

Frequently Asked Questions

Types of LGPS Retirements Webinar



Questions Asked

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PENSION

AWARENESS WEEK

15 - 19 September 2025

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Combining LGPS records

If I have moved from one LGPS fund to another. Will they be automatically combined into one "pot" even if there have been breaks in employment, or do I need to contact someone to ensure this happens?

Your current LGPS fund will not know you have LGPS benefits elsewhere unless you tell them. Please contact your current LGPS fund to see if it is possible to combine these benefits now.

Can you combine two or more LGPS pensions together?

Generally speaking, yes you can combine two or more LGPS pensions. You must tell your current LGPS fund about the previous LGPS benefits and that you are interested in joining them together. Your current LGPS fund will then start the combining process and contact the other LGPS fund on your behalf. You may need to complete a form giving your current LGPS fund permission to speak to your previous LGPS fund.

Transferring other pensions to and from LGPS

Can you transfer a previous pension to the LGPS pension? For example, NHS, private pension plan, civil service, previous private sector occupational pensions, bank pension?

When you join your LGPS fund, you have 12 months from joining to start transferring any previous pensions. Your employer does have the discretion to extend this deadline, but they don't have to.

First, you should complete a Transfer Authority Form for each pension that you want to transfer.

Receiving your signed form allows your LGPS fund to speak to your other pension providers and ask them for the transfer value of the pension you have with them. Once your LGPS fund has the value, they can let you know how much annual pension it would buy you in the LGPS.

You must then complete some more forms if you want the transfer to go ahead.

I've recently had a pension share order from a divorce reducing my pension. I also have a pension held from a previous employer would there be any benefit in moving the whole of that fund into the LGPS to repair the loss of the sharing order whilst I am still working?

Transfers of previous pensions to the LGPS do increase your LGPS benefit value. However, you only have 12 months from joining to start transferring any previous pensions. Your employer does have the discretion to extend this deadline, but they don't have to.

We are not licensed to give financial advice. If you do need advice, these Bodies may be able to help you:

Unbiased:

<https://unbiased.co.uk>

MoneyHelper:

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser>

What are the advantages and disadvantages of combining your pensions?

Each case is specific and very individual to that particular LGPS member. You should look out for things such as:

- The transfer will buy you more LGPS pension, which makes your LGPS pension at retirement bigger. Is the LGPS pension the transfer is buying you higher than the pension if it is left with your previous provider?
- Are you giving up a normal retirement age in the other scheme which is lower than state pension age?
- Pensions transferred into LGPS become LGPS pension. LGPS pension increases in value based on cost of living increases? Does the pension with your previous provider increase in line with cost of living?

Please remember we are not licensed to give financial advice.

Please tell us more about transferring my LGPS benefits out.

You can only transfer your pension benefits to another pension scheme if you've stopped paying contributions into your LGPS fund. The main types of transfer out are to:

- another LGPS Fund
- another public sector pension scheme (for example, Teachers, NHS)
- a personal or private pension plan

If you want to transfer out, you must do so at least 12 months before your normal retirement age in the LGPS. Your normal retirement age is either your State Pension Age, or 65 if later.

Here are the steps towards arranging a transfer:

1. Check with your new pension provider that they will accept transfers and that you are inside any deadlines they have for receiving them.
2. If so, tell your new pension provider to contact your LGPS fund on your behalf for a transfer quote. They may have an online process or form for you to do this.
3. Your LGPS fund will work out the quote and pass it to your new pension provider. They will then let you know what pension benefits the transfer would buy in their scheme.

The LGPS transfer quote will be guaranteed for three months. Bear in mind that asking for a quote does not mean you have to go ahead with the transfer. Please consider your options carefully and only transfer if you are sure it's the right move for you. You should take financial advice if you need to.

APCs (additional pension contributions) and AVCs (additional voluntary contributions)

I lost out on a number of years paying into my pension. Can I pay extra into my pension to make up the lost years?

If you would like to increase the value of your pension for retirement, you can do this through APCs and / or AVCs.

APCs: If you want to buy extra annual pension through an APC, please go to:

<https://www.lgpsmember.org/help-and-support/tools-and-calculators/buy-extra-pension-calculator/>

This is a national online APC calculator that you can use to decide if you want to pay APCs and how much it would cost you. If you are happy with the figures on the calculator, there is a form you can complete through the calculator. You should complete and return the form to your LGPS fund. As part of your LGPS fund's process and before the APC can be set up, you will need to get a medical certificate signed by your doctor, at your own expense, to confirm you are in reasonably good health.

AVCs: Contact your LGPS fund directly using the last page of these FAQs. They will let you know who their AVC provider is and what the process is to set one up.

Does your employer match any APC you pay in?

No, your employer does not legally have to increase their contributions if you start an APC or AVC. However, each employer should have a policy on whether they offer Shared Cost APC and Shared Cost AVC. You should speak to your employer's HR department directly to see what their policy is on this. Shared cost means that your employer would pay into your APC or AVC with you. As it is not obligatory, you will need to check whether this is something your employer offers and on what terms.

If I have an AVC with Prudential, do I have to claim that separately or is that done by the employer/pension fund?

Your LGPS fund will contact the Prudential (or other AVC provider) as part of the retirement process. Your AVC value will be included in your retirement paperwork from your LGPS fund.

Retirements

What is the processing time for a new pension application? How much notice does the LGPS need in order to pay this?

You do not need to give your LGPS fund notice that you intend to resign from your job and take your pension. When you hand in your notice to your employer, that starts a chain reaction of events:

- Your employer will send your LGPS fund your leaver form after you have left your job and received your final wages payment.
- Your LGPS fund will use the leaver form information to work out the value of your pension benefits. These figures are then double checked before being sent to you.
- Your LGPS fund will send you a retirement estimate and forms for you to complete. If you use the online pension portal, we will send you an email with instructions on how to access the pack. Otherwise, we'll post it to your home address.
- Please read your retirement options letter carefully. You will need to fill in and return the retirement forms. You must also send us copies of any relevant certificates. For example, this could be your birth certificate, driving licence, or passport for proof of your date of birth. You also need to send us (if relevant) your partner's birth certificate, your marriage certificate, civil partnership certificate or your final order. Note: a final order used to be called a decree absolute.
- After receiving your completed forms, your LGPS fund will work out your pension based on the choice you have made on your option form.
- Your LGPS fund will pay your pension and any lump sum to the bank details you've provided.

Can you continue working somewhere else whilst taking your pension?

If your new employer has a different scheme as their work pension, your LGPS pension will stay the same. You don't need to give us any details about your new job.

If your new employer uses LGPS as their work pension, you must tell your LGPS fund about your new job, whether or not you choose to re-join the pension scheme. Your LGPS fund may have to reduce or stop the pension depending on their policy.

Can't I draw a pension from another LGPS scheme and continue working in my current employment and contribute to my current active pension?

You will need to speak to the LGPS fund you are going to receive the pension from to let them know you still pay LGPS contributions elsewhere. Each LGPS fund has their own policy on whether they need to stop or reduce an LGPS pension in payment if the pensioner is still paying LGPS contributions elsewhere.

Can I defer my pension for several years if I leave the company and then take my pension later?

Yes there are many LGPS members who leave the LGPS before their state pension age and decide to defer taking the pension until a later date.

- If you stopped paying LGPS contributions on or after 1 April 1998, you have the option to take your pension anytime between age 55 and age 75.
- If you stopped paying LGPS contributions before 1 April 1998, you must start taking your pension from normal retirement age at the very latest.

When you say retirement age, do you mean 65 or 67?

Your normal retirement age is either your State Pension Age, or 65 if later.

If I retire early, does the annual pension reduction decrease with each year up to the age of 65? For example, once I get to 65, the pension is at the full rate?

No, if you retire early, your pension is reduced for taking it early. These reductions are never taken off the pension value in the future. Your reduced pension will only increase in value with the normal cost of living increases using the consumer price index.

Please put the reduction percentage table in the FAQ when you send it out.

Number of Years Paid Early	Reduction to Annual Pension	Reduction to Automatic Lump Sum
0	0%	0%
1	4.9%	1.7%
2	9.3%	3.3%
3	13.5%	4.9%
4	17.4%	6.5%
5	20.9%	8.1%
6	24.3%	9.6%
7	27.4%	11.1%
8	30.3%	12.6%
9	33.0%	14.1%
10	35.6%	15.5%
11	39.5%	Does not apply
12	41.8%	Does not apply
13	43.9%	Does not apply

Are the reductions in pension impacted by contributions or membership?

No, the reduction applied to your pension are not impacted based on the contributions you have paid or the membership you have built up. The reduction applied to your pension is based on how old you are when you start to take your pension, and how many years and days away you are from normal retirement age.

I'm still confused about the difference between reduction for early payment and not having your pension enhanced at early retirement.

Your normal pension age (NPA) is either your State Pension Age, or 65 if later. If you retire before this date, your pension will be reduced for early payment. The further away your

retirement date is from your NPA, the bigger the reduction will be (please see table above for details on the early retirement reductions).

There are limited situations where a pension may be enhanced in early retirement:

- Your employer pays for additional pension
- Your employer waives early retirement reductions or switches on the 85-year rule before age 60

These are awarded at the employer's sole discretion.

An employer may award Tier 1 or Tier 2 enhancement on ill health retirement after following the ill health retirement process.

If I take a reduced pension and increased lump sum, what will the maximum tax-free lump sum be?

This will be different for every member, because it will depend on how much pension you have built up in the scheme. You can look at these details on your fund's member portal, and some funds will be able to provide estimates too in some circumstances. Please contact your pension fund (details below) for more information.

If your leaving date from your council job is the last day of the month, does your pension start from the first day of the next month? The info I've seen says it would be your leaving day but surely you are still working then?

In your example, yes, your pension would be payable from the day after your last day of service. You need to tell your pension fund when you would like to start receiving your pension benefit, particularly if you are retiring before your normal pension age. Please note that it may take up to 6-8 weeks to put your pension into payment but we will always backdate to your retirement date. The lump sum is paid as soon as possible.

Can I just confirm that if you take flexi retirement, your employer will automatically set you up with a new pension?

Yes, when you flexibly retire, your employer will automatically continue to take LGPS contributions from you so long as your new contract of employment is three months or more and you are under age 75.

Can I take flexible retirement after state pension age?

Yes, flexible retirement can be done at any time between 55 and 75. However, please note that flexible retirement can only be taken at your employer's discretion and in line with their policy.

If you go for flexible retirement I believe you have to take all pension rights accrued up to 2008. If you choose to leave the rest for a few years does that reduce the early retirement reductions?

You are talking about something called 'partial draw-down'. Your employer must state in their flexible retirement policy whether they will allow partial draw-down.

You are correct in saying that if you choose to take flexible retirement and the employer allows partial drawdown, you must take all the pension benefits you earned before 2008. For benefits earned after 2008, you can choose to take some, all, or none of them.

If you decide to take the remainder of your pension benefits before your Normal Retirement Age, those pension benefits will be reduced. The closer you are to Normal Retirement Age when you take them, the smaller the reduction will be. However, any benefits you are already receiving won't be affected.

Can you go over the redundancy rules again?

If you are over 55, and made redundant or leave due to efficiency of the service, you must receive your pension straight away. Under current rules, the pension will not be reduced for early payment.

Although the pension will not be reduced, it will not be automatically enhanced either to give you the pension you could have built up if you carried on paying contributions until your normal retirement age.

If you have paid extra contributions to improve the value of your pension, this part of your pension will be reduced if you go before normal retirement age.

You may also receive a redundancy severance payment from your employer. This is not related to the pension at all. You should speak to your HR Department about severance payments.

Does the reference to redundancy on slide 6 apply to voluntary redundancy?

Yes, the same LGPS redundancy retirement rules apply whether it is a voluntary or compulsory redundancy.

If made redundant and over 55 will my LGPS fund go through the options available for extra tax free cash and other options?

Yes, regardless of the type of retirement, your LGPS fund will send you a retirement estimate and forms for you to complete. If you use the online pension portal, we will send you an email with instructions on how to access the pack. Otherwise, we'll post it to your home address. You will need to fill in and return the retirement forms to let us know what option you have chosen.

Can any redundancy payments be used to purchase extra LGPS pension?

Statutory redundancy pay can't be used to buy extra LGPS pension. It must be paid directly to you by your employer.

However, if your employer is awarding you discretionary / additional severance pay on top of the statutory amount, you can use the additional severance pay to buy extra LGPS membership, if your employer has a policy that allows it. You will need to speak to your employer's HR department to find out what their policy is on this. If they offer it, the additional severance pay would be paid to your LGPS fund for it to be converted into extra LGPS pension.

If you have a deferred pension with another Local Authority and you are made redundant, is the deferred pension also subject to rules on redundancy or just your current scheme?

If you are over 55 and made redundant, the LGPS pension record you are paying into for that job is the only one that will be paid immediately. Any other deferred pension or active pension record not connected to the redundant post will not be paid as part of the redundancy process.

If I leave my employer and take my pension, can I then work for them on a casual basis in the future and still be able to draw my pension?

If you start receiving your LGPS pension, then get a new job with the same employer in the future, it may affect your pension income. You must tell your LGPS fund about your new job, whether or not you choose to re-join the pension scheme.

Depending on your LGPS fund's policy, they may have to reduce or stop the pension. Ask your LGPS fund directly what their policy is on this.

What does Rule of 85 mean?

If you qualify for the Rule of 85 and retire early, some of your pension will not be reduced.

You only qualify for the Rule of 85 if you were paying pension contributions into the LGPS before 1st October 2006. You meet the Rule of 85 if:

- Your age when you take your LGPS benefits + The number of years you have paid pension contributions into LGPS for = 85 or more

Does Rule 85 apply without employer's consent at 55+ years?

No. If you meet the Rule of 85 and want to take your pension before age 60, you need your employer's consent for it to apply. If your employer does not consent, you can still take your pension but it will be lower than if the Rule of 85 had applied.

No employer consent is needed from age 60.

Rule of 85 is applicable without employer consent from age 60. Is this age limit increasing from April 2028 in line with the minimum retirement age increasing to 57?

No, the increase to the minimum retirement age will not affect this.

Rule of 85 = your age + years' service. Do you mean years' service or do you mean the amount of years you've paid pension contributions?

Rule of 85 is only based on the amount of years you have paid LGPS contributions for.

Does the Rule of 85 apply only to continuous service or total local government service?

Rule of 85 will apply to total LGPS membership, even if there have been gaps in that membership. This is only so long as all of the membership is on one LGPS record and:

- Your age when you take your LGPS benefits + The number of years you have paid pension contributions into LGPS for = 85 or more

If you have several LGPS records with one or more funds, this can affect whether you meet Rule of 85 or not.

Does your employer know if you are protected by the 85 rule, or is it down to the individual to find out?

Your employer will not know this. If you are unsure if you are protected by the 85 year rule or not, you should speak to your LGPS fund. Contact details are at the end of this FAQ.

Do pension payments increase yearly in line with CPI?

LGPS pensions in payment are adjusted in line with inflation every April. Usually, they are adjusted in line with the Consumer Price Index (CPI) from the September before. However, the Government officially confirms the percentage around February every year.

Other questions

When you say service do you mean for this particular pension? Or as long you have been employed?

When LGPS funds talk about service (also known as membership), they mean how long you have paid LGPS contributions for. This could be different to how long you have been employed for.

If you change jobs and decide to be with the same Pension provider, is that possible?

You can only be a member of the LGPS if your employer offers the LGPS, and your job role does not qualify you to join another pension scheme (Teachers' Pensions, for example). You cannot contribute to the scheme in any other circumstance.

Does the online benefit projector include the McCloud assessment?

Please check with your pension fund for more details on this.

If you turn 55 before April 2028, does the 57 early retirement rule apply?

The normal minimum pension age (NMPA) is the earliest age that you can take your pension. The NMPA is currently 55, but it will rise to 57 from 6 April 2028. This change does not apply if you have to take your pension early due to ill health.

The Government is consulting on the changes to the NMPA. The consultation ends at the end of December 2025. If you need to make a decision about your retirement before the Government finalises the new NMPA rules, please contact your pension fund.

Is the pension protected for those planning on taking their pension from 55 but now have to wait until 57?

You could be protected from the increase in the Normal Minimum Pension Age if you joined the LGPS in England and Wales before 4 November 2021. You could also be protected if you transferred a previous pension into the LGPS, as long as you meet certain conditions. We are waiting for a decision from the Government as to whether any protection will be introduced into LGPS rules to allow members who qualify for protection to continue with their right to take their LGPS pension from age 55.

Do we know if there are plans to offer a transition period for the change of the minimum pension age from age 55 to 57?

Please see above.

Is there a maximum number of years of paying into the LGPS where there would be no further benefit. Say, if you had been a member for 40 years?

No, there is no upper limit of service in the LGPS. The longer you contribute to the LGPS, the more you are adding to your pension account and increasing your pension benefits in retirement.

If you don't have a lump sum from another pension but regular payments does this need to be shared?

In the context of death benefits: If you die before your husband, wife, or partner, then they will receive a part of your annual pension as a survivor's pension for themselves. This is only paid to them once you have died.

In the context of divorce or dissolution of a civil partnership: If the law courts decide that part of your LGPS benefits must to be shared with your ex-partner, then they will be awarded a percentage of your annual pension (and possibly lump sum too) at the point that the pension sharing order is issued.

What happens to my pension if I die and have no spouse?

A partner's pension can be paid to someone you are married to, in a civil partnership with, or co-habiting with (eligibility criteria apply).

A child's pension may also be payable to an eligible child. Eligibility criteria can be found here:

<https://www.lgpsmember.org/faqs/will-a-pension-be-paid-to-my-children-when-i-die/>

A lump sum death grant is paid if, when you die, you are under age 75 and one of the following applies:

- you are still paying in the LGPS
- you have left the LGPS but have not taken payment of your pension
- you left after 31 March 2008 and have been receiving your pension for less than 10 years
- you left the LGPS between 1 April 1998 and 31 March 2008 and have been receiving your pension for less than 5 years.

If you left before 1 April 1998 and are receiving your pension, a death grant may be paid when you die. The calculation is complex and you can ask your local pension fund for an estimate of the amount that may be payable.

You can nominate beneficiaries for your death grant – please contact your pension fund for a nomination form.

Useful Links and Contact Details

<p>National LGPS member website</p> 	<p>www.lgpsmember.org</p> <p>Calculators, videos, FAQs, general information about the scheme</p>
	<p>clwydpensionfund.org.uk</p> <p>pensions@flintshire.gov.uk</p>
	<p>www.oxfordshire.gov.uk/business/oxfordshire-pension-fund</p> <p>Pension.services@oxfordshire.gov.uk</p>
	<p>www.shropshirecountypensionfund.co.uk</p> <p>pensions@shropshire.gov.uk</p>