

# TECHNICAL BULLETIN

NO. 42

February 2013 updated Aug 15



**TO ALL EMPLOYERS WITH MEMBERS IN THE LGPS.  
PLEASE ENSURE COPIES ARE PASSED TO RELEVANT STAFF.**

## **New process for opting out of the LGPS from 1 February 2013**

### **Background**

With the introduction of automatic enrolment we are making some process changes. It is important that employers adhere to these revised processes to ensure that they meet their automatic enrolment obligations.

### **Opt Out Form**

The automatic enrolment legislation is very precise about how the opt out process has to be managed. To ensure compliance we have developed a new scheme opt out form. The form asks the employee to read a leaflet called "It pays to stay" before signing. This is to ensure that the employee is making an informed decision to opt out. The form / leaflet should be used for employees opting out of the LGPS, regardless of whether their employer has reached their automatic enrolment staging date or not. The form / leaflet should be obtained by the employee downloading it from our website. Employers should not download the form / leaflet for the employee. Employers can provide employees with the link to our website. If an employee has no internet access, our Customer Service team on 0345 890 8999 can supply paper copies.

### **Refunds**

regulation 5 of the LGPS (Scotland) regulations 2014 means employers need to pay refunds to employees who have opted out within 3 months of joining the scheme. SPFO is now precluded from paying refunds within the 3 month window, as the employee must be treated as never having been a member. This applies to **new** opt outs only. We will complete any cases you have already sent us. If an employee opts out after three months, an S11 should be submitted to us, so that the opt out can be processed in line with existing LGPS regulations.

### **Recovery of Refunds**

You can use your next monthly payment of contributions to recover any contributions paid in respect of <3 month opt outs. Any employee **and** employer contributions paid over to us should be recovered by reducing the next month's pay-over.

### **Excel spreadsheet**

We need an Excel spreadsheet from you telling us which employees you have refunded. This can be sent monthly or in accordance with your pay cycles. When submitting your Excel to us please put "Opt Outs" in the email subject line and provide us with a contact name, email and telephone number in case we have any questions. The Excel (called "Optants Out") is available at <http://www.spfo.org.uk/CHttpHandler.ashx?id=14645&p=0> As usual its format should not be altered in any way and it should be submitted to: **spfosub@fs.glasgow.gov.uk**

### **SPFO contact**

If you require further information, please get in touch with your Liaison Officer:

[george.maciver@fs.glasgow.gov.uk](mailto:george.maciver@fs.glasgow.gov.uk) 0141 287 7493

[robert.wright@glasgow.gov.uk](mailto:robert.wright@glasgow.gov.uk) 0141 287 7475