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## Pensions – Frequently Asked Questions (FAQs)

### **I am retiring soon and have not heard from the Pensions Office**

We will be writing to you with your pension options and bank forms once we have received the leaving details from your payroll provider.

### **I have changed my Bank details. Can I give you my new details now?**

For security reasons, we are unable to take new bank details over the phone. Please either complete the “Change of Personal Details” form found on the Forms and Leaflet tab of this website or write in with your new details and they will be amended for you. Once amended, you will receive a payslip to confirm this has been actioned.

### **I am at risk of redundancy. Can I have some pension figures please?**

As redundancy is a discretionary benefit, all requests for redundancy quotes must be made to HR via your manager. However, we are able to answer general questions about redundancy by email or phone without the involvement of your line manager.

### **I wish to opt out of the Pension Scheme**

If you have access to the intranet, you can opt out online using a Wightnet form at <http://wightnet.iow.gov.uk/wightForms/getform.aspx?pk=pensionOptOut> otherwise you will need to complete a paper form, this can be found on the Forms and Leaflet tab of this webpage. You opt out will be actioned in the next available pay period.

### **Can I receive a refund of contributions?**

If you have a combined total of less than 2 years’ service in the Local Government Pension Scheme you may be entitled to a refund. Please email the Pensions Team for further information.

### **How do I notify you of a change of address?**

For security reasons, we are unable to take change of address details by telephone. Please therefore either complete the “Change of Personal Details” form found on the Forms and Leaflets tab of this webpage, or write in detailing your new and previous address. All correspondence should be sent to Pensions Office, Business Centre, County Hall, Newport, Isle of Wight, PO30 1UD.

### **I am thinking of leaving and would like an estimate of my pension**

You are able to run your own benefit projections via our Member Self-Service. Details of how to register can be found at <https://www.iwcpensions.co.uk/altairMSSWeb/login?cid=118434>. Please be aware the Pensions Office will need your email address on file before you are able to register, if you need to provide this please email [pensions@iow.gov.uk](mailto:pensions@iow.gov.uk).

### **Can I nominate a person or organisation to receive a Death Grant, in the event of my death?**

Yes, to make a nomination you will need to complete and return a “Death Grant Nomination Form”, this can be found on the Forms and Leaflet tab of this webpage.

### **When and how did the LGPS change? How did this impact my pension?**

The LGPS changed in 2014 from a final salary scheme to Career Average Revalued Earnings (CARE) scheme. This simply means that rather than being based on service, the LGPS is now based on actual earnings; your yearly pension account is equal to 1/49<sup>th</sup> of you annual earnings. This change did not affect any pension accrued up to 31 March 2014 and will only affect the calculation of pension benefits after 1 April 2014.

## **When can I claim my pension?**

The Normal Pension Age for membership built up from 01 April 2014 is linked to your State Pension Age (earliest age 65), however you can draw your pension from age 55 up to age 75. Your pension will be reduced if you choose to retire before your Normal Pension Age and increased if you retire later.

If you left the scheme before 1 April 2014, retirement before the age of 60 is still at the discretion of your employer. If you were employed by the Isle of Wight Council more information about this can be found in the Pay Policy document on the intranet.

## **Why haven't I received my pension this month?**

If you have moved have not notified us of your new address, your pension will be suspended until we receive your new details. Your suspended pension payment will be paid with the next month's payment if you notify us before the 19th of the month e.g. The April payment will be made in May if we are notified before the 19th May. Any late notification will result in further delay in payment

## **What happens to my pension if I am on strike?**

If you are absent for a day or more due to a trade dispute the period will not count for pension purposes unless you elect to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost during that period of absence. The amount of pension lost is calculated as the appropriate fraction of your assumed pensionable pay for that period of absence (i.e. 1/49th of your assumed pensionable pay if you were in the main section of the scheme or 1/98th if you were in the 50/50 section). The cost of purchasing the amount of lost pension for the period of absence would be met fully by you; your employer does not make a contribution to the APC.

## **Will the Final Salary element of my pension benefits be calculated using the whole-time equivalent (WTE) salary as at 31 March 2014 or my WTE salary as at my actual leaving date?**

Your final salary benefits will be based on the WTE salary as at your date of leaving unless you qualify for a Certificate of Protection.

## **If I wish to access my benefits at 55, can I do this and what impact will it have on my pension?**

Under new scheme rules (for leavers after 1 April 2014) you do not require employers consent for early release of benefits over the age of 55. Your benefits will suffer a considerable actuarial reduction, this is dependent on any protections that may affect part of your benefits, and a sliding scale is used, this can be found here <https://www.iwight.com/azservices/documents/1468-Your-benefits-payment-and-related-issues-v1.pdf>. If you are made redundant over the age of 55, you will not suffer any reductions.

## **I would like to consider flexible retirement can my employer refuse? What is the minimum / maximum hours I can work and the amount I would get in pension on flexible retirement differ from that which I would get if I were made redundant?**

You can apply for flexible retirement at any point after you turn 55, this is a discretionary benefit, so an application can be refused; more information about this can be found here: <http://wightnet.iow.gov.uk/documentlibrary/view/flexible-retirement-policy>. You need to reduce your salary by at least 40% this can be done by reducing hours or grade. The pension received under flexible retirement would be reduced; if you were to be made redundant these reductions would not be suffered.

## **I have flexibly retired and may take up further employment, can I still join the pension scheme?**

Yes, you will actually be automatically re-enrolled into the scheme once you have flexibly retired.

## **I am considering Flexible Retirement, do I receive my AVC contributions when I flexibly retire or at final retirement and would it be tax free?**

You can choose when to draw your AVCs, you can draw them with your benefits when you flexibly retire or you can leave them with the Prudential and draw them at a later date. The amount of tax free cash

depends on the capital value of your pension, this would be calculated once you decide to take your benefits.

### **What happens to my AVC contributions if I die in service?**

The current fund value is paid out to the executor, spouse or estate.

### **If I leave or am made redundant and then come back on a part-time temporary job with the council, how will this affect my pension?**

We do not adjust (abate) pensions; therefore, your pension would not be reduced if your new salary and pension are greater than you were earning before you retired.

### **I believe that the LGPS will take into account my three 'highest earning' years to calculate my pension. Is there any time limit on how long ago that was and does employment with a previous Local Authority count if I have transferred my scheme over?**

A protection was built into the LGPS to protect anyone who had a compulsory reduction in pensionable pay (this is the Whole-time equivalent salary, not hours worked). This protection would apply if your benefits are preserved or if you retire within 10 years of the reductions in salary. We can use the best salary of the last three years, or the best average of 3 years within the last 13, with a relevant date of 31 March. This only applies if the reduction was in the current employment. You wouldn't need to let us know, as we would automatically look at this calculation at the time of paying your benefits. If you disagree with a decision made about your LGPS pension position and benefits due, this should first be raised with the pension's office, asking for a breakdown of the calculated salary. If you are unhappy with the response to this, this can be raised via our Internal Dispute Resolution Process (IDRP), starting with the nominated complaints officer.

### **I'm getting divorced / my civil partnership is being dissolved – does it affect my pension rights? How do I find out what to do?**

It may, depending on decisions made by the court. Your spouse or partner may be entitled to receive part of your pension benefits, through a pensions sharing order. If this is not the case, then your benefits will remain unaffected.

### **I didn't know that as a member of the LGPS I was paying less National Insurance, and that will affect my state pension entitlement. Can I top up the lesser national insurance I paid to make sure I get the full State pension?**

Please be aware that from 5 April 2016, the LGPS is no longer a contracted out scheme, this means you will not pay reduced NI and therefore will contribute to the Flat State Pension from this date. However, before this date the LGPS was a contracted out pension scheme, meaning you were contracted out of the state second pension- this was and continues to be compensated for, by something call Guaranteed Minimum Pension (GMP). This essentially means that the contracted out pension provider, has to provide you with at least the equivalent pension you would have received from the State Second Pension. You cannot make up the contributions to get a full state pension, but more information can be found here- <https://www.gov.uk/yourstatepension>.

### **Further information**

This leaflet has been prepared by the Isle of Wight Council Pensions Office. If you need further information, you should contact:

Pensions Team, Shared Service Centre, Isle of Wight Council,  
County Hall, High Street, Newport, Isle of Wight PO30 1UD

Email: [pensions@iow.gov.uk](mailto:pensions@iow.gov.uk) Website: [www.iwight.com/council/OtherServices/Pensions-IWC](http://www.iwight.com/council/OtherServices/Pensions-IWC)