

## A short note

..... About leaving due to redundancy and your LGPS pension

If you have to leave your job because your employer makes you redundant

- you are a current member of the LGPS, and
- you have at least 2 years in the LGPS, and
- you are aged at least 55 years old

your benefit from the LGPS is payable immediately - the pension is payable from the day following your last day of service – it is not optional.

If you can say yes to all the points above the benefit we pay you is not reduced – you are drawing your pension early – before state pension age, but we pay what has been built up to your last day of service. (If you have a recent benefit statement the figures, for the current value at the date of the statement, will give you a broad idea of the pension we can pay)

You are not receiving extra in your pension because your employer is terminating your contract. But also you are not having the reduction that is usually applied for taking pensions early; your employer is paying the 'hidden' cost for releasing the benefit early, direct to the pension fund.

If you have paid in extra contributions to buy an extra pension using the APC, (Additional Pension Contributions) arrangements ... we do have to reduce that extra pension. You were paying for the whole cost of this part yourself so there is no one else to support the cost of an early payment.

If you have paid extra contributions as AVCs (additional voluntary contributions) to the Prudential you will have some choice about how to use that fund now you are leaving with a pension due to redundancy. We will send you those details once the Prudential release the fund values, this extra stage can hold things up a little.

### Details about the pension calculation

If you have been in the LGPS a long while, you may find the calculation is spread over three sections:

From 1 April 2014 to your last day of service ... pension built up each year taking your actual pay divide by 49 (or 1/98 if you paid to the 50/50 section)

From 1 April 2008 to 31 March 2014 pension based on 1/60 of 'final pay' for each year of membership

Up to 31 March 2008 pension based on 1/80 of 'final pay' for each year of membership and a tax free lump sum of three times the annual pension.

Leaving your employment on redundancy is result of an employer decision, once you qualify there is an immediate payment of benefits. Not optional. The unreduced benefit you have built up in the LGPS with this employment is due immediately. But you do have some choice about how you take the benefit.

## Details about your choice

When we know your leaving details from the your employer, and these are not only your last day of service but details of your pay, Pension Services will tell you about the basic figures also how much pension you can exchange for a lump sum.

Taking a bigger lump sum is your choice and this choice is only available at your retirement. Taking this option converts £1 pension into £12 tax-free lump sum.

If you know – through having seen benefit statements- that you want to take the smallest pension and the largest lump sum, or however your choice may fall, you can complete a retirement declaration without having had an earlier quote. This will generally speed up the final process. Your annual benefit statement shows you both the maximum and no conversion options. You would be able to choose any point between these. Of course, you can also request a formal quote to help you decide and then make your choice on the retirement declaration form.

You only get this choice now as you draw your pension.

It is an individual choice. Some people may want/need the bigger lump sum; others may want to ensure they have the guaranteed value of the pension into the future.

## Timetable

Your employer has to confirm you are leaving on redundancy and to confirm that you have an entitlement to a pension. Even if that information is supplied in advance, Pension Services cannot do further work until we hold this confirmation **and** details of your pay for the last year.

Your pension is dependent on details of your pay.

We cannot start the calculations until we know you have received your final salary payment.

Your employer must send all payroll details by 19th of the month after you have been paid. We look for retirements – including redundancy from the list as a priority.

We will prepare your pension details, and get the information to you within 10 days of us having your employer's monthly report. We will tell you about your options. And request personal and payment details from you. If you know how you would like to receive your benefit, you can complete a retirement declaration form and we will not send a quote but straight to payment. We cannot pay you anything until you have returned the 'retirement declaration form' to let us know how you want to take your pension and your personal details.

We will set up the retirement grant/ lump sum payment as soon as possible once we have your form back and all the details to pay your pension.

Your pension is paid monthly, on the last working day of the month.

The first monthly payment would catch up on any pension due from the day following your last day of service.

## Other points

- You do not have the option to refuse or put off getting your pension after redundancy
- If you find new work after your pension has begun, we still pay your pension
- We review the pension in payment every year in line with the consumer price index (CPI).
- Once you have started to receive your pension you can sign up to the on line service and see your payslip every month, and keep your bank details up to date
- Under 55? We calculate the pension – but there cannot be an immediate payment. We call this a 'deferred pension'. We will write to you to let you know about your options and the value of your pension. And a review statement every year.
- Less than 2 years in the scheme? You may be able to have a refund of your contributions.

**For more information**

See the member's scheme guide on [www.oxfordshire.gov.uk/lgpsmembersguide](http://www.oxfordshire.gov.uk/lgpsmembersguide)  
Member's website on [www.lgpsmember.org](http://www.lgpsmember.org)

Questions about your pay and transfer of information should go to your employer ask Pension Services about the benefit calculation and your options.

Pension enquiries 03300 241359  
or email [pension.services@oxfordshire.gov.uk](mailto:pension.services@oxfordshire.gov.uk)  
[www.oxfordshire.gov.uk/pensions](http://www.oxfordshire.gov.uk/pensions)

Pension Services  
Oxfordshire Pension Fund  
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Oxford Business Park South  
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Please make an appointment before visiting our offices, sorry but we cannot guarantee parking on site.

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