

NILGOSC PENSION GUIDE

LOCAL GOVERNMENT PENSION SCHEME (NORTHERN IRELAND)

HELPING YOU PLAN FOR YOUR
INCOME IN RETIREMENT



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Getting retirement right

For most people, retirement will only come around once. That's why it's important to take the time now to make sure your income in retirement meets your future needs.

This guide will help you make sense of your workplace pension, the Local Government Pension Scheme (Northern Ireland), (LGPS (NI)), and the options available to you.

The national minimum pension age, the earliest age you can access your pension benefits, will be increased from age 55 to age 57 from 6 April 2028.



WHAT IS A PENSION?

A pension is a long-term, tax-efficient way of saving for your retirement. Contributions are made directly from your pay, providing you with an income later, when you wish to work less or retire.

Can I have more than one pension?

Yes, there are several types of pension.

What is a Workplace Pension?

A workplace pension is a pension scheme provided by your employer. Both you and your employer pay into it. It exists in addition to your State Pension. The LGPS (NI) that you are contributing to is an example of a workplace pension scheme.

What is a State Pension?

This is funded and paid for by your National Insurance (N.I.) contributions, and paid to you by the UK government at your State Pension Age. How much you receive depends on the number of years that you have made N.I. contributions.

What is a Private Pension?

This is a personal pension pot that you set up yourself. The value of this type of pension depends on the contributions you make, the investment growth and the investment period.

Useful terms to know in the LGPS (NI)

Pensionable Pay

Pensionable pay is the total of your salary, wages and payments on which pension contributions are based. It includes basic pay, overtime, additional hours, shift allowance, maternity pay, paternity pay, adoption pay, shared parental pay and any other taxable benefit specified in your contract as being pensionable. Your employer tells us what your pensionable pay is.

Tax

The LGPS (NI) is a tax-registered scheme and was contracted-out up to April 2016.

THE ROAD TO RETIREMENT

Here we have collected some common questions about pensions, with helpful information which you might find useful.

WHO IS NILGOSC?

NILGOSC is the public body that operates the LGPS in Northern Ireland.

How do I join the LGPS (NI)?

If you are employed on a contract of more than three months you will automatically become a member of the LGPS (NI).

If you have been employed for less than three months and would like to join the LGPS (NI) you need to speak to your Salaries and Wages Department. In some cases you may be automatically enrolled by your employer in line with government regulations.



OPEN OUT THE CENTRE SPREAD
TO CONTINUE YOUR JOURNEY



I have contributed to a pension as a member of another workplace pension. Can I transfer the benefits built up there into my LGPS (NI) pension?

Yes, you will usually be able to transfer benefits that you have built up in another pension and add them to your benefits in the LGPS (NI). This transfer must be accepted within 12 months from the date you first join the LGPS (NI). Some conditions apply.



How much will paying into the LGPS (NI) cost me?

The cost to you depends on how much you earn over a year. The more you earn, the more you will contribute towards your LGPS (NI) pension.

The table below shows the percentage that members pay depending on their pensionable pay.

Pensionable pay**	Your contribution rate
£0 - £18,000	5.5%
£18,001 – £27,700	5.8%
£27,701 – £46,300	6.5%
£46,301 – £56,300	6.8%
£56,301 – £111,700	8.5%
More than £111,700	10.5%

**2024/25 pay ranges. These ranges are revised each year.

Your employer also contributes towards the cost of providing your pension benefits. Most employers currently pay 19%. A percentage of your pay is put into the Scheme every pay day.



Example:

Someone earning £15,000 a year will pay contributions at 5.5% (£68.75 per month before tax relief). You will receive tax relief on your contributions.

How can I calculate the current and future value of my LGPS (NI) pension?

This will depend on your pay level and how long you have paid into the LGPS (NI). Each year you contribute, you will build up 1/49th of your pay. The total you build up will change every year with the cost of living. The following example assumes no cost of living increases.

Example:

Someone earning £15,000 a year will build up

Year 1 $£15,000 \times 1/49 = £306.12$

Year 2 $£15,000 \times 1/49 = £306.12$

Total after 2 years = £612.24 annual pension

I don't feel like I can pay the full amount. What are my options?

You have the option to join the '50/50' section. This means you will pay half the contributions and build your pension pot at half the rate (1/98th) of the main section. You can rejoin the main section at any time.

You would build up 1/98th of your pay as your annual pension for every year that you are in the '50/50' section. The following example assumes no cost of living increases.

Example:

Someone earning £15,000 a year will build up

Year 1 $£15,000 \times 1/98 = £153.06$

Year 2 $£15,000 \times 1/98 = £153.06$

Total after 2 years = £306.12 annual pension

They will pay contributions at 2.75% (£34.38 per month before tax relief).

Can I top-up my pension by making more payments?

Members can top-up their pension by making additional voluntary contributions (AVCs) through our AVC provider, Prudential.*

Members may also make additional pension contributions (APCs) through the LGPS (NI) to buy extra pension.

* It should be noted that the value of your AVC fund will depend on the on the amount you have paid in, the performance of the investments and on the age at which you access the benefits. The value can go down as well as up.



How can I stay informed?

Pension Benefit Statements

Each year that you are a member of the LGPS (NI) you will receive a benefit statement. This shows you the estimated value of your pension based on your Normal Pension Age. **Please remember to check this statement and let us know about any incorrect information.**

Keep us up-to-date

Make sure that you let us know if you move house, change email address or phone number, get married, enter a civil partnership or if any of your personal details or circumstances change. You can download a 'Change of Circumstances' form from the members' section of the website and forward it to us, or contact us directly using the details on the back page.

My NILGOSC Pension Online

We have an online service that allows you to see a simplified version of your pension record, tell us about changes to your home address, telephone number or email address, update your death grant expression of wish, contact us with a query and view important documentation. You can access this service on <https://members.nilgosc.org.uk/>



When can I receive my LGPS (NI) pension?

As a member of the LGPS (NI) you can retire from your job and access your pension between age 55* and 75. Your pension is paid monthly and it will go up each year in line with the cost of living. At retirement you may choose to give up some pension to take an amount as a lump sum. You may also transfer your LGPS (NI) pension to another pension fund (providing it is more than one year before your Normal Pension Age).



below
55yrs

If you have left the LGPS (NI) and you are under age 55*:

- You have the choice to wait and take your pension between age 55* and 75 as below.
- Alternatively, you may wish to transfer the value of your pension into another scheme. You may need to take independent advice before transferring your benefits.
- If you have been a member of the LGPS (NI) for less than two years you may be entitled to a refund of the contributions you have paid, less tax.



- If you take your pension between age 55* and your Normal Pension Age the benefits you receive may be reduced because we will be paying benefits to you over a longer period of time.



- You will receive your full pension at or after your Normal Pension Age. Your Normal Pension Age is the same as your State Pension Age. You can find out your State Pension Age at www.gov.uk/check-state-pension.



- If you take your pension after your Normal Pension Age your pension will be increased because it will be paid later.

How do I leave the LGPS (NI)?

You can leave the LGPS (NI), sometimes called opting out, at any time by giving your employer notice in writing. Your opt-out will take effect from your next pay period. You could instead consider the '50/50' section which allows you to build up your pension pot at half the rate.

Can I re-join the LGPS (NI)?

Yes, we will write to you giving you the option of combining your old and new benefits. If you opt out and then rejoin, you cannot combine your old and new benefits. If you are due a refund, we will automatically combine this with your new benefits. Some conditions apply.

*The national minimum pension age, the earliest age you can access your pension benefits, will be increased from age 55 to age 57 from 6 April 2028.

THE BENEFITS TO YOU AND YOUR FAMILY OF HAVING A WORKPLACE PENSION

The LGPS (NI) is a workplace pension. As a member, the benefits for you and your family include:

Pension

Paid to you in retirement, including on redundancy and ill-health.

Lump Sum

Payable to your beneficiary if you die.

Survivors' Pensions

Payable to your civil partner, spouse or eligible cohabiting partner and eligible children.

For more information visit the website www.nilgosc.org.uk to read our Member Guide.

Before making decisions that could affect the financial future of you and your family, such as not staying in the LGPS (NI) or transferring to another scheme, it is important that you consider taking independent financial advice.



Can I take my pension and continue working?

If you reduce your hours or move to a less senior job at age 55* or after you can, providing your employer agrees and you have two years membership, receive some or all of the pension you have built up. In addition, you can continue paying into the LGPS (NI) until you retire completely. Your pension may be reduced as it is being paid early.

I may have to retire early due to ill-health. How does this affect my pension?

If you leave your job early because of ill-health you may be entitled to an ill-health pension. To qualify for this you must have been a member of the LGPS (NI) for two years, be permanently unable to do your job and have a reduced likelihood of doing any other job before your Normal Pension Age.

What happens if I am made redundant?

If you are under age 55* and made redundant, you have the same entitlement as members who have left the LGPS (NI) before age 55* (see page 8).

If you are aged 55* or over and have been a member of the LGPS (NI) for two years, your pension will be paid immediately to you without a reduction. Additional benefits such as pension bought by additional pension contributions will be paid at a reduced rate.

If I die, will my LGPS (NI) pension help support my family?

Yes, there are a number of benefits payable if you die. These include:

A Lump Sum

A lump sum of three years pay is payable if you die in service. You can say who you would like to receive this and we will take your wishes into account.

Survivors' Pensions

A pension is payable to your civil partner, spouse or eligible cohabiting partner for the rest of their life. Children's pensions are payable to any eligible children.

*The national minimum pension age, the earliest age you can access your pension benefits, will be increased from age 55 to age 57 from 6 April 2028.

Remember

You can say who you would like to receive the lump sum payable on your death. You can do this via your My NILGOSC Pension Online account or download an 'Expression of Wish' form at www.nilgosc.org.uk.



QUESTIONS AND COMPLAINTS

If you have a question about your membership or a complaint, please contact us. We will answer your question or correct any errors as quickly as possible.

If you are still dissatisfied, NILGOSC has two distinct processes in place to deal with complaints. The appropriate process will depend on the nature of your complaint.

Complaints relating to the application of Scheme Regulations are dealt with under the **Internal Dispute Resolution Procedure (IDRP)**.

Complaints relating to dissatisfaction about NILGOSC's action, lack of action, or about the standard of service provided by NILGOSC are dealt with under **Service Delivery Complaints**.

Further information on how to make a complaint can be found on our website <https://nilgosc.org.uk/about-us/complaints-compliments/>.

If you are still unhappy you can take your complaint to the Pensions Ombudsman free of charge:

The Pensions Ombudsman

10 South Colonnade, Canary Wharf, E14 4PU

Tel: 0800 917 4487 **Web:** www.pensions-ombudsman.org.uk

Email: enquiries@pensions-ombudsman.org.uk

If you have general requests for information and guidance on your pension you can contact:

MoneyHelper

120 Holborn, London, EC1N 2TD

Tel: 0800 011 3797 **Web:** www.moneyhelper.org.uk

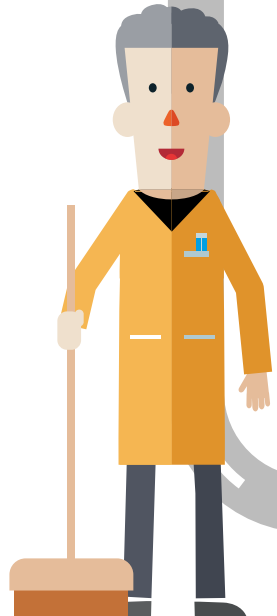
An online chat facility and online enquiry form is available through the above website

The Pensions Regulator

Telecom House, 125-135 Preston Road, Brighton, BN1 6AF

Tel: 0345 600 7060 **Web:** www.thepensionsregulator.gov.uk

Regulates workplace pension schemes to make sure they are run properly so that people can save safely for their later years.



WHERE CAN I FIND OUT MORE INFORMATION?

This is a simple guide that cannot cover all the benefits and conditions of the LGPS (NI).

If you would like more information you may wish to read the more detailed Member Guide. You can get a copy of the Member Guide on our website or by contacting our Pensions Administration team by any of the below methods:

Web: www.nilgosc.org.uk

Email: info@nilgosc.org.uk

Phone: 0345 3197 325

Typetalk (for minicom users): 18001 0345 3197 325

Fax: 0345 3197 321

Postal address:

NILGOSC

Templeton House, 411 Hollywood Road, Belfast, BT4 2LP

Visit NILGOSC

Our offices are open Monday to Friday, from 9am to 5pm. Please contact us in advance of visiting our office to ensure that a meeting room is available. The office is closed on public and statutory holidays.

Alternative Formats

Information produced by NILGOSC can be made available in several formats (such as large print, in Braille, on audio disc) and languages. Please contact us for more details.

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