

# Merseyside Pension Fund Factsheet 15b: Leaving the LGPS on Redundancy or Efficiency grounds

## For Members Aged 55 and over

Volunteering to take early retirement on either Redundancy or Business Efficiency grounds\* can be a very difficult decision to make, but rest assured, your Local Government Pension Scheme (LGPS) benefits will be protected - **whatever happens**.

If you have less than 3 months' membership in the LGPS you may either take a refund of your pension contributions, adjusted for tax and national insurance **or** transfer your rights to another pension scheme (You will need to authorise your new pension provider to contact the Pension Fund on your behalf).



### If you have 3 months or more membership in the LGPS

- You are entitled to the immediate, unreduced payment of your Scheme benefits
- Your retirement benefits are payable from the day after your official last day of membership
- Your retirement benefits are calculated based on your total membership in the Scheme and usually\* your final year's pensionable pay (or the best of your last three years) (\*see factsheet 16 for further information)
- For an approximate idea of the amounts payable, see the "Current Value of Benefits" section of your latest Annual Benefit Statement or ask your employer for an estimate
- You have the option of taking additional tax-free cash by giving up some of your pension
- You will receive the first payment of your pension, plus your tax-free lump sum, within seven working days of Merseyside Pension Fund receiving all your completed retirement forms and details of your Final Pay from your Employer. Pensions are paid monthly, normally on the 10<sup>th</sup> of the month
- Pensions in payment are increased in line with the rise in prices each year
- If you die within 10 years of retirement, there would be a lump sum payable to your nominee(s) plus pensions payable if, when you died, you left a widow/er, registered civil partner or nominated cohabiting partner or any children under age 18, under 23 and in full-time education or with a disability defined under the Disability Discrimination Act 1995.
- Earnings from any new job, even in Local Government, will not affect your pension. If you take up a job within Local Government in the future, you may re-join the LGPS and earn additional benefits
- If you are currently paying additional contributions in the form of Additional Voluntary Contributions (AVCs), Added Years or Additional Regular Contributions (ARCs) the additional benefits are also payable – please contact the Fund on **0151 242 1396** to discuss your options.

For any further questions about the LGPS please contact us at:

**Merseyside Pension Fund, Castle Chambers, 43 Castle Street, Liverpool, L2 9SH**

T: **0151 242 1390**

E: [mpfadmin@wirral.gov.uk](mailto:mpfadmin@wirral.gov.uk)

Web: [www.mpfmembers.org.uk](http://www.mpfmembers.org.uk)

(\*Redundancy and Business Efficiency are strict legal terms - different provisions may apply to your LGPS benefits if your employment ends for any other reason)