



Merseyside Pension Fund Fact Sheet 7: Transferring Pension Rights (January 2010)

In Fact Sheet 7 we look at transferring previous pension rights into the Local Government Pension Scheme (LGPS).

You may be able to transfer pension rights into the LGPS from:

- a previous LGPS Fund, or
- a previous employer's pension scheme, or
- a self-employed pension plan, or
- a 'buy-out' policy, or
- a personal pension plan, or
- a stakeholder pension scheme, or
- an Additional Voluntary Contribution (AVC) arrangement

*Including, in some cases, from an overseas pension scheme.

You cannot transfer a pension credit into the LGPS. A pension credit is a share of an ex-spouse's or ex-civil partner's pension benefits, as awarded by a Court under a Pension Sharing Order, or by a qualifying agreement in Scotland, following a divorce or a dissolution of a civil partnership.

If you have previous LGPS pension rights

If you re-join the LGPS, you can normally transfer your previous LGPS pension rights to your new membership, enabling you to enjoy benefits based upon your entire membership and linked to your final pay in your new job.

They will not be transferred automatically. You only have 12 months from re-joining the LGPS to opt to transfer your previous LGPS pension rights, unless your employer allows you longer. This is an employer discretion; you can ask your employer what their policy is on this matter. However, if you have previously re-joined the scheme and chosen to keep earlier LGPS pension rights which you built up in England and Wales separate, you will not normally be able to transfer those earlier rights to your new job.

Transferred membership from the LGPS in England or Wales will count on a day for day basis, but transferred membership from the LGPS in Scotland or Northern Ireland may not count on a day for day basis.

If your new job is less well paid, you will need to decide whether it may be better not to join the benefits together.

If you wish to transfer your previous LGPS pension rights you should contact the Fund as soon as possible to find out about this and about the matters you will need to consider in making your decision.

Pension rights built up as a councillor or mayor in England or Wales cannot be joined with rights built up as an employee in England or Wales and vice versa.

If you have pension rights in a non- LGPS arrangement

If you have paid into a non-LGPS pension arrangement, you may be able to transfer your previous pension rights into the LGPS.

You have only 12 months from joining the LGPS to opt to transfer your previous pension rights, unless your employer allows you longer. This is an employer discretion; you can ask your employer what their policy is on this matter.

If you opt to transfer pension rights from a non-LGPS arrangement then a sum of money called a transfer value is offered to buy a membership credit in the LGPS. If you transfer your previous pension rights into the LGPS your retirement benefits will be based on membership including the membership bought by the transfer and, normally, your final years' pay on leaving the LGPS.



Any request you make to investigate a transfer will not be binding until you have been supplied with full details and subsequently confirm that you wish the transfer to go ahead. Transfer quotations provided by a former pension provider are guaranteed for 3 months.

Carefully consider whether to transfer or not, as a transfer may not always be advantageous. Compare the quotation of LGPS membership and the value of LGPS benefits attached to that membership against the value of the package of benefits if left with your previous pension scheme provider. Transfers from public sector schemes usually give broadly equivalent benefits in the LGPS, provided you apply for the transfer within 12 months of joining the LGPS.

Transferring your pension rights is not always an easy decision to make, and you may wish to seek the help of an independent financial adviser.

The Fund may decline to accept a transfer from a non-LGPS arrangement (other than from another public sector "club" scheme if you apply for the transfer within 12 months of joining the LGPS).

I have a personal or stakeholder pension plan. Can I continue paying into it?

If you have a personal or stakeholder pension plan you can continue to pay into it at the same time as paying into the LGPS or, alternatively, you can stop paying into it and consider transferring it into the LGPS.

You can, if you wish, pay up to 100% of your total taxable earnings in any one tax year (or £3600 if greater) into any number of concurrent pension arrangements of your choice and be eligible for tax relief on those contributions. Under HM Revenue and Customs rules there are controls on the pension savings you can have before you become subject to a tax charge - these will mainly affect some higher paid people.



<<<< To find out about these controls, see [Fact Sheet 2 Tax and Your Benefits](#).

I have paid Additional Voluntary Contributions (AVCs). Can I transfer them into the LGPS?

If you have paid AVCs to a scheme (other than to the LGPS in England or Wales) or you have paid Free-Standing AVC (FSAVCs) you can, if you wish, transfer them into the LGPS to buy extra LGPS membership. You have only 12 months from joining the LGPS to opt to transfer your previous AVC rights to buy extra LGPS membership, unless your employer allows you longer. This is an employer discretion; you can ask your employer what their policy is on this matter.

If you have paid AVCs to the LGPS in England or Wales, these can be transferred to the AVC arrangement offered by your new administering authority.

Remember, you have only 12 months from joining the LGPS to opt to transfer your previous pension rights, unless your employer allows you longer.

I've lost touch with my previous pension provider. Who can help?

You may have lost touch with your former pension schemes but, if you have, don't worry. The Pension Tracing Service can help – it holds details of almost 200,000 UK pension schemes and provides a tracing service free of charge. You can contact them at:

The Pension Tracing Service
The Pension Service
Tyneview Park, Whitley Road
Newcastle upon Tyne, NE98 1BA
Telephone: 0845 6002 537

Also, don't forget to keep your pension providers up to date with any change in your home address.

More information

For more information please contact:

Address:

Merseyside Pension Fund
PO Box 120
7th Floor
Castle Chambers
43 Castle Street
Liverpool
L69 2NW

Opening Hours: Monday - Friday 9.00am - 5.00pm

Phone: 0151 242 1391 **Fax:** 0151 236 3520

Disclaimer

The information in this leaflet applies to individuals who were contributing members of the Local Government Pension Scheme on 1 April 2008 or who have since joined. The leaflet was up-to-date at the time of publication in May 2009. This leaflet is for general use and cannot cover every personal circumstance nor does it cover specific protected rights that apply to a very limited number of employees. In the event of any dispute over your pension benefits, the appropriate legislation will prevail as this leaflet does not confer any contractual or statutory rights and is provided for information purposes only.