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## Transfer of Pension Benefits

### Transferring benefits into the Local Government Pension Scheme (LGPS)

If you have previous pension benefits, you may wish to transfer them into the Isle of Wight Council Pension Fund. Transfers must be made within your first year of LGPS membership in your current employment.

### If you have previous LGPS pension rights in England or Wales

If you re-join the LGPS after having previously built up LGPS pension rights (i.e. you previously left an LGPS employment with deferred benefits) then these deferred benefits can be joined with your new active pension account in the scheme.

If you re-join the LGPS after having previously left an LGPS employment without building up pension rights but you deferred taking a refund of contributions (normally where you have less than two years membership) then this deferred refund must be joined with your new active pension account in the scheme.

Where you have more than one employment and therefore more than one pension account in the LGPS you can elect which account to aggregate your previous LGPS pension rights with.

### I have deferred benefits in the LGPS in England or Wales. What happens to these when I re-join the scheme?

When you re-join the LGPS you have 12 months from re-joining to elect to keep your deferred benefits separate from your new pensions account otherwise these deferred benefits are automatically joined with your new pensions account.

Where you have more than one employment and therefore more than one pension account in the LGPS you can elect which account to aggregate your deferred benefits with.

### Special rules apply if you were a member of the LGPS in England or Wales on or before 31 March 2014

- If you were a member of the LGPS at both the 31 March 2014 and 1 April 2014 and subsequently left an employment (or opted out) with deferred benefits, ***provided you did not have a break of more than 5 years in membership of any public service pension scheme***, your deferred benefits will automatically be joined with your new pension account (or, where the deferred benefits arose from the cessation of a concurrent job, automatically be joined with the pension account from the ongoing employment) unless you elect within 12 months of re-joining to keep your deferred benefits separate. If the benefits are joined and you have more than one pension account you will need to choose which account the deferred benefits are to be added to.

Where the benefits are joined, the pension from the former employment which you built up on or after 1 April 2014 will be added to your active pension account.

The membership you built up before 1 April 2014 will continue to be calculated as a final salary benefit, with your final salary when you leave the active employment used to work out the benefits for your pre 1 April 2014 membership.

- If you were a member of the LGPS at both the 31 March 2014 and 1 April 2014 and subsequently left an employment (or opted out) with **deferred benefits**, or ceased a concurrent job, ***with a break of more than 5 years*** in membership of any ***public service pension scheme***, your deferred benefits will automatically be joined with your new ***pension account*** (or, where the deferred benefits arose from the cessation of a concurrent job, automatically be joined with the ***pension account*** from the ongoing employment) unless you elect within 12 months of re-joining to

keep your deferred benefits separate. If the benefits are joined and you have more than one **pension account** you will need to choose which account the deferred benefits are to be added to.

Where the benefits are joined, the pension from the former employment which you built up on or after 1 April 2014 will be added to your active **pension account**.

The membership you built up before 1 April 2014 will purchase an amount of pension under the rules of the scheme at the time of the transfer and this will be added to your active **pension account**.

- **If you were a member of the LGPS before 31 March 2014** and left an employment (or opted out) before this date with **deferred benefits** then provided you **did not have a break of more than 5 years in membership of any public service pension scheme** and you re-joined the LGPS after 31 March 2014 you can elect within 12 months of re-joining to be treated as a member of the scheme on 31 March 2014 and 1 April 2014.

If you choose to be considered a member of the scheme on these dates, your membership (built up) before 1 April 2014 will continue to be calculated as a **final salary benefit** with your final salary when you leave the active employment used to work out the benefits for your pre 1 April 2014 membership.

If you do not choose to be considered a member of the scheme on 31 March 2014 and 1 April 2014, the membership you built up before 1 April 2014 will purchase an amount of pension under the rules of the scheme at the time of the transfer and this will be added to your active pension account.

- **If you were a member of the LGPS before 31 March 2014** and left an employment (or opted out) before this date with **deferred benefits with a break of more than 5 years** in membership of any **public service pension scheme** and you re-joined the LGPS after 31 March 2014 you can elect for these deferred benefits to be transferred to your new **pension account**. Where you elect for that to happen, the membership you built up before 1 April 2014 will purchase an amount of pension under the rules of the scheme at the time of the transfer and this will be added to your active **pension account**.

In any of the above situations, if you elect to keep your deferred benefits separate from your new active pension account then the value of the deferred benefits will increase in line with the cost of living.

If you have pension rights in a non – LGPS arrangement

If you have paid into a non-LGPS pension arrangement, you may be able to transfer your previous pension rights into the LGPS. A non-LGPS arrangement must be another registered pension scheme or from a European pensions institution. For details on how transfers from another public service pension scheme are treated, including a transfer from the LGPS in Scotland or Northern Ireland, see Transfers from another public service pension scheme below.

You have only 12 months from joining the LGPS to opt to transfer your previous pension rights, unless your employer and your administering authority allows you longer. This is discretionary and you can ask your employer and administering authority what their policy is on this matter.

If you opt to transfer pension rights from a non-LGPS arrangement then a sum of money called a transfer value is offered to buy an amount of extra pension which is added to your pension account. If you transfer your previous pension rights into the LGPS your retirement benefits will be increased. The extra pension is added to your pension account in the scheme year that the transfer payment is received.

Any request you make to investigate a transfer will not be binding until you have been supplied with full details of the amount of extra pension the transfer payment will buy and subsequently confirm that you wish the transfer to go ahead.

You will need to carefully consider whether to transfer or not, as a transfer may not always be advantageous. For example, you should compare the amount of extra pension the transfer payment will buy in the LGPS, when that pension is normally payable from (i.e. your Normal Pension Age) and the other LGPS benefits (e.g. the ability to retire and draw benefits earlier than Normal Pension Age, death and survivor benefits, etc.) against the value of the package of benefits if left with your previous pension scheme provider. Transfers from public sector schemes are treated differently if transferred in under Club transfer rules - see If you have pension rights with another public service pension scheme below for more information on these type of transfers.

Transferring your pension rights is not always an easy decision to make, and you may wish to seek the help of an independent financial adviser.

The Isle of Wight Council Pensions Office may decline to accept a transfer from a non-LGPS arrangement.

## **If you have pension rights with another public service pension scheme**

If you have paid into another public service pension scheme you can consider transferring the benefits you have built up into the LGPS. Transfers from a public service pension scheme (including the LGPS in Scotland or Northern Ireland) where the election to transfer is made within 12 months of joining the LGPS are transferred under preferential rules known as Club transfer rules.

If you opt to transfer pension rights from a public service pension scheme the amount of extra pension which is added to your pension account will be equal to the amount of pension you had built up in your pension account with your previous pension scheme.

The extra pension would be added to your pension account in the LGPS the scheme year that the transfer payment is received.

Where a transfer from another public service pension scheme includes a final salary element (membership built up in a final salary scheme which in most cases is membership up to 31 March 2015) that element would buy final salary scheme membership in the LGPS provided you have not had a break in active membership of a public service pension scheme of more than 5 years. The transfer value will give you broadly equivalent benefits in the LGPS, provided you apply for the transfer within 12 months of joining the LGPS. Where you have had a break in active membership of a public service pension scheme of more than 5 years a transfer under club rules isn't possible.

## **I have a personal or stakeholder pension plan. Can I continue paying into it?**

If you have a personal or stakeholder pension plan you can continue to pay into it at the same time as paying into the LGPS or, alternatively, you can stop paying into it and consider transferring it into the LGPS.

You can, if you wish, pay up to 100% of your total UK taxable earnings in any one tax year into any number of concurrent pension arrangements of your choice (or, if greater, £3,600 to a "tax relief at source" arrangement, such as a personal pension or stakeholder pension scheme) and be eligible for tax relief on those contributions. Under HM Revenue and Customs rules there are controls on the pension savings you can have before you become subject to a tax charge. Most people will not be affected by these controls.

## **I have paid Additional Voluntary Contributions (AVCs). Can I transfer them into the LGPS?**

If you have paid AVCs to the LGPS in England or Wales, the accrued value of your AVCs must be transferred to an AVC arrangement offered by your new administering authority if you transfer your main scheme benefits.

However, there is an exception to this rule. If you were previously a member of the LGPS on 31 March 2014 and 1 April 2014 (or you were not a member on those dates but elect within 12 months of returning to the LGPS to be treated as if you had been a member on those dates) and you do not have a break in active membership of a public service pension scheme of more than 5 years, you can choose not to transfer the accrued value of your AVCs to an AVC arrangement offered by your new administering authority. If you do transfer your accrued AVC value then once it's transferred to the new arrangement it is considered a contract under the scheme rules in force at the time of the transfer. That means under current rules you can pay up to 100% of your pay as AVC contributions, the amount of tax free cash you can receive from the AVCs is capped at 25% of the value of your AVC account, and the Normal Pension Age for the benefits from the AVCs is linked to your State Pension Age. If, however, you choose not to transfer the accrued value of your AVCs and your election to pay those AVCs had been made prior to 1 April 2014, the amount of tax free cash you can receive from the AVCs is up to a maximum of 100% of the value of that AVC account.

If you have paid AVCs to a scheme (other than to the LGPS in England or Wales) or you have paid Free-Standing AVC (FSAVCs) you can, if you wish, transfer them into the LGPS to buy extra LGPS pension. You have only 12 months from joining the LGPS to opt to transfer your previous AVC rights to buy extra LGPS membership, unless your employer and the Isle of Wight Council Pensions Office allows you longer.

## **What are the time limits?**

Transfers should be completed within 12 months of you joining the Isle of Wight Council Pension Fund otherwise you may not be able to transfer or the terms will worsen.

## **How do I Transfer?**

For each previous scheme that you wish to transfer benefits please complete separate 'Transfer Information Request' forms and send them direct to the scheme providers.

## **What happens next?**

Your provider will give the Pensions Office a transfer value, details of your benefits and discharge forms. We will not use them to transfer benefits without your written permission.

Some transfer values have a 3 month guarantee and personal pension values change daily. If the transfer value has expired, or is not recent, you may need to ask for a new value. Your previous provider may charge you for repeat quotes.

When we have received the information from your previous provider, we will send you an estimate of the amount of earned pension that could be credited to your pension account.

You must then decide whether or not to go ahead. We cannot advise you so you may wish to consult an independent financial adviser. You can find an advisor in your area at: [www.unbiased.co.uk](http://www.unbiased.co.uk)

## **What if I want the transfer to go ahead?**

Complete the relevant forms and return them with the other documents requested to us. You must return the forms and other documents within any guarantee period, if there is one, to take advantage of the guaranteed value.

## **When the transfer is complete**

We will write to you when we receive payment from your previous scheme, confirming completion of the transfer.

## **What if I do not have my previous provider's address?**

Write to the Pensions Tracing Service at:

Pensions Tracing Service  
The Pensions Service  
Tyneview Park  
Newcastle Upon Tyne  
NE98 1BA

and tell them as much as you can about the previous scheme or provider.

## **Data protection**

Information you send us will be kept on your record. Your previous scheme will probably send information to you, but may send it straight to us. They may also need to contact HMRC. Information will only be used to process your pension benefits.

This leaflet has been prepared by the Isle of Wight Council Pension Office. If you need further information about the LGPS, 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)

Tel: 01983 823626

Website: <http://www.iwight.com/council/OtherServices/Pensions-IWC>

## Transfer Information Request

Dear Pension Provider

I am considering transferring my pension rights with you into the Isle of Wight Pension Fund, part of the Local Government Pension Scheme (LGPS).

I have given my details below. Please provide the information requested overleaf, and enclose the discharge forms I will need if I wish the transfer to proceed. Send these to the Pensions Office, Shared Service Centre, Isle of Wight Council, County Hall, High Street, Newport, Isle of Wight PO30 1UD, with a copy of this form.

I consent to the disclosure of any additional information about my pension to the Isle of Wight Council Pension Office.

Please process this estimate request quickly, but do not send payment. I will contact you again if I want the transfer to proceed.

Yours sincerely

<b>Signed</b>			
Signature		Date	

<b>Member details (in Capitals)</b>	
Title	Mr / Mrs / Miss / Ms / other
Surname	
First Name	
Previous Surname (if any)	
Date of Birth	
National Insurance Number	
Address	
Name of previous pension scheme	
Address	
Membership / policy number	
Dates of membership	from:
	to:

## To the Pension Provider:

If you can offer a transfer value, please send the information requested over page together with any discharge forms. Please make sure the information is dated. If the transfer value includes pre 1997 protected rights, you must include GMP details. Without them we will have to return the transfer estimate.

### If you are an occupational scheme:

- Service dates on which benefit entitlement is based
- Contracted out employment dates, if different
- Weekly GMP to the leaving date and type of revaluation used, split pre and post 88
- Your PSTR number
- Your ECON and SCON if applicable
- Transfer value, excluding any AVC fund
- AVC fund value, if any
- Post 1997 protected rights
- Current benefits value
- Details of any pension sharing or earmarking orders

### If you are a personal pension arrangement:

- Dates of membership of the arrangement
- Basis of your HMRC approval
- Your PSTR number
- Your ASCON number
- Transfer value
- Details of any pension sharing or earmarking orders

## About the Local Government Pension Scheme (LGPS)

The LGPS is a statutory scheme and became a registered pension scheme on 6 April 2006 in accordance with paragraph (1) of Schedule 36 to the Finance Act 2004.

<b>PSTR number:</b>	PSTR00329946RE
<b>ECON:</b>	E3900002R
<b>SCON:</b>	S2700155E
<b>GMP revaluation rate:</b>	Section 148 orders
<b>Scheme administrator:</b>	Pensions Team, Shared Service Centre, Isle of Wight Council, County Hall, High Street, Newport, Isle of Wight. PO30 1UD

Please regard this as authority to contact HM Revenue & Customs for confirmation of scheme status or related issues.