

# PENSIONS

## Frequently Asked Questions

### **1. I am a new starter with NCG and have been enrolled into the Teachers' Pension Scheme (TPS) – how do I opt out?**

The easiest and quickest way to opt out of the TPS is by registering with My Pension Online and completing the online opt out.

Alternatively, you can download an opt out form from the TPS website and forward it to the NCG payroll team to complete the employer declaration and forward to TPS.

You should be aware that your employer, i.e. NCG, must re-enrol you back into the main section of the pension scheme approximately every 3 years in line with the auto-enrolment process under the Pensions Act 2008. Should you not wish to be enrolled, you would need to opt back out following the re-enrolment date.

### **2. I am a new starter with NCG and have been enrolled into the Local Government Pension Scheme (LGPS) – how do I opt out?**

To opt out of the LGPS you would need to complete the online opt out form from the LPFA website, and send this to the payroll team to process. The link to the website is <https://www.yourpension.org.uk/LPFA/Home.aspx>

You should be aware that your employer, i.e. NCG, must re-enrol you back into the main section of the pension scheme approximately every 3 years in line with the auto-enrolment process under the Pensions Act 2008. Should you not wish to be enrolled, you would need to opt back out following the re-enrolment date.

### **3. I have opted out of the pension scheme, will I receive a refund of the contributions paid?**

If you have opted out of the pension scheme within 3 months of being enrolled, a refund of the contributions paid will be made through payroll. If you opt out after 3 months, but with less than 2 years qualifying service, the pension scheme will arrange a refund of your contributions. Once you have 2 year's pensionable service you are not entitled to a refund of contributions.

### **4. I am considering taking my retirement benefits from the Teachers' Pension Scheme. Can I continue to work?**

If you are taking your age retirement benefits, to continue working TPS rules specify that you must have at least one day's break in employment. You would then become a new starter with NCG, on a new contract, and your existing employment would be closed. You would need to agree this with your line manager as they will need to complete the recruitment process and this would be open for other candidates to apply. You should also be aware that your pension may be subject to abatement as you are re-employed. It is recommended that you seek Independent Financial Advice before making your decision.

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There is the option to take Phased Retirement from TPS if you wished to take up to 75% of your benefits, however you must reduce your working hours or salary by at least 20% for a minimum of 12 months. With Phased Retirement there is no requirement to have a break in service, your line manager would simply arrange a change of terms and conditions.

Please note if you were to increase your salary or return to full time work before the 12 month period is completed, any lump sum you may have received would be treated as an unauthorised payment and you may have to pay 40% tax on this amount.

## 5. What is the 50/50 section of the scheme for LGPS?

The 50/50 section of the scheme allows you to pay half contributions but this will mean you only build up half of the pension. This is meant to be a short term option, and your employer, i.e. NCG, must re-enrol you back into the main section of the pension scheme approximately every 3 years in line with the auto-enrolment process under the Pensions Act 2008. You can complete an online election form from the LPFA website.

<https://www.yourpension.org.uk/LPFA/Home.aspx>

## 6. What is the banding for LGPS contributions?

| Member contribution bands and rates from 1 April 2020 |                                                             |                                                               |
|-------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|
| <b>Your actual pensionable pay</b>                    | <b>In the main section, you pay a contribution rate of:</b> | <b>In the *50/50 section, you pay a contribution rate of:</b> |
| Up to £14,600                                         | 5.5%                                                        | 2.75%                                                         |
| £14,601 to £22,800                                    | 5.8%                                                        | 2.9%                                                          |
| £22,801 to £37,100                                    | 6.5%                                                        | 3.25%                                                         |
| £37,101 to £46,900                                    | 6.8%                                                        | 3.4%                                                          |
| £46,901 to £65,600                                    | 8.5%                                                        | 4.25%                                                         |
| £65,601 to £93,000                                    | 9.9%                                                        | 4.95%                                                         |
| £93,001 to £109,500                                   | 10.5%                                                       | 5.25%                                                         |
| £109,501 to £164,200                                  | 11.4%                                                       | 5.7%                                                          |
| More than £164,201                                    | 12.5%                                                       | 6.25%                                                         |

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## 7. What are the bandings for TPS contributions.

| <b>Annual Salary Rate for the Eligible Employment from 1 April 2019</b> | <b>Member Contribution Rate</b> |
|-------------------------------------------------------------------------|---------------------------------|
| Up to £28,168.99                                                        | 7.4%                            |
| £28,169 to £37,918.99                                                   | 8.6%                            |
| £37,919 to £44,960.99                                                   | 9.6%                            |
| £44,961 to £59,587.99                                                   | 10.2%                           |
| £59,588 to £81,254.99                                                   | 11.3%                           |
| £81,255 and above                                                       | 11.7%                           |

## 8. How do I view my Annual Benefit Statements for LGPS?

The Annual Benefit Statements for active members are now available through each member's online 'My Pension Online' account. These Statements show the value of the benefits built up as at 31 March. If you are already registered to access your My Pension online account, you should receive an email to let you know your Statement is available to view.

## 9. How do I view my Annual Benefit Statements for TPS?

To view your Annual Benefit Statement you will need to register with My Pension Online on the Teachers Pensions website.

## 10. I have taken my Age final salary benefits from the TPS – can I return to work?

If you're receiving Age final salary benefits and you remain in pensionable employment, or you're receiving Age or Premature final salary benefits after leaving pensionable employment and then return to work, your pension may be suspended. This is dependent upon your earnings but only where the employment is pensionable in the Teachers' Pension Scheme. If the employment is eligible to be pensionable the earnings will be included in the assessment, irrespective of whether you have opted-out or remain in the Scheme for that employment.

If you retired on ill-health grounds your pension will stop as soon as you return to work. This applies to benefits awarded under either or both the final salary or career average arrangements.

If you're receiving Early Retirement (Actuarially Adjusted Benefits), your pension will not be affected. If you return to work and subsequently take Age, Premature or Ill-health Retirement, your benefits may be affected.

If you do return to work you will need to complete a Certificate of Re-employment which can be done by My Pension Online.

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## **11. I previously worked for another employer that was a member of the LGPS – can I transfer this in to my new scheme?**

If you are rejoining the LGPS, you may have a decision to make about whether or not to combine the pension account relating to your earlier employment with your current active account. The options available to you depend on your benefit entitlement in your first employment, and the dates you paid into the Scheme. Further information can be found on <https://www.yourpension.org.uk/LPFA/In-The-Scheme/About-the-Scheme/Guides-Factsheets.aspx>

## **12. Can I transfer my previous pension rights (non LGPS) into the LGPS?**

There is an option to transfer previous pension rights into the LGPS however there are timelimits associated with this process.

If you have joined the fund within the last 12 months you can contact the scheme to request a transfer. <https://www.yourpension.org.uk/LPFA/Joining-the-Scheme/Transferring-Benefits.aspx>

If it is more than 12 months since joining the fund, it is at the employer's discretion as to whether they will allow a transfer outside of the specified timelimit. At the present time NCG do not exercise this discretion to allow transfers outside of the 12 month timelimit.

## **13. I have a Pension Credit with another pension scheme resulting from divorce proceedings – can I transfer this into the TPS or LGPS?**

Both TPS and LGPS do not allow a pension credit to be transferred into the schemes.

## **14. I would like to increase my TPS pension contributions – how do I do this?**

The Scheme provides a number of opportunities for increasing your benefits and those of your family. It's also important to understand which arrangement you're in as some of the flexibilities are only available to you if you're in the career average arrangement. You can view the options open to you on the TPS website. <https://www.teacherspensions.co.uk/members/working-life/paying-in/increasing-your-pension.aspx>

## **15. I would like to increase my LGPS pension contributions – how do I do this?**

There are a number of options available to provide extra benefits. You can view the options open to you on the London Pension Fund Authority website. <https://www.yourpension.org.uk/LPFA/In-The-Scheme/About-the-Scheme/Additional-Pension-AVCs.aspx>

## **16. I am a member of the TPS and have been advised to register with My Pension Online – how do I do this?**

To register with My Pension Online you will need your National Insurance Number, date of birth and email address.

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<https://www.teacherspensions.co.uk/forms/registration.aspx>

**17. I am a member of the LGPS and have been advised to register with My Pension Online – how do I do this?**

To register with My Pension Online you will need your National Insurance Number, date of birth and email address.

<https://axise.yourpension.org.uk/home/non-member/thinking-of-joining.html>