



LEAVING THE LOCAL GOVERNMENT PENSION SCHEME (NI) BEFORE RETIREMENT

A GUIDE FOR MEMBERS



Contents

Leaving – What are my Options?	3
How are my deferred benefits worked out?	5
Life Cover	12
Transferring deferred benefits	18
Changing Jobs	20
HMRC Tax Rules	22
Further Information	24
Help with Pensions Problems	25
Definition of Terms	28
Contact Details	32



This guide describes the options that you have if you are leaving the Scheme before retirement. It also provides general information on your pension. You can find more information on our website at <https://nilgosc.org.uk/deferred-members/>.

This guide is for general information only and cannot cover every personal circumstance. If there is any dispute over your pension benefits, the appropriate pension legislation will apply. This guide does not give you any contractual or legal rights and is provided for information purposes only.

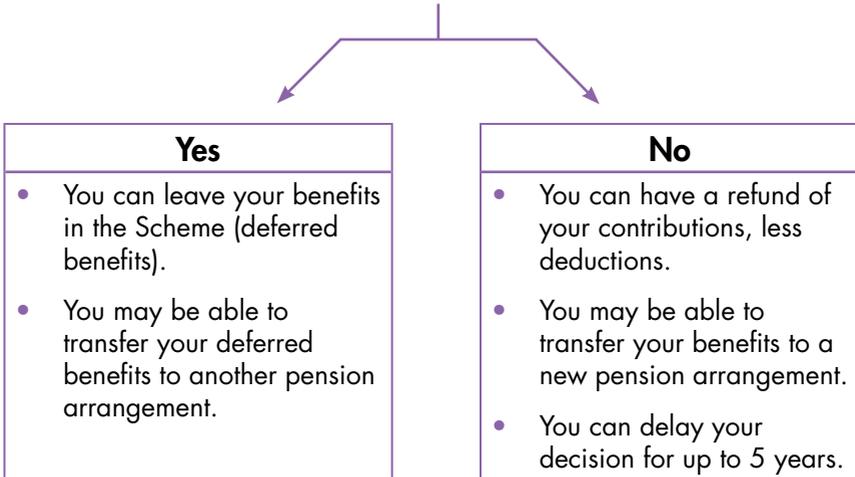
Leaving – What are my Options?



If you leave the Scheme before you can retire, your options depend on if you have at least two years' membership in the Scheme. This includes any pension you have transferred into the Scheme which takes you over the two-year limit.

Your options simplified

Do you have two years membership in the Scheme?



Leaving your benefits with us

If you decide to leave your benefits with us, you will have what are known as deferred benefits. We will keep them in the Scheme until you decide to retire or transfer them to another pension scheme.

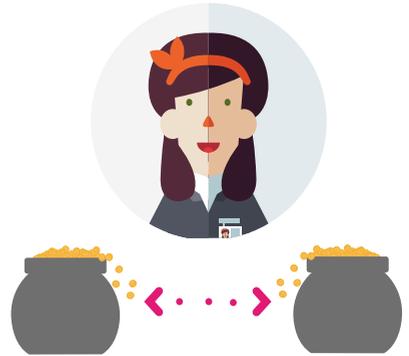
Your deferred benefits consist of an annual pension, payable for the rest of your life, plus an option on retirement to exchange some of this pension for a one-off tax-free lump sum. It also includes a survivor's pension, life cover and financial protection for your family.

Transferring your benefits to another pension scheme

You can apply to transfer your benefits to another pension scheme as long as:

- you have been in the Scheme for at least 3 months,
- you are more than 12 months from your normal pension age (this does not apply to transferring any AVCs), and
- you have not retired due to redundancy, business efficiency or ill-health.

More information on transferring your benefits can be found on page 18.



Refunds

If you choose to receive a refund this will include any pension contributions, Additional Pension Contributions (APCs) and Additional Voluntary Contributions (AVCs) (other than AVCs paid for additional life cover) you have paid. If you transferred any pension into the Scheme it will also include any contributions you paid relating to that transfer (if they were refundable under that arrangement).

When you originally paid your pension contributions you received tax relief on them. This tax relief will be deducted from any refund you receive. If your refund is not paid within one year of you leaving the Scheme, interest will be added to this amount.

Usually your refund must be paid within five years of you leaving the Scheme (or age 75 if earlier). In certain circumstances it may be paid out after this time, at NILGOSC's discretion. Your refund must be paid out by age 75.

You cannot have a refund if:

- you rejoin the Scheme within a month and a day of leaving, or
- you rejoin the Scheme before the refund has been paid, or
- you are a member of the Scheme in another job.

How are my deferred benefits worked out?



How your pension benefits are worked out depends on when you were a member of the Scheme. If you have membership before and after 1 April 2015, separate calculations will need to be completed for each stage of your membership.

Membership after 31 March 2015

Each year, if you were in the main section of the Scheme 1/49th of your pensionable pay was added to your pension account (or 1/98th if you were in the 50/50 section) plus a revaluation amount so that your pension keeps up with the cost of living.



Example:

John earns £22,000 a year.

Year 1: $£22,000 \div 49 = £448.98$ (plus cost of living increase) added to his pension account.

Membership between 1 April 2009 and 31 March 2015

Your annual pension is calculated as:

Membership between 1 April 2009 and 31 March 2015 x final pensionable pay \div 60



Example:

Mary earns £22,000 a year and has 1 year of membership between 2009 and 2015.

Annual pension: $1 \text{ (year)} \times £22,000 \div 60 = £366.66$

Membership before 1 April 2009

Your annual pension is calculated as:

Membership up to 31 March 2009 x final pensionable pay \div 80

Your automatic lump sum is calculated as:

Membership up to 31 March 2009 x final pensionable pay x 3 \div 80

Membership built up after 31 March 2009 does not include an automatic lump sum, however you have the option to exchange some of your annual pension for a one-off tax-free lump sum at retirement. Currently, you receive £12 lump sum for each £1 of annual pension given up. You can take up to 25% of the capital value of your pension benefits as a lump sum.

Example:



Peter earns £22,000 a year and has 1 year of membership before 2009.

Annual pension: 1 (year) x £22,000 \div 80
= £275

Lump sum: 1 (year) x £22,000 x 3 \div 80 =
£825

Example for a member who was in the Scheme before April 2009 and left after April 2015

Joanne left the Scheme in April 2020 and became a deferred member. She had been a member of the Scheme since April 2000 meaning that she has 9 years' membership before April 2009, 6 years' membership between 2009 and 2015 and 5 years' membership in the main section of the 2015 Scheme.

When Joanne left the Scheme in April 2020 she was earning £22,000 per year, and her salary had not changed since 1 April 2015. Her pre 1 April 2015 membership is calculated on her final salary when she left the Scheme. The rate of revaluation will vary each year, however for this example it is set at 2% each year. From 1 April 2023 the date of revaluation changed from 1 April to 6 April.

Joanne's pension is worked out in 3 stages as follows:



1 Membership before April 2009

Annual pension: $9 \text{ (years)} \times \text{£}22,000 \div 80 = \text{£}2,475$

Lump sum: $9 \text{ (years)} \times \text{£}22,000 \times 3 \div 80 = \text{£}7,425$

2 Membership between April 2009 – March 2015

Annual pension: $6 \text{ (years)} \times \text{£}22,000 \div 60 = \text{£}2,200$

3 Membership from April 2015 – 2020

New pension savings per year - $\text{£}22,000 \div 49 = \text{£}448.98$

Table 1: Pension build up over five years

Year	Opening Balance	New Pension Savings	Total Pension Savings	Revaluation of 2%	Closing Balance
Year 1	£0 +	£448.98 =	£448.98 +	£8.98 =	£457.96
Year 2	£457.96 +	£448.98 =	£906.94 +	£18.14 =	£925.08
Year 3	£925.08 +	£448.98 =	£1,374.06 +	£27.48 =	£1,401.54
Year 4	£1,401.54 +	£448.98 =	£1,850.52 +	£37.01 =	£1,887.53
Year 5	£1,887.53 +	£448.98 =	£2,336.51 +	£46.73 =	£2,383.24

Total pension: **£2,383.24** per year

Joanne's total annual pension can be calculated by adding these three totals together:

$$\text{£}2,475 + \text{£}2,200 + \text{£}2,383.24 = \text{£}7,058.24$$

As Joanne has membership before 2009 she will also receive an automatic lump sum of: **£7,425**



Additional Pension Contributions (APCs)

These will stop when you leave the Scheme and you will be credited with the extra pension you have paid for.

Buying extra years in the Scheme (Added Years)

You will be credited with the extra period of membership that you have paid for when you leave the Scheme. The extra benefits will be calculated on the same basis you had agreed to buy them.



Additional Voluntary Contributions (AVCs) through the in-house AVC arrangement

You cannot continue to pay in-house AVCs after you leave the Scheme, however the value of your AVC fund will continue to be invested until it is paid out. As you are no longer paying into your AVC any extra life cover paid for through AVCs will stop.

Your AVC plan is similar to your main Scheme benefits in that it can be transferred to another pension arrangement, or taken at the same time as your Scheme benefits. If you transfer your main Scheme benefits to another pension arrangement, you can choose whether to also transfer your AVC.

If you wish to transfer your AVC to another pension scheme, contact NILGOSC to check if a transfer is possible and to begin the process.

Paying additional contributions to buy extra cohabiting partner's survivor pension

If you are paying additional contributions to buy extra pension for your cohabiting partner, the period of your membership before 5 April 1988 covered by your contract will be included in the calculation of any survivor's pension payable to an eligible cohabiting partner on your death.

How does a Pension Sharing Order affect my deferred benefits?

If your benefits are subject to a Pension Sharing Order following divorce or dissolution of a civil partnership, or are subject to a qualifying agreement in Scotland, they will be reduced in accordance with the Court Order or agreement.

Payment of your deferred benefits

How and When your Pension is Paid

Your deferred benefits are normally payable at your Normal Pension Age. This is the same as your State Pension Age (but with a minimum of age 65). Your benefits can be paid earlier or later in certain circumstances.

We will issue retirement claim forms to your home address approximately three months before your benefits are payable, so it is important that you keep us up to date with your contact details. Please complete and return these claim forms to us at least two months before your benefits are due to be paid.

Early payment of deferred benefits at your request

You can choose to take your deferred benefits early from age 55¹, however they will normally be reduced as your pension will be paid for longer. The reduction is based on government guidance and depends on the length of time between the date your benefits are paid and your Normal Pension Age. You do not need your former employer's permission to take your benefits early.

Number of years paid early	Pension Reduction	Lump Sum Reduction
0	0%	0%
1	5%	2%
2	10%	3%
3	14%	5%
4	18%	7%
5	21%	8%
6	25%	10%
7	28%	11%
8	31%	13%
9	34%	14%
10	36%	16%
11	40%	16%
12	42%	16%
13	45%	16%

¹ The earliest age you can access your pension will be increased from 55 to 57 from 6 April 2028. At this stage we do not know what protections from this change, if any, will apply to members of the Scheme.

As automatic lump sums were removed from the Scheme on 1 April 2009 and due to the protections in place regarding NPA, a lump sum is paid from age 65 without reductions i.e. the early retirement reductions cannot exceed those that apply for 10 years early.

If you built up pension in the Scheme before 1 April 2015 these benefits may have an earlier payment date than your Normal Pension Age.

If you were a member of the Scheme on 30 September 2006, some or all of your benefits paid early may not be reduced if you have Rule of 85 protections.

Your former employer can agree to waive any reduction - you can ask them what their policy is on this.

Ill-health retirement

You can apply for early payment of your deferred benefits at any age, without reduction if, because of your health:

- you would be permanently incapable of doing the job you were working in when you left the Scheme, and
- you have a reduced likelihood of being capable of undertaking any gainful employment before reaching Normal Pension Age.



Gainful employment is paid employment for at least 30 hours per week for a minimum period of 12 months.



You will need to submit recent and relevant medical evidence to NILGOSC and attend an appointment with one of NILGOSC's independent doctors. The doctor will assess your eligibility for ill-health retirement.

Different rules may apply to ill-health retirement if you left the Scheme before 1 April 2015.

Delaying payment of your deferred benefits

If you left the Scheme after 5 April 2006 you can choose to delay payment of your benefits until after your Normal Pension Age. Your pension will be increased for each day payment is delayed. If you have a Guaranteed Minimum Pension (GMP) element this must be paid at age 60 (women) or age 65 (men) unless you are still in employment at that time and agree to postpone payment. Your pension must start to be paid before your 75th birthday.

Can my deferred benefits be reduced or forfeited?

Your employer can reduce your pension benefits if you are no longer employed because of a criminal, negligent or fraudulent act or omission resulting in you incurring some monetary obligation to them. They can also forfeit your pension rights if you have been convicted of a serious offence connected with your employment and the Department for Communities agrees to the forfeiture.

Can I assign my Scheme benefits to someone else?

No. Your Scheme benefits are strictly personal and they cannot be assigned to anyone else or used as security for a loan.

Do deferred benefits keep up with the cost of living?

Yes. After you leave the Scheme, your total deferred benefits will be increased each year in line with Pension Increase Orders. Even if cost of living measures are negative, your pension will not be reduced. Your pension will also increase each year once it is in payment to you.

In the year you leave the Scheme your benefits may be revalued in two parts as cost of living adjustments are calculated differently depending on if you are paying into the Scheme that year or if you have left (deferred or pensioner member).

Your pension up to your date of leaving (for membership from 1 April 2015 only) is revalued based on the UK Consumer Prices Index. This means that if the cost of living measured in that year has gone down it is possible that the value in your pension account could reduce.

If you retire before age 55² because of ill-health and you are considered permanently unfit for any regular full-time employment, your benefits will be revalued each year in line with the cost of living. Otherwise, you are paid at a flat rate until age 55. Once you reach this age your pension will be increased to the level it would have been had it been revalued each year by the rise in the cost of living since your date of leaving. However, no arrears are payable.

² The earliest age you can access your pension will be increased from 55 to 57 from 6 April 2028. At this stage we do not know what protections from this change, if any, will apply to members of the Scheme.

Life Cover

What will happen if I die before receiving my deferred benefits?

If you leave the Scheme with deferred benefits after 31 March 2015 and die before receiving them, the following benefits are usually paid:

- A lump sum death grant, and
- Survivor's pensions, if applicable.

If you also have active membership in the Scheme, only the higher death grant is paid – not both.

Lump sum death grant

The lump sum payable depends on if you have any other active or deferred pensions in the Scheme.

1

If you have no other pensions with us, a lump sum death grant of 5 times your deferred pension is paid.

2

If you have deferred benefits and are also an active member of the Scheme when you die, the higher of the following benefits will be paid:

- A lump sum death grant of 5 times your deferred pension, or
- A death in service lump sum of 3 times your assumed pensionable pay.

3

If you leave with deferred benefits and also have deferred benefits from an earlier period of membership, then all the death grants below are payable:

- A lump sum death grant of 5 times your deferred annual pension for deferred benefits awarded after 1 April 2015, plus
- A lump sum death grant of 5 times your deferred annual pension for deferred benefits awarded between 1 April 2009 and 31 March 2015, plus
- A lump sum death grant of 3 times your deferred annual pension for deferred benefits awarded before 1 April 2009.

Usually the death grant will be paid directly to your nominated beneficiary. However, in some cases NILGOSC may pay the death grant to your personal representatives.

Death Grant Expression of Wish Form

You can tell us who you would like your death grant (and any death benefits from your AVC arrangement) to be paid to through your My NILGOSC Pension Online account, under 'Manage beneficiaries'. Alternatively you can download an Expression of Wish form from our website <https://nilgosc.org.uk/deferred-members/keep-us-updated/> and return it to us.

NILGOSC retains absolute discretion when deciding who to pay any death grant to. The Government has announced its intention to make death grants of deferred members and pensioners within scope of inheritance tax from 6 April 2027.



Survivors' pensions

A survivor's pension will be paid to your spouse, civil partner or eligible cohabiting partner. This pension is payable immediately after your death for the rest of their life and will increase every year in line with the cost of living.

In a similar way to your standard pension benefit, a survivor's pension could be made up of different parts relating to your periods of membership.

Pension for Spouse or Civil Partner

For membership from 1 April 2015, the pension payable is equal to:

- your accrued pension for membership in the Scheme after 31 March 2015 recalculated as if it had built up at a rate of 1/160th, plus
- 49/160ths of the amount of any pension credited to your pension account following a transfer of pension rights into the Scheme from another pension arrangement.

For final salary membership before 1 April 2015, the pension payable is equal to:

- 1/160th of your final pay multiplied by the length of Scheme membership up to 31 March 2015 (including any additional membership purchased by you) upon which your deferred pension is based.

If you marry or enter into a civil partnership while your pension is deferred, the survivor pension is based on your membership after 5 April 1978, except where Regulation F11 of the 2000 Regulations applies, plus any relevant additional membership.



Pension for eligible cohabiting partner

For membership from 1 April 2015, the pension payable is equal to:

- your accrued pension for membership in the Scheme after 31 March 2015 recalculated as if it had built up at a rate of 1/160th, plus
- 49/160ths of the amount of any pension credited to your pension account following a transfer of pension rights into the Scheme from another pension scheme or arrangement.

For final salary membership before 1 April 2015, the pension payable is equal to:

- 1/160th of your final pay multiplied by the length of Scheme membership between 5 April 1988 and 31 March 2015 (including any additional membership purchased by you), upon which your deferred pension is based.

If your cohabiting partner was eligible before 1 April 2015 and you have paid additional contributions for this, your eligible cohabiting partner's pension will also include the period of your membership before 5 April 1988 covered by your contract.

Guaranteed Minimum Pension (GMP)

If your membership in the Scheme includes a Guaranteed Minimum Pension (GMP), the pension for a surviving female spouse of an opposite-sex marriage must not be less than half your GMP for that part of your membership before 6 April 1997. In any other case the surviving spouse or civil partners' pension for that part of your membership before 6 April 1997 must not be less than half your GMP built up after 5 April 1988.



Children's pensions

Any eligible children you have may receive a children's pension.

The amount of pension depends on the number of eligible children you have:

One child would receive:

- your accrued pension for membership in the Scheme after 31 March 2015 recalculated as if it had built up at a rate of $1/320$ th, plus
- $49/320$ ths of the amount of any pension credited to your pension account following a transfer of pension rights into the Scheme from another pension arrangement, plus
- $1/320$ th of your final pay multiplied by the length of Scheme membership up to 31 March 2015.

Two or more children would receive:

- your accrued pension for membership in the Scheme after 31 March 2015 recalculated as if it had built up at a rate of $1/160$ th, plus
- $49/160$ ths of the amount of any pension credited to your pension account following a transfer of pension rights into the Scheme from another pension scheme or arrangement, plus
- $1/160$ th of your final pay times the period of your Scheme membership up to 31 March 2015.

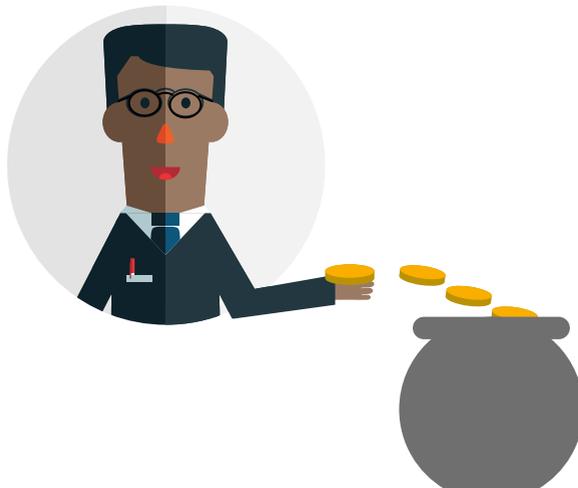
The pension would be shared equally between the eligible children. The pension in payment would increase each year in line with the cost of living.



Payment of Additional Regular Contributions (ARCs) to buy Scheme pension and dependants' benefits

Extra benefits will be payable to your spouse, registered civil partner or eligible cohabiting partner and to eligible children if:

- you were a member of the Scheme before 1 April 2015 and you paid additional regular contributions (ARCs) to buy extra Scheme pension, and
- you opted to pay for dependants' benefits when you took out your original contract.



Transferring deferred benefits

You can request to transfer your benefits to another pension scheme (including overseas) as long as it meets HM Revenue and Customs conditions.

There are a few rules including:

- You must confirm that you want the transfer to proceed at least one year before your normal pension age.
- You cannot transfer your benefits once they come into payment. This includes if you are made redundant and are over age 55³ as your benefits are paid automatically.
- If you have in-house Additional Voluntary Contributions (AVCs) you can transfer out your AVC fund with your main Scheme benefits, transfer out your AVC fund and keep your main Scheme benefits with us, or transfer out your Scheme benefits and keep your AVC fund with the in-house AVC provider.

Your new pension provider will require a transfer value quotation which we will guarantee for three months from the date of calculation. Your new pension provider can then advise you of the benefits the transfer will buy in their scheme.

If you wish to transfer your AVC to another pension scheme, contact NILGOSC to check if a transfer is possible and to begin the process.

If you wish to proceed with the transfer, you must complete the paperwork and return it to us within the three month guarantee period. You are only entitled to one transfer value calculation a year, so it is important that you reply within the deadline.

To protect you from pension scams the rules around pension transfers are strict:

- If NILGOSC decide that there are any pension scam risks associated with the transfer, we may require that you attend an appointment with MoneyHelper before the transfer can proceed. Depending on the level of risk we may stop the transfer.

³ The earliest age you can access your pension will be increased from 55 to 57 from 6 April 2028. At this stage we do not know what protections from this change, if any, will apply to members of the Scheme.



- If the total transfer value is more than £30,000 (excluding AVC's) and you want to transfer to a defined contribution scheme you must take appropriate independent advice at your own cost and provide us with evidence of this advice.
- If you wish to transfer to your new employer's pension scheme we will need information about your employment status.
- If you wish to transfer to an overseas pension scheme, we will need you to give us information on your employment or residency status.
- If the transfer value of all your benefits in the Scheme is less than £30,000 you are not required to formally take advice, however, you may wish to seek the help of an independent financial adviser before you commit to a transfer.

Transfers to public sector schemes usually give benefits that are similar to those in the Scheme, under what are known as Club transfer rules. To qualify for a Club transfer, you must apply for the transfer within 12 months of joining your new pension scheme and must not have had a break in membership of more than five years between leaving the Scheme and joining the new public service pension scheme.

Under certain circumstances which negatively impact the funding of the Scheme, we may temporarily reduce transfer values to defined contribution schemes.

Deciding whether to transfer your benefits out of the LGPS (NI) is a serious financial decision. Your pension with us is a guaranteed income at retirement. If you transfer your defined benefit pension to another type of scheme you will lose this guarantee, along with other Scheme benefits such as annual inflationary pension increases and guaranteed dependants' benefits.

If you would like to know more about the risks associated with pension transfers you can visit the following websites:



<https://www.fca.org.uk/consumers/pension-transfer-defined-benefit> 

<https://www.fca.org.uk/consumers/pension-scams> 



 **Be fraud aware**

<https://nilgosc.org.uk/deferred-members/your-options/be-fraud-aware/> 

Changing Jobs

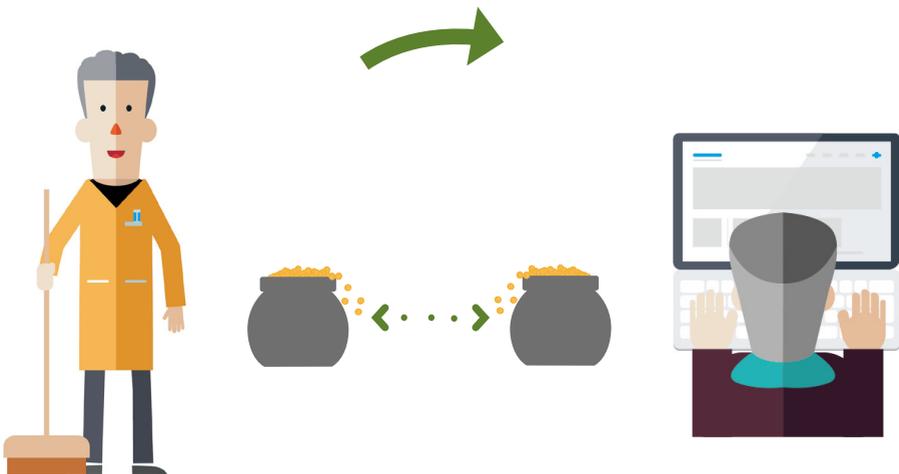
What happens if I change jobs, but remain in the Scheme?

If you have changed your job and start to work for another employer who offers membership of our Scheme, or if you re-join the Scheme before your deferred benefits are paid, your deferred benefits are kept separate from your new active pension account, unless you choose to combine them.

If you wish to combine your benefits, you must elect to do so within twelve months of re-joining the Scheme (your employer may be able to extend this timeframe). If you combine your benefits the total value will count towards your annual allowance pension savings and, if it takes you over the limits, may result in a pension tax charge.

You cannot combine your deferred benefits with your new active account if your deferred benefits arose because you opted out of the Scheme.

More information is available in the Rejoining the Scheme guide which can be found on our website using the QR code or following this link - <https://nilgosc.org.uk/deferred-members/re-joining-the-scheme/>.



What if I have two or more jobs and am in the Scheme in both?

If you are a member of the Scheme in two or more jobs and you leave one but not all of them, your benefits from the job you have left will be automatically combined with your active pension account.

If you have membership before 1 April 2015 in the job you have left, this membership is adjusted before it is added to your active pension account to reflect any difference in the full-time rates of pay between the jobs.



Membership in the job you left

x

full-time rate of pay in the job you left

÷

full-time rate of pay in the job that is continuing

What happens if my job is transferred to a private contractor?

If your job is transferred to a private contractor, the contractor will normally be required to provide you with continued access to the Scheme, or offer you a pension scheme that is similar.

If the contractor is admitted to the Scheme, the benefits you built up before your job was transferred to them will be automatically joined with your new benefits. If you are offered a similar scheme you would have the same options available for your accrued Scheme benefits as anyone else leaving the Scheme before retirement.

HMRC Tax Rules

There are limits on how much pension you can build up before you become subject to a tax charge. This is in addition to any tax due under the PAYE system once your pension is in payment.

The **annual allowance** is the amount by which your pension savings can increase in one year without becoming subject to a tax charge. The annual allowance limit is currently £60,000. However, if you are a high earner your annual allowance could be lower than £60,000 due to tapering.

NILGOSC will issue you with a pension savings statement by 6 October each year if you exceed the annual allowance for the previous tax year. You can also check your annual allowance on My NILGOSC Pension Online under Details and settings / Employment details / Financial details.

If your pension savings exceed the annual allowance, you may carry forward any unused allowance from three previous tax years. If you still exceed the allowances after carried forward allowances are taken into account, a tax charge must be applied. If you exceed the annual allowance in any year, you are responsible for reporting this to HMRC on your self-assessment tax form.

From 6 April 2024 the Lifetime Allowance was abolished and replaced with two new allowances, a Lump Sum Allowance and a Lump Sum and Death Benefits Allowance. There is now no limit on benefits paid as pension, as pensions are subject to income tax.

- **Lump sum allowance** – this is a cumulative limit of £268,275 on the tax-free part of lump sums paid at retirement. It will usually include the payment of pension commencement lump sums.
- **Lump sum and death benefits allowance** – this is a cumulative limit of £1,073,100 on the total amount of the tax-free part of lump sums and lump sum death benefits payable to and in respect of a member. It will include pension commencement lump sums, tax-free elements of any uncrystallised pension lump sum and serious ill-health lump sum as well as the tax-free element of any authorised lump sum death benefits.

Most members will not be affected by these allowances, but if you would like more information on who is likely to be affected, how pension savings are calculated, tapering or transitional arrangements for members who may have taken lump sums before 6 April 2024, you can visit our website by scanning the QR code or using the following link - <https://nilgosc.org.uk/deferred-members/your-benefits/tax-limits-on-your-pension-for-deferred-members/>



Will there be any tax limits on the benefits payable to my family in the event of my death?

Your personal representatives will have to determine whether, with the lump sum death grant, the capital value of your overall pension benefits (not including any spouse's, civil partner's or dependant's pensions) exceeds the HMRC allowance. Under HMRC rules, any excess will be subject to a recovery tax charge. The capital value of most Scheme members' pension benefits will be significantly less than the allowance.

The Government has announced its intention to make death grants of deferred members and pensioners within scope of inheritance tax from 6 April 2027.

Who do I contact about tax on my pension when I retire?

All queries about income tax on your pension should be addressed to:



Pay As You Earn and Self-Assessment
HM Revenue and Customs
BX9 1AS
United Kingdom



Tel: 0300 200 3300
Overseas Tel Number: 0044 135 535 9022

PAYE Reference No. 916/G82576



Further Information

McCloud Remedy

Some members are affected by a court judgment referred to as the McCloud Case. This case resulted in statutory changes known as the McCloud Remedy. If you are in this group, we will check the protected part of your pension when you retire. If you would have built up a bigger pension in the final salary scheme, your pension will be increased. This increase is known as a McCloud addition. We have included a provisional McCloud addition for most affected deferred members on their annual benefit statement. However, these figures are not guaranteed, as your final amount will be worked out when you take your pension.

You can read more about the remedy on our website by scanning the QR code or using the following link - <https://nilgosc.org.uk/deferred-members/your-benefits/the-mccloud-remedy/>.



Let's Stay Connected

If you decide to keep your benefits with us it is important that we stay connected. You can update your address, email address and phone number via My NILGOSC Pension Online. If you haven't already registered, please visit our website www.nilgosc.org.uk and click on 'Register' at the top of the page. Alternatively, you can ring us on 0345 3197 325.

Change in Circumstances

Please let us know in writing about any changes in marital or partnership status. You can do this by completing a Change of Circumstances form (LGS24), which can be downloaded from our website.



Annual Benefit Statements

A Benefit Statement will be published to your My NILGOSC Pension Online account in summer each year stating the current value of your deferred benefits.

Deferred Members' Newsletter

A Deferred Members' Newsletter will be published to My NILGOSC Pension Online in May each year. This newsletter keeps you up to date with any changes to the Scheme's regulations that may affect you and provides general information on pensions.

Help with Pensions Problems

Please contact NILGOSC if you are in any doubt about your entitlements or if you have any questions about your membership or benefits. We will try to resolve your query as quickly and efficiently 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**.

If your complaint relates to both the application of Scheme Regulations and the service provided by NILGOSC, it will be treated as a single complaint to be handled under the statutory Internal Dispute Resolution Procedure (IDRP).

Further information on how to make a complaint can be found on our website by scanning the QR code below or using the following link - <https://nilgosc.org.uk/about-us/complaints-compliments/>



Other organisations that can help if you are still dissatisfied



The Pensions Ombudsman

The Pensions Ombudsman (TPO) deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. You have the right to refer a complaint to The Pensions Ombudsman free of charge if your complaint or request for a review has not been satisfactorily resolved at Stage 2 of the IDRPs. Contact with TPO about a complaint needs to be made within **three years** of when the relevant event happened or, if later, within **three years** of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended. The Pensions Ombudsman can be contacted at:

Telephone: 0800 917 4487

Email: enquiries@pensionsombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Complaints can also be submitted via the complaint form online:

<https://www.pensions-ombudsman.org.uk/making-complaint>

The Pensions Regulator (TPR)

TPR is the regulator of work based pension schemes and has powers to protect members and help put matters right. If individuals have a concern about their workplace pension they can contact TPR at:

Telephone: 0345 600 7060

Website: www.thepensionsregulator.gov.uk

The Northern Ireland Public Service Ombudsman (NIPSO)

If you think you have been treated unfairly by NILGOSC or you remain dissatisfied with our response, you can complain to NIPSO. You must have exhausted the internal IDRPs process before referring your complaint to NIPSO. Complaints must be received within six months of the date of the Stage 2 review decision letter from NILGOSC. NIPSO can be contacted at:

Telephone: 0800 343424
Email: nipso@nipso.org.uk
Website: www.nipso.org.uk

MoneyHelper

MoneyHelper can assist with general requests for information or guidance concerning pension arrangements and can be contacted at:

Telephone: 0800 011 3797
Website: www.moneyhelper.org.uk

How can I trace my pension rights?

In 2026 The Money and Pensions Service (MaPS) will launch Pension Dashboards through the Pensions Dashboards Programme (PDP). Pension Dashboards are online tools to help individuals see all their pension information in one place, regardless of provider. They will include details of State, occupational and personal pension entitlement, to help individuals plan for retirement. Visit our website for more information - <https://nilgosc.org.uk/members/pensions-dashboards/>.

Alternatively, the Pension Tracing Service holds details of pension schemes along with relevant contact addresses. It provides a tracing service for ex-members of schemes with pension entitlements (and their dependents) who have lost touch with their previous schemes. All occupational and personal pension schemes have to register if the pension scheme has current members contributing to the scheme or people expecting benefits from the scheme. If you need to use this tracing service please contact:

Telephone: 0800 731 0193
Website: www.gov.uk/find-lost-pension

Don't forget to keep all your pension providers up to date with any change in your home or email address.



Definition of Terms

Consumer Prices Index (CPI)

The Consumer Price Index (CPI) measures how much prices for everyday goods and services are rising in the UK, and it is the main way the government tracks inflation. NILGOSC applies the increase in CPI (to the previous September) in April each year to increase the value of your pension so that it keeps up with the cost of living.

Deferred Pension Account

Each year your account is revalued to take account of the cost of living. This adjustment is carried out in line with Pension Increase Orders.

Eligible Children

Eligible children are your children. At the date of your death they must be:

- your natural child (who must be born before or within 12 months of your death), or
- your adopted child, or
- your step-child or a child accepted by you as a member of your family (not including a child you sponsor for charity) and be dependent on you.

Eligible children must meet the following conditions:

- Be under age 18, or
- Be aged between 18 and 22 (inclusive) and in full-time education or vocational training (although NILGOSC can continue to treat the child as an eligible child during a break in full-time education or vocational training), or
- Be unable to engage in gainful employment because of physical or mental impairment and either:
 - has not reached the age of 23, or
 - the impairment is, in the opinion of NILGOSC's Independent Registered Medical Practitioner, likely to be permanent and the child was dependent on you at the date of your death because of mental or physical impairment.



Eligible Cohabiting Partner

For your cohabiting partner, of either the opposite or same sex, to be eligible to receive a survivor's pension on your death, the following criteria must be met:

- Both you and your eligible cohabiting partner are, and have been, free to marry each other or to enter into a civil partnership with each other, and
- You and your eligible cohabiting partner have been living together as if you were husband and wife, or civil partners, and
- Neither you nor your eligible cohabiting partner has been living with someone else as if you/they were husband and wife or civil partners, and
- Either your eligible cohabiting partner is financially dependent on you, or you are financially interdependent on each other.

The 2nd, 3rd and 4th criteria must be met for a continuous period of at least two years before your death.

Final pay

This is usually your pay in your last year of scheme membership, or one of the previous two years if this is higher. It includes your normal pay, contractual shift allowance, bonus, contractual overtime (but not non-contractual overtime), maternity pay, paternity pay, adoption pay, shared parental pay, parental bereavement pay and any other taxable benefit specified in your contract as being pensionable. It is also the pay that is used to calculate your deferred benefits on membership before 1 April 2015.

If you worked part-time in your last year, your pay is calculated as if you worked full-time. If you were off work due to sickness, injury, or child-related leave, your pay is based on what you would have earned if you hadn't been absent.

Guaranteed Minimum Pension

The Scheme guarantees to pay you a pension that is at least as high as you would have earned had you not been contracted out of the State Earning Related Pension Scheme (SERPS) at any time between 6 April 1978 and 5 April 1997. This is called the Guaranteed Minimum Pension (GMP).

Normal Pension Age



Membership that ended before 1 October 2006

Age 60 if, by that age, you would have had 25 or more years' membership in the Scheme if you had remained in the Scheme until then, or

The date you would have achieved 25 years' membership, if that date would fall after age 60 and before age 65, or

Age 65 if, by that age, you would not have had 25 years membership in the Scheme if you had remained in the Scheme until then

Membership between 1 October 2006 and 31 March 2015

Age 65

Membership from 1 April 2015

Linked to your State Pension Age (but with a minimum of age 65)

Pensionable Pay

This is the pay on which you paid contributions after 31 March 2015. It includes your normal salary or wages plus any shift allowance, bonuses, overtime (both contractual and non-contractual), maternity pay, paternity pay, shared parental pay, parental bereavement pay, adoption pay and any other taxable benefit specified in your contract as being pensionable.

You do not pay contributions on the following:

- Travelling or subsistence allowances.
- Pay in lieu of notice or, pay in lieu of loss of holidays.
- Payment as an inducement not to leave before the payment is made.
- Any award of compensation (other than payment representing arrears of pay) made for the purpose of achieving equal pay.
- Pay relating to loss of future pensionable payments or benefits.
- Pay paid by your employer if you go on reserve forces service leave.
- The monetary value of a car or pay received in lieu of a car.
- Any non-consolidated non-pensionable payment paid to a member as part of an annual pay award.

Public Service Pension Scheme

Public service pension schemes cover civil servants, the judiciary, the armed forces, local government workers, teachers, health service workers, fire and rescue workers, members of the police forces in Northern Ireland and membership of a new public body pension scheme in Northern Ireland.

Qualifying Period

The qualifying period in the Scheme is two years. You will meet the two year qualifying period if:

- you have been a member of the Scheme for two years, or
- you have brought a transfer of pension rights into the Scheme from a different occupational pension scheme or from a European pensions institution and the length of service you had in that scheme or institution was two or more years or, when added to the period of time you have been a member of the Scheme is two or more years, or
- you have brought a transfer of pension rights into the Scheme from a pension scheme or arrangement in which you were not allowed to receive a refund of contributions, or
- you have previously transferred pension rights out of the Scheme to a pension scheme abroad (i.e. to a qualifying recognised overseas pension scheme), or
- you already hold a deferred benefit or are receiving a pension from the Scheme (other than a survivor's pension or pension credit member's pension), or
- you have paid National Insurance contributions whilst a member of the Scheme and cease to contribute to the Scheme in the tax year of reaching pension age, or
- you cease to contribute to the Scheme at age 75, or
- you die in service.

State Pension Age

This is the earliest age at which you can receive your State Pension. You can check your State Pension age on www.gov.uk/state-pension-age. The State Pension age remains under review and may change in the future.

Contact Details



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Belfast BT4 2LP



www.nilgosc.org.uk



0345 3197 325
Typetalk (for minicom users):
18001 0345 3197 325



info@nilgosc.org.uk

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.

Information produced by NILGOSC can be made available in several languages and formats (such as large print or Braille).

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NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS'
SUPERANNUATION COMMITTEE

