

Strathclyde Pension Fund

Local Government Pension Scheme (Scotland) Regulations

Notes for consideration of the option of cancelling deferred benefits and combining them with an active pension account

In order to aid you in your consideration of whether you wish to elect to combine your pension accounts, the following points may be helpful. Please note that Strathclyde Pension Fund cannot provide financial advice and this document is merely provided to offer information. If you are unsure of the best option, you may wish to seek independent financial advice.

- The normal pension age (NPA) for the LGPS is equal to your State Pension Age, or age 65 if this is later. This means that your NPA may change during your scheme membership (active and/or deferred membership) if there are any further changes made to the State Pension Age
- If you elect to access your benefits before your NPA, a reduction will be applied to those benefits to account for early payment
- If you elect to access your benefits after your NPA, an increase will be applied to those benefits to account for late payment
- If you joined the LGPS **before 1st December 2006** you may have transitional protection under the former '85 rule' provisions. If you qualify for this protection and you elect to retire on a voluntary basis after age 60 but before your NPA, where your age (in whole years) and your scheme membership (in whole years) is equal to or greater than 85, no reduction would be applied to your pension benefits. The protection applies as follows;
 - **If you were born before 1st April 1960:** protection applies to benefits based on membership to 31st March 2020
 - **If you are born on or after 1st April 1960:** protection applies to benefits based on membership to 31st March 2008
- If you elect to cancel your deferred benefits and combine them with your ongoing account, you may retain this protection. However if there is a break in membership between your date of deferment and your date of re-entering active scheme membership, your protection may be lost
- CARE pension accounts increase in accordance with an annually issued Treasury Order, which at present, is in line with the Consumer price Index (CPI). It should be noted that this Order provides revaluation which can be negative as well as positive
- The death grant payable upon the death of an active scheme member with no other LGPS benefits is 3 x the member's assumed pensionable pay (APP), which is generally equal to your annual take home pay
- The death grant payable on the death of a deferred member (where the date of deferment is before 1st April 2009) is 3 x annual deferred pension (plus the value of accrued annual increases)
- The death grant payable on the death of a deferred member (where the date of deferment is on or after 1st April 2009) is 5 x annual deferred pension (plus the value of accrued annual increases).
- If you elect to keep your deferred and active pension accounts separate and subsequently die in service, the death grant payable would be the ***highest*** of the death grants due – not the combined amounts

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- If you elect to retain your deferred pension account separate and subsequently retire early due to ill health, business efficiency or redundancy with immediate access to your pension, please note that only the benefits built up during your active membership are payable
- if you elect to combine your deferred and ongoing active pension accounts, and subsequently retire on the above grounds then benefits payable will be based on your combined scheme membership

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