



LGPS Opt out form

Thinking of opting out

The Local Government Pension Scheme (LGPS) helps you save for retirement. It's one of the best occupational pension schemes in the UK because benefits are defined and set out in law. Your employer also pays towards your pension, so it's a valuable and important part of your employment package.

You should think carefully about your retirement before opting out. You may wish to take financial advice. If you're opting out of the LGPS because of professional financial advice, you should ask for this to be confirmed in writing.

If you want to know about the costs and benefits of the LGPS, please visit our website at www.shropshirecountypensionfund.co.uk, or the national LGPS website at www.lgpsmember.org.uk

The LGPS gives you:

- **A secure pension** – worked out at 1/49th of your pay for every scheme year you contribute as a member. Your benefits also keep up with the cost of living as measured by the Consumer Price Index (CPI).
- **Flexibility to pay more or less** – you can pay half your normal contributions in return for half your normal pension through the 50/50 section of the scheme. You can also boost your pension by paying more in contributions while getting tax relief.
- **Tax-free cash** – when you take your benefits, you can give up some of your annual pension for a tax-free cash lump sum.
- **Peace of mind** – your family enjoys financial security with a death grant of three times your pay and survivor's pensions if you die. If you become seriously ill and you've been in the scheme for two years, you could get an ill-health pension.
- **Freedom to choose when to take your pension** – currently you can choose to retire and draw your pension at any time between 55 and 75. Your normal pension age is when your pension is due without a reduction. However, current regulations allow you to take your pension from 55 with a reduction for early payment. If you take your pension after your normal pension age it will be increased.





- **Redundancy and efficiency retirement** – if you're made redundant or leave because of business efficiency on or after 55, and you've been in the scheme for two years or more, you'll get your benefits paid unreduced.
- **Flexible retirement** – if you reduce your hours or move to a less senior job on or after 55, you can take some or all your pension benefits and carry on working. Your employer must agree, and you must have been in the scheme for two years or more. Your benefits may be reduced for early payment.

The Government has announced that the earliest age you can take your pension will increase from 55 to 57 from 6 April 2028. This does not apply if you have to take your pension early because of ill health.

Before opting out, have you thought about the 50/50 section?

This allows you to pay half your contributions in return for half your normal pension build up. You can find more information about moving to the 50/50 section on our website or you can visit www.lgpsmember.org which includes a cost and a benefits calculator. A 50/50 section application form is available on our website.

What happens to the benefits I've already built up if I opt out?

If you opt out of the LGPS within three months of joining, you'll be treated as never having been a member. Your employer will refund your contributions through your pay.

If you opt out of the LGPS after three months but before two years, you may be able to take a refund of your contributions (less tax) or transfer your pension to another scheme. If you have been a member of the scheme for two years or more and opt out, your benefits will become deferred. These will be held in the fund, increasing in line with inflation, until you take them at retirement, or transfer them to another scheme.

For more information, please read the *Brief Scheme Guide* available on our website www.shropshirecountypensionfund.co.uk.





Automatic enrolment

To meet the automatic enrolment rules of the Pensions Act 2008, your employer must automatically bring you back into the LGPS every three years. You can opt out of the LGPS again at that time. If you change your job, your new employer will normally put you back into the pension scheme; but you can opt out again from the first day you start your new job.

Opting out of other pension schemes

If you have another job with a different employer, they might also put you into a pension scheme. If you don't want to be in that employer's pension scheme, you'll need to get an opt out form from the pension administrators of that scheme to opt out. **Remember: this form only opts you out of the LGPS for the job(s) you have mentioned on this form.**

Opting back into the LGPS and joining your benefits together

If you opt out, you can re-join the scheme at any time before 75, if you qualify for membership. However, if you opt out (or opted out) of the LGPS on or after 11 April 2015, resulting in deferred benefits, but then later re-join the LGPS, you can't join the two periods of membership together. You will have two separate sets of pension benefits in the scheme.

Don't forget...

Your employer can't make you opt out of the scheme. If you're asked or made to opt out against your wishes, tell the Pensions Regulator: www.thepensionsregulator.gov.uk. No one can force you to stay in the scheme – it's your choice - but if you opt out make sure you understand what this means for you and your dependents.

Data protection

The Shropshire County Pension Fund is a data controller under data protection law. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we are required to share your information with certain bodies but will only do so in limited circumstances. For more information about how we hold your data, who we share it with, and what rights you have to request information from the fund, please visit www.shropshirecountypensionfund.co.uk.





Opt out form

This form can only be signed and dated on or after the date you start the job from which you are opting out. If you sign and date the form before then, it will not be accepted. It's important to fill in all sections of this form. **An incomplete form will not be accepted** and will be returned for you to complete.

Please return this form completed to your employer's payroll or HR department.

1. Personal information

Name:

NI number:

Personal email address*:

Date of birth:

Home address:

**I confirm that by giving my email address, I'm agreeing for Shropshire County Pension Fund to email me about my pension. (Please note that you do not have to provide your email address, but if you don't, the fund won't be able to contact you with information about your pension, and you will not be able to register to view your pension account online to see your annual benefit statement. In these circumstances a paper copy must be requested.)*

2. Employment information

Employer:

Payroll number:

Name of post(s) from which you wish to opt in to the LGPS:

Job title post 1:

Post number:

Job title post 2:

Post number:





Job title post 3:

Post number:

3. Declaration

I understand that by opting out of the LGPS I'm giving up the chance to take part in the LGPS, which would give me a guaranteed package of benefits backed by law, including:

- **A secure pension** – payable for life, that increases with the cost of living.
- **Tax-free cash** – the option to give up part of my annual pension for a tax-free lump sum at retirement.
- **A flexible retirement date** between 55-75 (with reductions or increases to my benefits).
- **Serious ill-health cover** – immediate benefits based on an enhanced period of scheme membership if I must retire due to a serious illness.
- **Redundancy cover** – with early payment of pension benefits if I'm made redundant or retired on business efficiency grounds at 55 or over.
- **Life cover** – with a lump sum of three times my final pay if I die while working.
- **Death benefits for my family** – including a survivor's pension for my spouse, civil partner, or eligible cohabiting partner as well as children's pensions.

By signing this form, I confirm that:

- I have read the above statement and understand that the choices I make now are important in planning for the future and I confirm that I still want to opt out of the pensions scheme in the post(s) I have shown.
- I am aware I have the option to join the 50/50 section but have decided to opt out of the LGPS.
- I understand if I opt out, I will lose the right to pension contributions from my employer.
- I understand if I opt out, I may have a lower income when I retire.
- I understand I can't opt out before starting my employment.

Signed:

Date:

**Please return this form completed to your employer's payroll
or HR department.**

October 2025

