

PENSIONS



50/50

OPTION FORM

Data Protection Act

Under the Data Protection Act we are required to inform you that we hold information about you and notify you of the purpose for which the information is held.

We confirm that we will use your information for the administration and management of the pension scheme and the payment of benefits in accordance with the scheme rules. In order to do so we will need to disclose your information to such professionals and other third parties that we have chosen to assist us in the administration of the scheme

In addition, from time to time, it may be necessary to process what the Act describes as "sensitive information" about you. Should this be necessary we would process such data at your request or we will obtain your explicit consent.

You have the right to obtain a copy of your personal data (a fee may be charged for this in some circumstances) and to have inaccuracies corrected by writing to: Finance Directorate, Northumberland County Council, County Hall, Morpeth, NE61 2EF.

The Local Government Pension Scheme – LGPS

50/50 Option Form

- With effect from 1st April 2014 the LGPS allows its members to opt to pay 50% less in pension scheme contributions in return for earning 50% less in pension i.e. you pay half the pension contributions and earn half the pension during that period.
- An election to join the 50/50 section takes effect from the start of the pay period following the date of election.
- The 50/50 option was only ever intended to be a temporary replacement for the main LGPS i.e. it was intended that individuals would only pay 50% reduced contributions and earn 50% less in pension for short periods. Therefore an employee who has opted to join the 50/50 section of the LGPS will be put back into the main section periodically when the employer is required to auto enrol or re-enrol employees who are not in a pension scheme into a scheme, this is usually once every 3 years, but you will be notified when your employer reaches their auto enrolment or re-enrolment date and you will be transferred back into the main section and start paying full contributions again and earning a full pension.
- An employee who has made a 50/50 option, who is put back into the main section on the employer's auto enrolment or re-enrolment date, can if they so wish complete a further 50/50 option and again start paying 50% less in pension scheme contributions in return for the earning 50% less pension.
- A person who has elected to join the 50/50 section can at any point elect to re-join the main section and start paying full contributions and earning a full pension. An election to join the main section takes effect from the start of the pay period following the date of election.
- Where a person who has opted for the 50/50 section has to retire on ill-health grounds and qualifies for a tier 1 or 2 ill-health pension any "additional" pension which would be granted on such retirement would be calculated as if the person had been returned to the main section before retirement i.e. the full additional amount of pension would be due.
- Where a person who has opted for the 50/50 section dies in service any "additional" pension which would be granted to a spouse or dependent would be calculated as if the person had been returned to the main section before death i.e. the full additional amount would be due.
- Where a person who has opted for the 50/50 section dies in service any death grant payable would be calculated as if the person had been returned to the main section before death i.e. based on full pay.
- A person who has opted for the 50/50 section, who goes on sick leave without pay, will be returned to the main section and credited with full pension benefits during any such period. On returning to work the person would remain in the full section unless they make a further election to move back into the 50/50 section.



Option To Join the 50/50 Section

- I elect to join the 50/50 section of the LGPS.
- I acknowledge and understand that in doing so I will pay 50% less in pension scheme contributions and earn 50% less in pension. I therefore fully understand that whilst my 50/50 election is in place I will be earning less pension and my pension for the period my 50/50 election is in place will be 50% less than it otherwise would have been.
- I acknowledge that my employer is **not** recommending me to take this course of action and that I will have no claim against my employer with regard to any shortfall in my retirement income.
- I further acknowledge that I cannot at a future date make good any loss of pension suffered by electing for the 50/50 option by making good the contributions I have not paid into the scheme as a result of this option.
- I acknowledge that my employer has recommended that I take independent financial advice before making an option to join the 50/50 section.
- I acknowledge that the implications of making a 50/50 option have been made clear to me and I fully understand the impact that making this option will have upon my LGPS pension rights. (An illustration of the effect of this option in your case is available on request from the pension section. Also a Pension Account Modeller can be found at www.lgps2014.org).

Signed:..... Date:.....

Full name (please print) :.....

Date of birth:..... National Insurance Number:.....

Payroll/Assignment number(s) for which this option relates:.....

NB. If you have more than one employment you can apply this election to any or all of the jobs. Please make your wishes clear above.

When completed please return to your employers payroll section.

For Employer Use

Effective date of election Pensionable Pay for year up to the date of change £.....

Date form passed to Pension Administration Team

LOCAL GOVERNMENT PENSION SCHEME
10/06/14