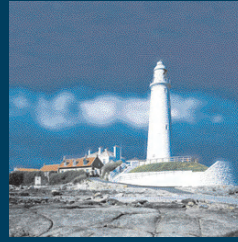
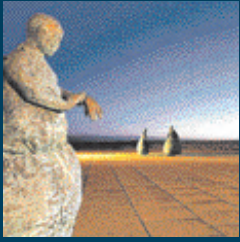


TYNE AND WEAR PENSION FUND

In this leaflet we look at what happens to your LGPS benefits on leaving your job before retirement if you left your job **before 1 April 2008**.

Tyne and Wear Pension Fund
Administered by South Tyneside Council



Leaving Before Retirement



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Deferred Benefits

As you have left pensionable employment, before the age of 65, you will have to decide what to do with the benefits that you have built up in the The Local Government Pension Scheme (LGPS). This booklet describes the options available to you, and the points you should consider.

As your period of membership in the LGPS is three months or more, or you have membership transferred in from a previous pension arrangement you qualify for a deferred pension and tax-free lump sum.

Definitions

The following are definitions of terms used in this booklet, which you may find helpful:

Civil Partnership

A civil partnership is a relationship between two people of the same sex (“civil partners”) which is formed when they register as civil partners of each other.

Final Pay

This is the figure used to calculate most of your pension benefits and is normally your pay in the last year before leaving, or one of the previous two years’ pay if that amount is higher. For a part-time employee, the figure used is normally the pay you would have received if you had worked whole time.

If your pay is reduced because of sickness, the final pay is taken to be the pay you would have received if you had not been sick. During any period of maternity, paternity or adoption leave in respect of which you pay (or are deemed to have paid) pension contributions, final pay includes the pay you would have received had you not been on maternity, paternity or adoption leave.

Membership

The number of years and days you have been a member of the LGPS, plus any membership credited to you on transfer from a different scheme. It also includes any extra period of membership bought with additional contributions. For part-time employees, it means the appropriate proportion of full-time membership.

Normal Retirement Date

This is your 65th birthday.

The 85 Year Rule

This applies only to members joining the LGPS before 1 October 2006.

If your benefits are brought into payment before the age of 65, your pension and lump sum may be reduced if your age plus your potential membership to the date that payment is due, does not equal 85.

This reduction does not apply if your benefits are brought into payment on the grounds of permanent ill health.

Pensions Increase

It is important to note that your deferred pension and lump sum are fully inflation proofed. When payments commence, the benefits will be increased to take account of the rise in the Retail Prices Index (R.P.I.) since the date you left employment. Also, your pension, when in payment, will continue to be increased each April in line with rises in the R.P.I., which measures the cost of living.

If your deferred benefits are brought into payment before age 55 on grounds other than ill health, inflation proofing will normally come into effect at age 55.

Payment of Deferred Benefits

Deferred benefits are calculated as follows:

Annual pension

$1/80 \times \text{final pay} \times \text{period of membership}$

Tax Free Lump Sum

$3/80 \times \text{final pay} \times \text{period of membership}$

From the age of 50, benefits can be brought into payment at the discretion of your previous employer, although they may be reduced due to early payment.

If you become permanently ill (at any age), your benefits can be brought into payment without reduction

If you joined the LGPS after 1 April 1998, and left before 1 October 2006

Your benefits will be paid at age 65. You will have the option to take your benefits at age 60, but they will be subject to reduction if you do not satisfy the 85 year rule.

If you joined the LGPS before 1 April 1998, and left before 1 October 2006

Your benefits will be paid at age 65. You can take your benefits at age 60, but they will be subject to reduction if you could not either, complete 25 years potential membership (known as the 25 year rule), or, if you do not satisfy the 85 year rule. If between the age of 60 and 65, you satisfy the 85 year rule, or reach 25 years potential membership (whichever is first), you will be entitled to unreduced benefits from that date.

If you joined the LGPS before 1 October 2006 and left after 1 October 2006

Your benefits will be paid at age 65. You will have the option to take your benefits at age 60. However, benefits in respect of membership after 1 April 2008 will be reduced due to early payment. The 85 year rule and the 25 year rule still apply to membership prior to 1 April 2008 (as previously explained).

If you joined the LGPS on or after 1 October 2006

Your benefits will be paid at age 65. You have the option to take reduced benefits at age 60.

Your previous employer has the discretion to waive any reduction on compassionate grounds.

Deferring Payment

If you left the LGPS after 1 April 2006, you have the option to defer payment of your benefits until, at the latest, the eve of your 75th birthday.

Annual Benefit Statements

Each year you will receive an annual benefit statement from the Pensions Office, to confirm the current value of your benefits, and provide other information which may be relevant to you. Therefore, it is important that you notify us immediately of any change in address.

Death Benefits

Should you die before your deferred benefits come into payment then a lump sum equal to your deferred lump sum (including pensions increase up to the date of your death) would be paid to your nominated beneficiary or beneficiaries.

In most cases, your husband or wife will receive a long-term pension of half of your deferred pension for the rest of their life. Any eligible dependant children would also qualify for a pension.

If you marry after you leave local government employment your spouse's pension may be calculated differently. You should ask the Pensions Office for further details.

If you have a civil partner, a long-term pension will be payable (providing you left the LGPS on or after 1 April 1998). This will be calculated using your membership from 6 April 1988 only.

Death Grant Nomination Forms

If you have not completed a Death Grant Nomination Form and would like to do so, please contact the Pensions Office. Depending on your personal circumstances, there may be tax advantages associated with nominations.

Transferring your pension benefits

Staying in the LGPS

If you are leaving your current job, but going to an employer who offers membership of the LGPS, your pension benefits can be transferred to your new employer's LGPS fund. However, if you are moving to a job which is less well paid, you may wish to consider leaving your benefits in your old employer's fund.

You may wish to obtain independent financial advice before making your decision.

It is important to note that your benefits can only be transferred if you elect to do so within the first year of rejoining the LGPS (or longer, at the discretion of your new employer).

Concurrent Employment

If you have concurrent employments within the LGPS and you leave one employment (or more than one, but not all), you can opt to merge your membership with the employment you continue to hold.

Joining a New Employer's Scheme

If you are going to an employer who does not offer membership of the LGPS, you may still ask for your benefits to be transferred to your new employer's scheme, provided that the scheme is fully approved by HM Revenue and Customs (HMRC) for this purpose.

It may also be possible to transfer your pension benefits to an overseas pension scheme that meets HMRC conditions.

In order to arrange the transfer you will need to contact your new employer's scheme, which will request details of the transfer value which can be paid from the LGPS. Your new employer's scheme will then be provided with an estimated transfer value, payable from the LGPS. The transfer value is a cash lump sum calculated in accordance with the law as being equal to the current market value of your pension benefits. As the market value of the assets held in the Scheme can go up and down with changes in the investment markets, so will the amount of the transfer value which can be paid. Any quotation given will be guaranteed for three months.

When your new employer's scheme receives the estimate of your transfer value, they should pass this information to you and, at the same time, advise you of the additional benefits which the transfer value will buy in your new pension scheme.

You should find out whether the new scheme is offering you a fixed additional pension or an extra period of scheme membership in exchange for the transfer value.

As you are entitled to deferred benefits in the LGPS, do not forget when comparing your options that these deferred benefits are increased in line with the rise in the Retail Prices Index both before and after they start to be paid.

NEVER COMMIT YOURSELF TO TAKE A TRANSFER VALUE UNTIL YOU HAVE MADE THIS COMPARISON. YOU MAY WISH TO OBTAIN INDEPENDANT FINANCIAL ADVICE BEFORE MAKING YOUR DECISION.

Personal Pension Arrangements

You can use your transfer value to buy an appropriate individual policy with an insurance company which is approved for this purpose, a personal pension, or a stakeholder pension scheme. This option is available to you at any time up to one year before normal retirement date.

The benefits you get will depend very much on the policy and the company you choose.

In considering this option, please bear in mind that any payment to an insurance company is likely to be subject to deductions, for example, commission, administration costs and profit, which do not arise in the LGPS.

When comparing benefits from an individual policy with your LGPS deferred benefits, remember that your deferred benefits are increased in line with the rise in the Retail Prices Index both before and after they start to be paid.

If in due course you decide to take out an individual policy then the choice of insurance company is entirely yours.

NEVER COMMIT YOURSELF TO A TRANSFER TO AN INSURANCE COMPANY UNLESS YOU ARE FULLY SATISFIED THAT IT IS THE RIGHT OPTION TO TAKE. YOU MAY WISH TO TAKE INDEPENDANT FINANCIAL ADVICE BEFORE MAKING YOUR DECISION.

Opting out of the Scheme

If you have opted out of the Scheme without leaving your current job, you will still be entitled to the options described in this booklet, but there may be some restrictions concerning transferring your pension benefits.

Your personal information and data protection

Holding It

We use the information you give us (and in return the information we give you) to do the tasks required for the administration of your pension, to carry out the Fund's official business and to help stop crime and prevent fraud. Under the Data Protection Act 1998, South Tyneside Council is the Data Controller (the holder, user and processor) of the pension information held about you.

Changing and Sharing It

Please contact us if you are changing your name, address, or simply want further information.

To safeguard all our members and comply with the Data Protection Act 1998 we will ask for certain information about you. Once we know who you are, we will amend your details accordingly or provide the information you require. We will only accept changes personally from you and we only disclose information directly to you. We will not take changes from, or disclose any personal information to a third party.

How to contact us

Our information is available in other ways on request.

We can provide information in other languages, Braille or large print.

We also have access to audio aids and BSL interpreters.

There are a number of ways you can get in touch with us.

If you need any further information on the LGPS please contact us at:



Postal Address

Tyne and Wear Pension Fund
PO Box 143
Hebburn NE31 2WT



Pensions Helpline

Tel 0191 424 4141



Fax 0191 424 4171



Email pensions@twpf.info



Web www.twpf.info

Personal callers

You can visit us during office hours at the Civic Centre,
Campbell Park Road, Hebburn, Tyne and Wear. NE31 2SW.
You don't need to make an appointment.

Office hours

Monday to Thursday 8.30am to 5.00pm

Friday 8.30am to 4.30pm

Please quote your National Insurance Number
and your Membership ID Number, so we can
quickly trace your records.