme but then elect to move to the 50/50 section. The 50/50 section of the scheme allows you to pay half your normal contributions and build up half your normal pension during the time you are in that section.

This flexibility may be useful during times of financial hardship and it allows you to remain in the Scheme building up valuable benefits, as an alternative to opting out. You may also opt back in to the main section whenever you wish. More information on this can be found in NILGOSC’s Member Guide and a 50/50 election form is available from [www.nilgosc.org.uk](http://www.nilgosc.org.uk).

**If you want to opt out of the pension scheme** you have the right to opt out of the LGPS (NI) at any time, however if you opt out during the ‘opt out period’ which is within 3 months from the date you were enrolled into the Scheme, you will be treated as never having been an active member.

Furthermore, if you opt out during the first two years of membership you will receive a refund of any of your contributions, less deductions. If you opt out after two years your contributions will remain in the Scheme and, unless you transfer the benefits to another pension arrangement, will be payable on retirement from your Normal Pension Age. This is the same as your state pension age. You can retire from age 55 onwards and draw a reduced pension.

Please note that if you are one of the small number of people who have opted out and ceased accrual of benefits in order to obtain Enhanced Protection, Fixed Protection 2012, Fixed Protection 2014 or Fixed Protection 2016, if you are automatically enrolled and are accruing benefits this protection will be lost. You will therefore have to opt out as soon as possible and in any event within 3 months to retain your protection

Should you decide to opt out; an Opt-out Notice can be obtained from NILGOSC:

• Download the Opt-out Notice from [www.nilgosc.org.uk](http://www.nilgosc.org.uk)

• Email optout@nilgosc.org.uk

• Telephone NILGOSC on 0345 317 7325

Section A of the Opt-out Notice should be returned to [enter employer’s address]. Section B and C should be returned to NILGOSC.

The Opt-out Notice should be signed by you or, if submitted electronically you must type your name into the signature box on the form. If you have multiple jobs we will assess each job separately. If this is the case you have the option to opt out of the Scheme for one position and stay enrolled in the Scheme for the other. Alternatively you can opt out of the Scheme in all jobs.

### If I opt out, can I re-join the LGPS (NI) at a later date?

Yes. Should you decide at any time to opt out, you have the right to rejoin the LGPS (NI) from the beginning of the next available pay period as long as you are still eligible. To do so, contact [insert who to contact] in writing by sending a signed letter or if sending it electronically it has to contain the phrase “I confirm I personally submitted this notice to join the LGPS (NI)”. [*Insert instructions on where to send the letter/email, or how to find and submit an e-form, as appropriate*].

Please note that if you opt out at a later date you cannot choose to combine your benefits.

### Regular re-enrolment

Anyone who opts out or stops making payments will be automatically re-enrolled back into the pension scheme on the ‘re-enrolment date’ (usually every three years), provided you are still eligible or unless we choose not to automatically re-enrol you because:

a) You have opted out of the LGPS (NI) less than 12 months prior to the re-enrolment date,

b) Notice to terminate your employment has been given before the end of the period of 6 weeks beginning with re-enrolment date,

c) We have reasonable grounds to believe you have applied for and, on the re-enrolment, date have Primary Protection, Enhanced Protection, Fixed Protection 2012, Fixed Protection 2014, Fixed Protection 2016 or Individual Protection.

 The “re-enrolment date” is a date chosen by us and will be within a period of 3 months of every third anniversary of the staging date, we will contact you when re-enrolment occurs, and you can opt out again if you wish. Please remember to keep us informed of any change in your home address so that we can contact you when necessary.

### A commitment from us

If you are under 75, work or usually work in the UK, and earn over £6,240 a year, we must continue to maintain your membership with the LGPS (NI) (unless you choose to opt out or cease to be eligible), and we must ensure the Scheme continues to meet certain government standards.

If your membership of the Scheme ends (and it is not because of something, you do or fail to do) we must by law put you into another scheme that meets the government standards straightaway.

### Where to go for further information

For further information on the Northern Ireland Local Government Pension Scheme please visit: [www.nilgosc.org.uk](http://www.nilgosc.org.uk).

If you have any questions about the Scheme, please contact the pensions administration team on 0345 3197 325 or email autoenrolment@nilgosc.org.uk.

If you have any other queries, including any queries about your contribution rate, please contact [*insert contact details of appropriate person in your organisation*]

For more general information about pensions and saving for later life please visit [www.gov.uk/workplacepensions](http://www.gov.uk/workplacepensions).

### Right of Appeal

*[insert details of your appeal process]*

Yours sincerely

*[Insert name of signatory]*