

WEST MIDLANDS



PENSION FUND

West Midlands Pension Fund

# Options available to you if you have previous LGPS benefits



In this leaflet, we look at the options available if you have rejoined the Local Government Pension Scheme (LGPS) and you have previous LGPS pension rights called deferred benefits.



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You can normally choose whether to join your previous LGPS pension rights from your old job to your new membership, enabling you to enjoy one set of benefits based on your entire membership and linked to your final pay in your new job, or to keep them separate.

Unless you make a positive option to join your LGPS benefits together, your earlier benefits will remain as separate deferred benefits.

### **Time limits**

You normally only have 12 months from rejoining the LGPS to elect to join them together, unless your employer allows you longer. However, if you have previously rejoined the Scheme and chosen to keep earlier LGPS pension rights which you built up in England or Wales separate, you will not normally be able to transfer those earlier rights to your new job.



There are a lot of things to consider when deciding whether or not to join your benefits together, and in this leaflet we look at the most important scenarios. You need to consider your own circumstances carefully before you make a decision as your circumstances might change in the future. Your decision may have to be based on what you think is most likely to happen, and you may wish to seek the help of an independent financial adviser (IFA).

Here are some of the things you need to think about in making your decision:

- If your new job is less well paid, you may wish to consider whether it would be better not to join your benefits together.

If you join your benefits together, you will receive one set of retirement benefits based on your total membership from both your old and new jobs and your final year's pay in your new job.

If you keep your benefits separate, you will receive two sets of retirement benefits. Those from your old job will normally be based on your membership and final year's pay on leaving that job, increased in line with inflation. Benefits in your new job will be based on your membership

in your new job and your final year's pay in your new job.

So, if the pay level in your new job is less than the pay level in your old job plus inflation and you don't think that with future increments or promotions the pay level in your new job will overtake that of your old job, you may feel it is in your interests to keep your benefits separate.

If you think that over time the pay level in your new job will overtake that of your old job, together with inflation, you may feel it is in your interest to join your benefits together.

**Remember**

If you have worked part-time in either of your employments, then the pay figure you should use when making the comparison is the pay you would get if you worked full-time in that job, not the actual part-time pay.

If you left your old job a little while ago, then your deferred benefits will

be increased in line with inflation each year until retirement, and this increase needs to be taken into account when making the comparisons in pay.

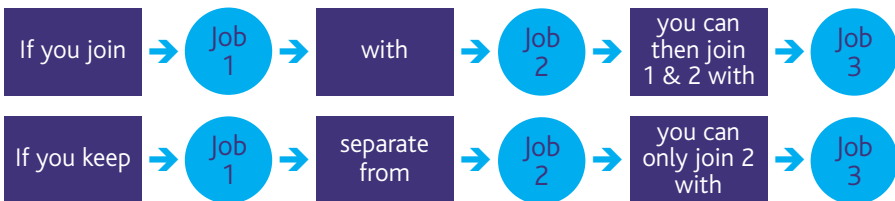
So, for example, if someone whose full-time pay rate in their new job is £20,000 a year and the full-time pay rate in their old job was £19,000 a year plus 10% inflation since leaving that job, the current value would be £20,900.

So, in this example, the pay rate in their new job is, in real terms, less than the pay rate in their old job after allowing for inflation.

- If you choose to keep your benefits separate and change jobs again in the future, you will not be able to join the deferred benefits from your old job with any further LGPS job in England or Wales after your current job.

If you join your benefits together, you will be able to join your combined total membership to your next LGPS job.

**For example**



- Death and family benefits may be affected by your decision. If you keep your benefits separate and die in service, then the lump-sum death grant payable would be three times your pay in your current job plus, in respect of the deferred benefit from your old job:

- the amount of the deferred lump-sum (as increased by inflation), if you left that job before 1 April 2008, or
- Five times your deferred pension plus inflation, if you left that job on or after 1 April 2008.

If you join your benefits together, the death grant payable on death in service will only be three times your pay in your current job.

If you are part-time, the lump-sum death grant in your current job is three times your actual part-time pay.



Photo: Sean Smith

### Remember

If you would like to say who you would like any lump-sum death grant to be paid to on your death, you should make sure that you have completed and sent a nomination form to each pension fund administrator where your benefits are held. Each administering authority as trustees, however, retains absolute discretion when deciding who to pay any death grant to (forms are available via the Fund's website).

If you were not married when you left your old job, but decide to keep your earlier benefits separate and marry at some point after leaving your old job, any widow's pension in respect of the separate deferred benefits will only be calculated on membership from 6 April 1978 and any widower's pension in respect of the separate deferred benefits will only be calculated on membership from 6 April 1988. If you join your benefits together and you are married by the time you leave the Scheme, the spouse's pension will be based on all your membership.

If you have nominated a cohabiting partner to receive a survivor's pension on your death, left your old job before 1 April 2008 and decide to keep your earlier benefits separate, your cohabiting partner will not receive a survivor's pension in respect of your earlier membership. If you join your benefits together, all your membership from 6 April 1988 will attract a nominated cohabiting partner's pension. To nominate a cohabiting partner, your relationship has to meet certain conditions laid down by the LGPS (forms are available via the Fund's website).

The earliest age you can choose to retire and draw unreduced benefits may be affected by your decision.

If you first joined the LGPS after 30 September 2006, the earliest age you can voluntarily draw your LGPS without a reduction is 65 and your decision on whether to join your benefits together will not change this.

If you first joined the LGPS before 1 October 2006 and you cannot voluntarily draw your deferred benefits from your old job before age 65 without a reduction, then your decision on whether to join your benefits together will not change this.

If you first joined the LGPS before 1 October 2006 and you can voluntarily draw unreduced deferred benefits from your old job before age 65, then your decision whether to join your benefits together may affect the earliest date you can voluntarily draw unreduced benefits.

If you keep your benefits separate, then the date your benefits from your old job can be paid unreduced remains the same, and the earliest date unreduced benefits can be paid from your new job, if it started after 30 September 2006, will be 65 regardless of the date when your deferred benefits are payable.

You can find the earliest date your deferred benefits can be paid unreduced by looking at any deferred benefit letter or annual benefit statement that has been sent to you. If you wish to check this, you can contact the administrators that deals with your deferred benefits.

- **Future ill-health retirement or redundancy/business efficiency retirement benefits**

If you decide not to join your benefits together and you eventually retire early on ill-health grounds or are made redundant or retired on business efficiency grounds and you are entitled to immediate payment of benefits, your benefits will be calculated on your re-employed membership only. However, it may be possible to have your deferred benefit put into payment early, either with your former employer's consent from age 50 or 55 (depending on when you left), or from any age on ill-health grounds.



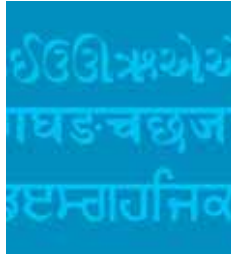
- If you were paying extra contributions into the LGPS or paying into the Scheme's additional voluntary contribution (AVC) arrangement in your old job, contact the administrators that deal with your deferred benefits to find out whether your decision may affect these.

**Remember**

Unless you make a positive election to join your LGPS benefits together, your earlier benefits will remain as separate deferred benefits. So it's important you think about what is best for you. If you decide to join your benefits together, then you should inform us in writing. You normally only have 12 months from rejoining the LGPS to elect to join them together, unless your employer allows you longer.

If you rejoined the LGPS before and chose to keep those earlier LGPS benefits separate, you cannot join them with your new job.

If you choose to keep your benefits separate, you will not be able to join the benefits from your old job with any future LGPS job after your current job.



Information produced by the Fund can be made available in several formats including large sight text, Braille and several community languages. If you have any special requirements or would like to speak face to face with a member of staff, please contact us to arrange how we may best meet your needs.

Please remember that special requirements may take a little longer than normal to organise, but you have our assurance that we will do our best to ensure you receive the information in the most appropriate and efficient manner possible.

## Data Protection

To protect any personal information held on computer, West Midlands Pension Fund is registered under the Data Protection Act 1998. This allows members to check that their details held are accurate. The Fund may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Fund, for example, the Fund's AVC provider. Members who wish to apply to access their data on Data Protection Act grounds should contact the Fund's Data Protection Officer on (01902) 554498, via email at [dataprotection@wolverhampton.gov.uk](mailto:dataprotection@wolverhampton.gov.uk)

This authority is under a duty to protect the public funds it administers, and to this end may use information for the prevention and detection of fraud. It may also share this information with other bodies administering public funds solely for these purposes.



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# Contact information

Email us on:  
[PensionFundEnquiries@wolverhampton.gov.uk](mailto:PensionFundEnquiries@wolverhampton.gov.uk)

Telephone our Helpdesk on:  
**0300 111 1665**

Visit our website at:  
[wmpfonline.com](http://wmpfonline.com)

Fax us on:  
**0845 230 1565**

Minicom/Typetalk:  
**01902 554607**

Write to us at:  
West Midlands Pension Fund  
PO Box 3948  
Wolverhampton  
WV1 1XP

Send us a text on:  
Text WMPF + your message  
to 60066  
Standard short code network charges apply

Lines are open during the  
following times:  
8:30am to 5.00pm Monday-Thursday  
8:30am to 4.30pm Friday

Calls may be monitored for  
training purposes

## Help and information

### Further information

We will ensure that all of our members are provided with relevant further information on request.

### Comments and complaints

We welcome and value your comments on the standards of service we provide. If you have any comments you wish to make please contact us at the address shown at the top of the page.

We would also like to hear from you if you are not satisfied with the way you have been treated. If you wish, you can

Speak to Brian Bailey, Director of Pensions, on his personal number (01902) 552020 on any weekday between 9.00 and 9.30am or via email: [brian.bailey@wolverhampton.gov.uk](mailto:brian.bailey@wolverhampton.gov.uk)

If you wish to make a formal complaint, you can write to:

**Complaints and Compliments**  
Office of the Chief Executive  
Civic Centre  
St. Peter's Square  
Wolverhampton  
WV1 1NX