

# Royal County of Berkshire Pension Fund

## Redundancy Retirement Guide

The LGPS retirement benefits you have built up will be paid immediately without any early retirement reductions if your employer makes you redundant or you are retired on the grounds of business efficiency providing you meet the following criteria:

- you are age 55 or over at the point you are made redundant and
- you have been an LGPS Scheme member for at least two years

We have compiled a series of frequently asked questions in relating to retirement from the LGPS on Redundancy or Business Efficiency grounds.

### What happens to my pension if I am made redundant?

If your employer makes you redundant or retires you in the interests of business efficiency and you satisfy the above conditions, your retirement benefits are payable immediately without reduction.

### What happens if I am made redundant but under the age of 55?

If you are under the age of 55 at the point of being made redundant then unfortunately your pension cannot be released at this stage. Instead your pension is deferred for you within the Fund and can be released from age 55 at the earliest but with an actuarial reduction applied if claimed before your Normal Pension Age (NPA).

### Will my pension be enhanced in any way?

Your pension **is not** automatically enhanced if you are made redundant. However, at their discretion, your employer can award an additional amount of pension to improve your retirement benefits. Your employer is required to produce and publish a statement of policy setting out how they intend to use this and other discretions available to them under the Scheme regulations.

### Will my pension be reduced?

If you are made redundant your retirement benefits will be calculated up to your date of redundancy and released to you **without** an early retirement percentage reduction being applied. **Please note your retirement benefits will not automatically be enhanced to your NPA.**

### How do I obtain a redundancy quotation?

If you would like an estimate of your pension entitlement assuming you were to be made redundant please contact your employer directly. We are unable to provide redundancy figures directly to scheme members, but your employer can request such an estimate on your behalf.

## **How do I claim my pension if I am made redundant?**

If you are aged 55 or over at the point that you are made redundant then your employer's payroll department will contact us directly with confirmation of your leaving details. Once this is received, we will calculate your pension entitlement and contact you to arrange payment of your retirement benefits.

## **Can I defer payment of my redundancy pension until a later date?**

No, we are required to pay your pension to you at the point you are made redundant.

## **When will my redundancy pension commence?**

Your redundancy pension will be payable from the day after your employment ceases. Your pension is then payable to you for your lifetime on the last working day of every month.

## **Am I entitled to a lump sum from the pension fund if I am made redundant?**

If you have built up membership prior to 1 April 2008 you will be entitled to an automatic tax-free lump sum payment released at the same time as your pension. If you joined the LGPS after 1 April 2008 you will not be entitled to an automatic lump sum, however, you will have the option of exchanging some of your annual pension into tax-free cash.

## **Will I still be entitled to my pension if I take voluntary redundancy?**

Yes, if you retire through forced redundancy or voluntary redundancy then you will automatically be entitled to your pension if you are aged 55 or over and have at least two years membership in the Scheme.

## **If I am in receipt of my redundancy pension what happens if I become re-employed?**

If you become re-employed your pension will not cease and will continue to be paid to you for your lifetime.

## **Can I still convert part of my annual pension to purchase additional tax-free cash?**

Yes, if you are made redundant you will still be able to convert part of your annual pension into additional tax-free cash. You can exchange £1 of annual pension for an additional £12 tax-free cash up to a maximum of 25% of the capital value of your total 'pension pot'. You will be provided with details of how this option applies to you before your retirement benefits come into payment, as you will need to decide if you wish to convert any part of your pension into additional tax-free cash before that time.

## **Do I have to give notice to claim my redundancy pension?**

No, your employer's payroll department will notify us of your redundancy retirement details. Once the formal instruction has been received from payroll we will contact you directly with to confirm your retirement options.

## **'my pension ONLINE'**

Don't forget you can now view your pension information online through our online service - **'my pension ONLINE'**.

**'my pension ONLINE'** enables you to securely update your personal details, perform benefit calculations and update your nominated beneficiaries from the comfort of your own home or workplace.

It's easy to sign up - just visit our website at [www.berkshirerpensions.org.uk](http://www.berkshirerpensions.org.uk) and click on the **'my pension**



### **More information**

More detailed information about the scheme is available from the pension team at the following address: **Royal County of Berkshire Pension Fund, Zone C Town Hall, St Ives Road, Maidenhead, Berkshire, SL6 1RF**

**Tel: 01628 796 668**

**E-mail: [info@berkshirerpensions.org.uk](mailto:info@berkshirerpensions.org.uk)**

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