



Linking Membership Fact Sheet - points to consider

Linking Type A2 CONC

Important: These notes are based on current scheme rules and our understanding of these at the present time. Future changes in the rules could affect the information given in these notes.

How LGPS benefits are worked out

Benefits built up in the CARE (Career average revalued earnings) scheme from 1 April 2014

At the end of March each year a pension equal to $1/49^{\text{th}}$ of your pensionable pay for that year is added to your pension account ($1/98^{\text{th}}$ if you are in the 50/50 section). If you receive reduced pay because of sickness, relevant child related leave or reserve forces leave, a notional figure based on the pay you would have received in the 12 weeks prior to reduction is used to calculate your pension. Your pension account is revalued every year in line with the cost of living.

Your benefits will be worked out in the same way whether they are linked or not.

If your benefits are linked – you'll then have only one set of benefits, so you'll have:

A current pension account - made up of:

1. pension built up in the CARE scheme in your old job
+
2. Benefits based on any membership in your current job in the final salary scheme up to 31 March 2014* and final pay when you leave your current job
+
3. Pension built up in the CARE scheme in your current job from 1 April 2014

* adjusted to take account of different pay rates (see concurrent membership on next page)

Pension sharing order – if you have a pension sharing order applied to your benefits and your benefits are linked, this order will be transferred to your current pension account.

If you choose to keep separate benefits – you'll keep your deferred benefits and build up separate benefits in your current job – so you'll have:

Deferred benefits made up of: 1. Pension built up in the CARE scheme in your old job	+	A current pension account made up of: 1. Benefits based on any membership in your current job in the final salary scheme up to 31 March 2014 and final pay when you leave your current job + 2. Pension built up in the CARE scheme in your current from 1 April 2014
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Deferred benefits are revalued each April so they maintain their value.

Cost of living increases

Deferred benefits are revalued each April so they maintain their value. The total pension in your current pension account is also revalued each April to keep pace with inflation. If we have a year of negative inflation (which is a rare event) – the value of your deferred benefits would remain the same (they can't be reduced), but the total value of your current pension account could go down.

Normal Pension Age (NPA)

- Your NPA is the earliest age you can retire and draw your benefits without having any reductions applied
- Your NPA for the job you have left is linked to your state retirement age, your NPA for these benefits will not change if you link your benefits
- The reductions decrease the closer you get to NPA
- All linked benefits must be drawn at the same time

Leaving before retirement

If you opt out of the scheme with less than 3 months membership in your current job:

- Any contributions you have paid will be refunded to you by your employer though your pay
- You will no longer have the option to link your deferred benefits - as you will be treated as though you had never been a member of the scheme

If you opt of the scheme with at least 3 months membership, or leave your current job, before being entitled to payment of retirement benefits:

- If you've chosen to keep your benefits separate - you will be awarded deferred benefits (you won't be able to claim a refund of the contributions you have paid

as your separate deferred benefits give you a benefit entitlement in your current job)

- If you've chosen to link your benefits - your entitlement will depend on the membership you have in the scheme

Transferring pension rights

- Even if you elect not to link your deferred benefits to your current pension account – you won't be able to transfer these deferred benefits to a different scheme until you cease to be a member of the scheme in your current job
- You won't be entitled to a transfer once you are within 1 year of (or past) your NPA

Early retirement

If, after completing 2 years membership, you retire early due to:

- Voluntary retirement over age 55 (reductions may apply); or
- Redundancy or efficiency over age 55; or
- Ill health at any age (must satisfy medical criteria)

you will only be paid the benefits from your current membership, if you have kept your deferred benefits separate.

Your separate benefits will be paid later, from your NPA (unless the ill health criteria for these to be paid early is also satisfied, or other early retirement provisions apply).

Death in service benefits

Lump sum death grant - the amount payable would be:

- If you link your benefits, three times your assumed pensionable pay at date of death (this means any reduction in your pay due to sickness or relevant child related leave is ignored).
- If you retain separate benefits – the higher of three times your assumed pensionable pay at date of death OR the combined lump sum payable in respect of all deferred benefits and any pensions in payment.

Eligible partner's and children's pensions – the amount of these would be affected by whether or not you decided to link your benefits.