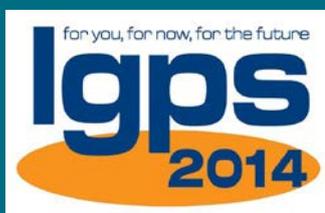


Transferring former pension rights



Local Government
Pension Scheme



THE ROYAL COUNTY OF
BERKSHIRE
PENSION FUND

Transferring former pension rights

As a new member of the Local Government Pension Scheme (LGPS) in Berkshire, you have the opportunity of transferring previous pension rights that you may have with another local authority, company, occupational or personal pension scheme into the LGPS.



An expression of interest to transfer former pension rights into the LGPS has to be made in writing within 12 months of joining the LGPS or such longer period as your new employer may allow.

If you would like to consider transferring any former pension rights that you may have into the LGPS you will need to complete and return the form attached to this explanatory leaflet. At this stage you are only expressing an interest in transferring your benefits. Once you have been made aware of what the transfer will purchase in the LGPS you will need to sign a declaration confirming whether or not you want the transfer to go ahead.

Please note that no-one connected with the Royal County of Berkshire Pension Fund is authorised to give financial advice but we do aim to provide you with sufficient information to enable you to make an informed decision regarding the transfer of your benefits.

Transferring benefits from a previous period of LGPS membership

If you leave the LGPS (either because you leave your employer or you opt out of the Scheme) you may be entitled to leave your benefits in the Scheme. If you later re-join the LGPS with another Local Government employer and you have not had a break in membership of more than 5 years, then your previous benefits can be automatically transferred to your ongoing pension membership with your new employer, and you will retain the final salary link in respect of your LGPS membership calculated to 31 March 2014.

It is important that you complete the declaration form on page 7 in order to retain the final salary link attached to any public service pension you have built up before 31 March 2014. This is explained in more detail on page 3.

5 year final salary link for previous public service pension schemes

IMPORTANT information if you have previous LGPS pension rights in England and Wales

When you rejoin the LGPS provided you do not have a break in membership of more than 5 years from any **public service pension scheme**, your final salary benefits can be linked to your new pension account and will be calculated on your final salary in your new employment when you leave. You can elect to keep your benefits separate but you would need to notify us of this within 12 months of rejoining the scheme. **If you have a break in membership from public service pension schemes for more than 5 years, then any final salary benefits in the LGPS are transferred across to the career average scheme unless you choose to retain them as separate final salary benefits.**

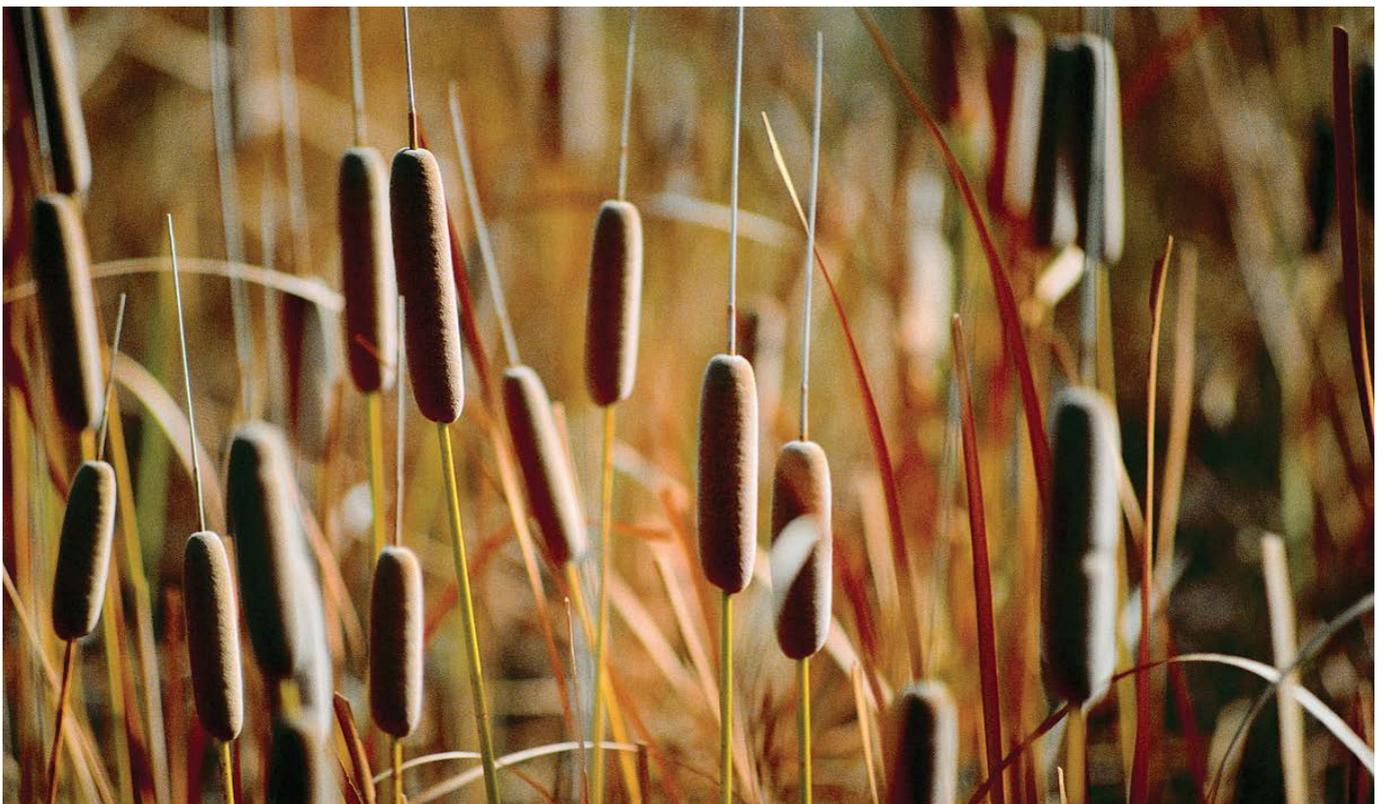
It is important that you complete and return the attached transfer declaration form as soon as possible within your first 12 months of employment to confirm details of any previous membership with a public service pension scheme.

What is meant by a Public Service Pension Scheme?

A public service pension scheme includes a pension scheme covering civil servants, the judiciary, the armed forces, any scheme in England, Wales or Scotland covering local government workers, or teachers, or health service workers, or fire and rescue workers or members of the police forces; or membership of a new public body pension scheme.

The 85-year Rule

The 85-year rule was removed from the Scheme with effect from 1 October 2006. However, employees who were contributing to the Scheme before that date have certain protections built into their benefits. If you are unsure about how the 85-year rule applies to you please contact the Pension Team directly on 0845 602 7237 or by writing to the address on the back of this leaflet.



Some points to consider

- **Benefits payable upon death.**

As a current member of the LGPS in Berkshire, if you were to die in service, a death grant equal to three times your annual pensionable pay would be paid as a death grant. A death grant would also be calculated based on your deferred benefits held by your former employer, and whichever generates the higher value will be paid. You will not be entitled to the death grant payable in respect of both your active and deferred LGPS pension rights.

- **If you are made redundant**

If you are made redundant by your employer you may qualify for the immediate payment of your benefits at an unreduced rate (regardless of the 85-year rule). If you elect to combine your benefits the total of those benefits will be paid. If, however, you choose to keep your deferred benefits separate, your deferred benefits will not be included in the redundancy calculation.

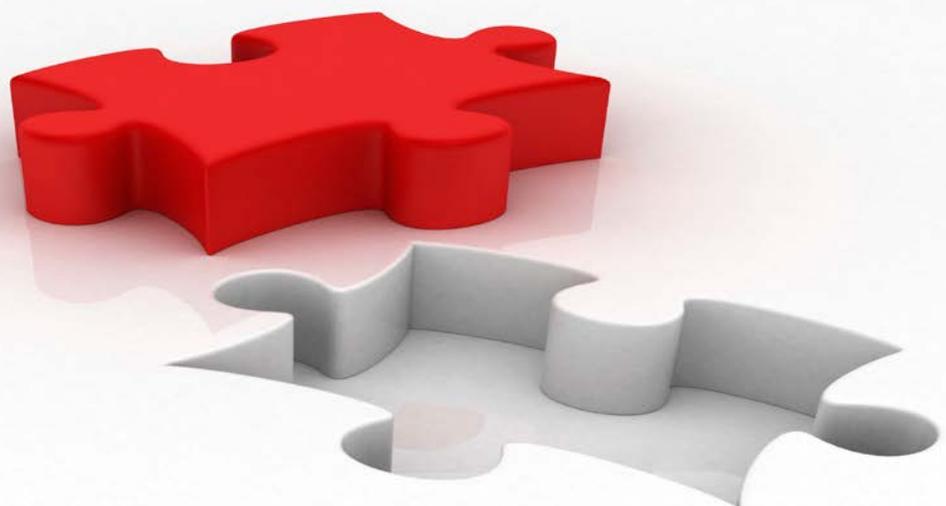
Transferring benefits from another public sector pension scheme

Public sector pension schemes operate transfers of pension rights under what is known as 'The Public Sector Transfer Club'. The Club consists of a number of final salary occupational pension schemes that have agreed reciprocal transfer arrangements, thereby providing members with the opportunity of transferring their benefits on special terms. In general, if you transfer benefits between Club schemes you will receive a broadly equivalent annual pension amount in your new scheme regardless of any increase in salary on moving.

Eligible private sector pension schemes can also participate in the Club providing they are a final salary occupational pension scheme, have full HM Revenue & Customs approval and they agree to comply with the Club arrangements.

Club schemes calculate the amount of additional annual pension purchased in the new scheme by using a set of standard tables that are used by all Club schemes.

The Club arrangements also require the new scheme to use the member's salary in the old scheme when calculating the service credit, regardless of any increase on moving.



Where a Club transfer takes place between two Club schemes with identical provisions, the transfer should produce a broadly equivalent pension entitlement. When the schemes' provisions differ, for example if they have different pension ages, a transfer might produce a higher or lower pension amount.

A Club transfer is normally beneficial for the member but in some cases this may not be true if you are taking a large pay cut on joining your new scheme or you have substantial benefits in your former scheme and are near to pension age when you join your new scheme with the intention of working beyond your normal pension age.

You should also bear in mind that not all Club schemes have the same pension benefit structure, and qualification for pension scheme and early retirement benefits will depend on the provisions of each scheme's rules.

Transferring benefits from another company, occupational or personal pension scheme

If you have former pension rights but not with the LGPS and not as part of another Public Sector Transfer Club scheme, you can still apply for those former pension rights to be transferred into the LGPS.

These transfers are often referred to as Non-Club transfers. In these circumstances your former scheme will calculate a transfer payment that is the cash value of your pension benefits held in their scheme (known as the Cash Equivalent Transfer Value or CETV). Your former scheme administrators will base this CETV on the rate of pay you were earning at the point that you left their scheme and allow for increases up to retirement, at most in line with price inflation.

The LGPS as the receiving scheme must offer an equivalent value but the value of the equivalent pension is based on your salary at the point you join the LGPS. Other factors are applied which allow for expected salary increases. So even when the two schemes are similar in structure, the result is generally a lower valued pension in the LGPS.

Please remember - you must apply to investigate a transfer within 12 months of joining the LGPS or such longer period as your employer may allow at their discretion



Further points to consider when transferring pension rights into the LGPS

- Based on your current salary we will provide you with the value of LGPS benefits that will be purchased by transferring your former pension rights into the LGPS. Make sure that when comparing these benefits with the value of benefits that would otherwise be retained in your former scheme you are comparing these on a 'like for like' basis i.e. the benefits quoted by your former scheme also refer to the current value and not a value projected forward to your retirement age.
- Your previous scheme may guarantee the amount of the transfer payable for a certain period (usually three months). If you do not transfer your former benefits into the LGPS within this guaranteed period, your former scheme will recalculate the transfer value payable which may be more or less than previously quoted, subject to market conditions.
- If you have previous pension rights in more than one pension scheme and you elect to transfer each of those pension rights into the LGPS, as each transfer value is received the service credit provided by each subsequent transfer may be affected. This is due to the fact that when a transfer value is received one of the factors used to determine the pension that will be purchased in the LGPS is the date from which your benefits can be paid without reduction. By transferring in a period of membership from another scheme you may actually bring forward your earliest possible retirement date and that will change the way in which subsequent transfer value quotations are calculated.
- If you have been a member of the LGPS for more than 12 months but your employer allows you to still transfer your former pension rights into the LGPS, your current pay figure will be used to calculate the additional pension purchased. This may mean that your additional pension may be worth less than if the transfer had taken place within the first 12 months of joining the LGPS.
- When calculating an additional amount of annual pension we also take into account your age and whether you have a husband, wife, cohabiting partner or civil partner. These factors will all have an impact on the additional pension provided by a pension transfer.
- You cannot transfer into the LGPS benefits from any scheme (including the LGPS) as a result of a pension credit received following a divorce or dissolution.

Summary

Having provided you with details of the benefits a transfer into the LGPS can provide, you may wish to seek independent financial advice before finally deciding whether or not to proceed with the transfer of your former pension rights. There are many factors to consider, and whilst we are able to assist you in understanding the process of transferring former pension rights into the LGPS, we cannot advise you whether to transfer or not.

Find out more online...

Further information regarding the Local Government Pension Scheme can be found on our website where you will also find more factsheets, forms and guides.

Visit www.berkshirepensions.org.uk



http://

Local Government Pension Scheme Declaration of Previous Pension Rights

Personal details

Title: _____ Surname: _____ Forenames: _____

Date of Birth: _____ NI Number: _____
(Please supply a copy of your birth certificate)

Partnership Status: Married / Cohabiting Partner (not married) / Single / Civil Partner / Divorced / Widow(er) / Separated (please delete)

Employer within the Berkshire Pension Fund: _____

Home Address: _____

Post Code: _____ Email Address: _____

Previous Pension Rights (Please use additional plain sheets of paper if required)

Name and Address of Previous Scheme	Position Held	Date Joined Previous Scheme	Date Left Previous Scheme	Scheme Reference Number (if any)

Please answer the following questions by ticking either of the YES or NO boxes

- Are you currently contributing to a private pension scheme or a stakeholder pension scheme?
- Are you already in receipt of a Local Government Pension Scheme pension?
- I hereby authorise the Royal County of Berkshire Pension Fund to investigate the transfer of my former pension rights from the above detailed scheme(s) to the Local Government Pension Scheme

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Your attention is drawn to the importance of completing this form if you have previous pension rights held with a public service pension scheme. Please also ensure you supply full and accurate information on all matters indicated, any inaccuracy in or omission from the information supplied may prejudice the ascertainment of your rights under Local Government Pension Scheme Regulations.

A decision to combine benefits will have to be made within the first 12 months of returning to local government employment. Where you choose not to combine a former period of membership with your current membership period you cannot make a subsequent election to combine that period of membership on later re-joining the LGPS.

If you opt to transfer from a non-local government pension arrangement, any request you make to investigate a transfer will not be binding until you have been supplied with further details and subsequently confirm that you wish the transfer to go ahead. An option to transfer must be made within 12 months of joining the LGPS or such longer period as your employer allows.

I hereby certify that to the best of my knowledge the information supplied above is correct.

Signed: _____ Date: _____

Contact Us

More detailed information about the Scheme is available from the Pension Team:
Royal County of Berkshire Pension Fund, Minster Court, 22-30 York Road
Maidenhead, Berkshire, SL6 1SF

Tel: 0845 602 7237 Fax: 01628 796 700 E-mail: info@berkshirepensions.org.uk
www.berkshirepensions.org.uk



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.berkshirepensions.org.uk and click on the '**my pension ONLINE**' logo.

Disclaimer

This guide cannot cover every personal circumstance and does not cover rights that apply to a limited number of employees. Readers may wish, or will need to take their own legal advice on the interpretation of any particular piece of legislation. No responsibility will be assumed by the Royal County of Berkshire Pension Fund for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained herein. In the event of any dispute over your pension benefits the appropriate legislation will prevail. This guide does not confer any contractual or statutory rights and is provided for information purposes only.

If you would like this factsheet in large print or audio please contact us on 01628 796754 or e-mail info@berkshirepensions.org.uk