

Transferring your Previous Pension Rights

If you have recently joined the Local Government Pension Scheme (LGPS) and you have previous pension rights, you are able to transfer these rights into the Scheme, provided a request is made **within 12 months of joining** (although your Employer has the discretion to extend this period). You are able to transfer from another Local Government (LG) Pension Fund, Occupational pension arrangement or Personal Pension arrangement.

What is a Transfer Value?

A 'transfer value' (also known as a Cash Equivalent Transfer Value - CETV) represents the value of your pension rights with your former provider. If a transfer is to proceed, the transfer value will be paid to the Pension Fund by your former provider and you will be credited with additional pension rights in the LGPS. Once a transfer value has been paid, you will normally have no further claim to benefits with your former pension provider.

How will a transfer from another LG Pension Fund be treated?

If you have previously contributed to the LGPS in England and Wales, your pension rights will be aggregated automatically with your new period of membership, UNLESS you are eligible to retain separate, in which case your election has to be made within 12 months of re-joining the LGPS. Note that if you have more than one deferred benefit from an earlier period of LGPS membership (in the same or separate Funds), you must elect to either transfer **ALL** deferred benefits or none at all.

If you re-joined the LGPS on or before 31 March 2014 and you have had a continuous break in active membership of LESS than 5 years, you will retain the final salary link and your membership to 31 March 2014 will be transferred on a 'day for day' basis. Your pension build up under the Career Average Revalued Earnings (CARE) element of the scheme (from 1 April 2014) will also be transferred on a 'like for like' basis. However, if you have had a continuous break in active membership of MORE than 5 years, any final salary link will be broken on transfer and you will be credited with an amount of pension under the CARE element of the scheme.

If you previously paid into an in-house Additional Voluntary Contribution (AVC) arrangement, you will be able to transfer your AVC fund to the in-house provider offered by your new Pension Fund. Alternatively, if you were paying towards an 'Added Years' / Additional Regular Contribution (ARC) / Additional Pension Contribution (APC) contract, you may be able to continue paying the additional contributions with your new LGPS employer. In order to continue with these additional contributions, you should notify your new Pension Fund immediately.

How will a transfer from another Occupational Scheme or Personal Pension Plan be treated?

If you have previously been a member of a **Public Service Pension Scheme** and you have had a continuous break in active membership of LESS than 5 years, you will retain any final salary link on transfer to the LGPS (if applicable). However, if you have had a continuous break in active membership of MORE than 5 years, any final salary link will be broken on transfer.

Membership of a **Public Service Pension Scheme** means active membership of a scheme covering Civil Servants, the Judiciary, Armed Forces, any scheme in England, Wales or Scotland covering Local Government workers, or Teachers, Health Service workers, Fire & Rescue workers, members of the Police Force or membership of a new Public Body pension scheme.

Any transfer of previous pension rights from a Private Sector scheme or Personal Pension arrangement will be treated differently to that from a Public Service Pension Scheme. The additional pension to be credited on transfer will vary greatly from scheme to scheme and will rarely gain an equivalent pension credit in the LGPS.

How does the transfer process work?

It is essential that you make your application to transfer any previous pension rights via the appropriate form (to be provided by your new Employer / Pension Fund) within the 12 months of joining the Scheme. This form should be completed in ALL CASES, whether you wish to transfer or not.

The earlier you return this form the better, as transfers tend to take some time to complete, as all individual schemes have complicated transfer rules and regulations, as well as having to adhere to Her Majesty's Revenues & Customs (HMRC) legislation. Once all the relevant information has been received, the Pension Fund will send you an estimate of the additional pension rights to be gained from the transfer value offered by your previous provider.

Subsequently, it is important that you complete and return all of the necessary documentation as quickly as possible. However, you may wish to seek Independent Financial Advice before making your election, as once the transfer value payment is made, your election cannot be withdraw.

Further Information

This factsheet gives general guidance only. For further information, please contact:

Tel: **01597 826301** Email: pensions@powys.gov.uk

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ALL WALES PENSION FUNDS

factsheet



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Pension Benefits into the LGPS**