



The Greater Gwent (Torfaen) Pension Fund

administered by Torfaen County Borough Council

www.gwentpensionsfund.co.uk



LOCAL GOVERNMENT
PENSION SCHEME

Leaving the LGPS in a Post Notification

If your LGPS member is leaving your employment (or one of their employments with you), you must complete and return this leaver notification. However, if your LGPS member is simply finishing in the post to go immediately into a subsequent post, then you must instead complete and return a *'Notification of a New Post-holder'* form in order to ensure that the pension details we hold for your LGPS member are correct - this will also save you from having to deal with queries when you submit your End of Year returns to the Fund.

PART A

Your LGPS member's personal details

Surname	<input type="text"/>	Forename(s)	<input type="text"/>
Address	<input type="text"/>		
	<input type="text"/>	Post Code	<input type="text"/>
National Insurance Number	<input type="text"/>	Date of Birth	<input type="text"/>
Mobile Phone Number	<input type="text"/>	Home Phone Number	<input type="text"/>
Personal Email Address	<input type="text"/>		

Your LGPS member's pensionable employment details for the post

Job Title for Post	<input type="text"/>		
Unique Post Reference	<input type="text"/>	Payroll Number	<input type="text"/>
Date Joined LGPS in Post	<input type="text"/>	Date Left LGPS in Post	<input type="text"/>

PART B

Why has your LGPS member left pensionable employment in the post?

(please check the box or boxes in the relevant reason for leaving section below)

1. Our member has chosen to leave the LGPS for the following reason:

- Opted Out** - a copy of your LGPS member's valid election to opt out must be attached
- Resigned from the post before age 55**
- Resigned from the post between the ages of 55 and 75**
- Q1. Has your LGPS member indicated to your organisation that they want to take immediate payment of their LGPS benefits?
No ; Yes If 'Yes', please attach the P45 so that the Fund can apply the tax code to the pension
- Q2. Has your organisation agreed to 'switch on' the 85 Year Rule between the ages of 55 and 60?
No ; Yes
- Q3. Has your organisation agreed to waive other actuarial reductions?
No ; Yes please specify - All ; or Some £ / %

PART B continued

2. We have agreed to our LGPS member leaving the post on the following grounds:

NOTE – to be entitled to a benefit a member must normally have 2 or more years membership, including membership transferred into the LGPS from another pension scheme.

Redundancy

Business Efficiency

Ill Health Retirement – benefit awarded: Tier 1 Tier 2 Tier 3

I have attached a copy of:

the appropriate medical certificate, completed by an authorised IRMP

NOTE – The assumed pensionable pay (APP) figure for the relevant 12 weekly or three monthly pay period up to the date of retirement should be provided in PART D(4) to allow the fund to calculate Tier 1 or Tier 2 enhancements. Find out more in the Notes on Completing the Notification to the Fund

Flexible Retirement from age 55

Does your organisation agree to waive actuarial reductions for early payments?

Pre-1.4.2008 benefits: No ; Yes : All , or Some £ / %

1.4.2008 to 31.3.2014 benefits: No ; Yes : All , or Some £ / %

Post-31.3.2014 benefits: No ; Yes : All , or Some £ / %

I have attached the:

'Notification of a New Post Holder' form for the continuing employment

3. Our LGPS member's active membership has ceased for the following other reason:

End of Fixed-Term Contract

Age 75 Automatic Retirement – date left LGPS must be the day before the eve of the 75th birthday

TUPE – employment transferred to:

Death in Service – next of kin:

NOTE – APP figure for the relevant 12 weekly or 3 monthly pay period up to the date of death should be provided in PART D(4) to allow the fund to calculate death benefits. Find out more in the Notes on Completing the Notification to the Fund.

Other – state reason:

PART C

Confirmation that your organisation is giving the Fund correct information

I am an authorised signatory of the LGPS Employer named below and I hereby confirm that:

- The information we are providing to the Fund on this form is correct and fully complete; and that we will notify the Fund immediately if we make any adjustments to our LGPS member's pay after leaving.
- Any instruction we are giving the Fund to waive actuarial reductions, or apply the '85 Year Rule' before age 60, is being done in line with our published discretions policies.
- We are aware of the Capital Cost implications of early retirement, waiving actuarial reductions, and switching on the '85 Year Rule' between the ages of 55 and 60, and we agree to pay any 'Strain on the Fund' costs which may be due to the Fund.
- We indemnify the Fund against any costs or claims which may arise if any information given on this notification is incorrect or incomplete, or has not been provided within the statutory time limits.

Your Name	<input type="text"/>	Your Post	<input type="text"/>
Signature	<input type="text"/>	Date	<input type="text"/>
Email	<input type="text"/>	Phone	<input type="text"/>
Name of LGPS Employer	<input type="text"/>		

PART D For completion by your organisation's payroll provider

What section was the post holder in when they left the LGPS?

Main Section Date joined 50/50 Section Date joined

What contractual hours was the post holder working when they left the LGPS?

Full-time ; Part-time ; Term-time ; Variable-time
(i.e. no set contractual hours)

Year of Leaving - Average hours per week Weeks per year % of full-time

Previous Year - Average hours per week Weeks per year % of full-time

NOTE – if the member has had absence due to sickness – LGPS members (including Variable-time members) are fully-credited during sickness absence and you should include the hours that they would otherwise have worked (above), and also when calculating their **Assumed Pensionable Pay** (below).

What is the Pay on which the Fund is to calculate your LGPS member's benefits?

1. CARE Pay (under the LGPS 2014 definition of Pay – and including non-contractual overtime)

Current Year (1st April to date of leaving)

Main Section

Pensionable Pay £
 Assumed Pensionable Pay £
Total Cumulative Pay £

50/50 Section (if applicable)

Pensionable Pay £
 Assumed Pensionable Pay £
Total Cumulative Pay £

Previous Year (to 31st March)

Main Section

Pensionable Pay £
 Assumed Pensionable Pay £
Total Cumulative Pay £

50/50 Section (if applicable)

Pensionable Pay £
 Assumed Pensionable Pay £
Total Cumulative Pay £

2. Final Pay (under the LGPS 2008 definition of Pay - and not including non-contractual overtime)

- If the member built up benefits in the LGPS before 1 April 2014 then you must provide the Fund with details of their Final Pay.
- If the member's pay has reduced in the final year, or you need more space, use the separate '**Final Pay Calculation Sheet**'.

Full-time Pay / Full-time Equivalent Pay - if the member worked Part-Time or Term-time, state the Full-time Equivalent of their actual pay

12 months' Pay up to date of leaving £
(year ending with last day of membership)

Previous 12 months' Pay £
(year ending 1 year prior to last day of membership)

Previous 12 months' Pay £
(year ending 2 years prior to last day of membership)

Q1. Has your member been downgraded in the last 10 years? Yes* No

Q2. Has your member's pay been reduced or frozen after 1 April 2008? Yes* No

Q3. Has your organisation issued them with a Certificate of Protection?

Yes*

No

*if you indicate 'Yes', the Fund may be able to use protected pay, plus inflation increases, as Final Pay

3. Contracted-Out Earnings between Lower Earnings Limit and Upper Accrual Point

Current Financial Year to last day of membership

£

Previous Financial Year

£

Absences during which pension contributions were not paid (Breaks in Service)

There are no periods of absence for which pension contributions have not been paid.

Absences for which contributions were not paid - breaks to remove from the pension record:
e.g. contributions not paid in respect of: authorised unpaid leave / unpaid additional child-related leave / strike action etc.

Date from To Reason

Date from To Reason

Date from To Reason

NOTE - do not include periods of unpaid sickness absence - LGPS members are fully-credited during sickness absence and you should include the hours they would otherwise have worked when calculating their **Assumed Pensionable Pay** (above).

4. Assumed Pensionable Pay for death in service or ill health retirement

If the member leaver reason in Part B is **death in service** or **ill health retirement** you must provide the APP for the relevant 12 weekly or 3 monthly pay period up to the date of retirement or death.

£

What Pension Contributions have you deducted for the post holder?

Current Year (1st April to date of leaving)

Main Section

% rate

Amount

Basic Pension Contributions

£

APCs (Additional Pension Contributions)

£

Employer Shared-Cost APCs

£

50/50 Section (if applicable)

% rate

Amount

Basic Pension Contributions

£

APCs (Additional Pension Contributions)

£

Employer Shared-Cost APCs

£

Previous Year

Main Section

% rate

Amount

Basic Pension Contributions

£

APCs (Additional Pension Contributions)

£

Employer Shared-Cost APCs

£

50/50 Section (if applicable)

% rate

Amount

Basic Pension Contributions

£

APCs (Additional Pension Contributions)

£

Employer Shared-Cost APCs

£

Was your LGPS member also paying further pension contributions?

AVCs (Additional Voluntary Contributions)

Added Years

Confirmation that the payroll information you are giving the Fund is correct

I confirm that the payroll information I am providing to the Fund is correct and fully complete, and that I have calculated the CARE Pay figures and Final Pay figures in accordance with the LGPS Regulations and Government guidance.

Your Name	<input type="text"/>	Your Post	<input type="text"/>
Signature	<input type="text"/>	Date	<input type="text"/>
Email	<input type="text"/>	Phone	<input type="text"/>

Notes on Completing the Notification to the Fund

PART A

Your LGPS member's personal details

As we're sending personal information to your LGPS member it's important that you give us accurate contact details.

Your LGPS member's pensionable employment details for the post

Where members have more than one post, we hold a separate pension record for each post. We need to know which pension we're processing therefore it's important that you give us the Unique Post Reference.

PART B

Why has your member left pensionable employment in the post?

Section B1. Our member has chosen to leave the LGPS for the following reason

Opting Out – if the reason for leaving the LGPS is Opting Out you must forward a photocopy/scanned copy of the member's '**Notice to Opt Out of Pensions Saving**' form to the Fund. You are also advised to keep a copy of the Opting Out form until at least 6 years after the post holder's 75th birthday, as your evidence why the post holder was not paying into the LGPS during their employment with you.

Opting Out with less than 3 month's membership – the post holder is deemed not to have been a member of the LGPS and you must refund their pension contributions through your payroll system, less adjustments for tax and National Insurance. In such cases it's not necessary for you to complete this form, however on the copy of the Opting Out form that you send to the Pension Fund you must tick the box to confirm that you have refunded the pension contributions. **NOTE** – if the post holder leaves the LGPS with less than 3 month's membership for any reason other than opting out then you must not pay a refund of contributions.

Opting Out with 3 or more month's membership - you must complete this form and the Pension Fund will write to your LGPS member with details of their options. **NOTE** - a Scheme Employer cannot refund the contributions of an LGPS member who has 3 or more month's membership.

Capital Costs implications of Early Retirement

If your organisation agrees to a member's LGPS benefits being put into payment earlier than their Normal Pension Age (NPA) then the member's benefits will either be actuarially reduced, because they will be paid for longer, or a capital cost 'Strain on the Fund' will arise which must be paid by the Scheme Employer. You have the option to switch on the 85 Year Rule and/or waive actuarial reductions if your LGPS member is taking their pension immediately.

- Automatic 'Strain on the Fund' capital costs normally arise if you make an LGPS member who is aged between 55 and NPA **redundant**, or retire them on the grounds of **business efficiency**. Their LGPS benefits come into immediate payment without reduction.
- A 'Strain on the Fund' capital costs may also arise if a Scheme Employer:
 - o grants **Flexible Retirement** to a member over the age of 55 to whom the '85 Year Rule' applies.
 - o chooses to **waive all or some of any actuarial reduction** applied to the benefits of a member granted **Flexible Retirement** or taking **Early Retirement** between the ages of 55 and NPA.

It is important for Scheme Employers to be aware of **Capital Cost implications** before making any decisions under Sections B1. and B2., and you should **obtain from the Fund an estimate of any 'Strain on the Fund' which may become payable.**

Section B1. Leaving with 3 or more months membership

Resignation between the ages of 55 and 75

LGPS members can choose to take payment of their LGPS benefits at any time during the 20 year window between the ages of 55 and 75. It is helpful if you can tell the Pension Fund whether or not your LGPS

member wants to take immediate payment of their LGPS benefits on leaving, so that we can send the relevant information to them without delay.

- if you tick '**No**' the Fund will issue your LGPS member with a statement of their Deferred Benefits entitlement, unless they have already reached their Normal Pension Age.
- If you tick '**Yes**' the Fund will calculate your LGPS member's pension benefits and issue them with details of their retirement options.

Section B2. We have agreed to our LGPS member leaving the post on the following grounds

Please indicate the circumstance in which your organisation has agreed the member will leave the post.

Your responsibility to notify your LGPS member of your organisation's decision

If your organisation agrees to a member leaving the LGPS, or you switch on the 85 Year Rule or waive an actuarial reduction, then you're making what is specified in the LGPS Regulations as a **First Instance Decision** – this means any decision that your organisation makes about an LGPS member's pension '*rights or liabilities*'. Legislation requires you to **notify** your LGPS member of your decision in writing '*as soon as reasonably practicable*'; including: the address from which they can get further information about your decision; their right to appeal under the Internal Disputes Resolution Procedure; and your organisation's appointed **Adjudicator** for the LGPS, to whom they can make an appeal.

PART C – must be completed by an authorised signatory of your organisation

PART D - information to be completed by your organisation's payroll provider

The Fund uses the Pay information provided by a Scheme Employer to calculate the post holder's LGPS benefits. It's important that the Pay information is correct and fully-complete.

CARE Pay (under LGPS 2014)

CARE pay is used to credit the Pension Accounts of LGPS members. Pension Accounts came into the LGPS on 1 April 2014 and members are credited with 1/49th of their Pay (or Assumed Pensionable Pay) for each year of membership in the Main Section, or 1/98th in the 50/50 Section.

Pensionable Pay (under LGPS 2014) is a member's actual pay, and (unlike Pensionable Pay under LGPS 2008) includes pay received for any non-contractual overtime worked. **IMPORTANT NOTE** - in LGPS 2014, Pensionable Pay is not uprated to its full-time equivalent where a post holder works less than full-time hours.

Assumed Pensionable Pay (APP) should be added to Cumulative figures where a member has reduced or nil pay for reasons such as a sickness absence or ordinary child-related leave (APP does not accrue during additional unpaid child-related leave, which should be treated as unpaid leave), or where a member on reserved forces leave has elected to remain in the LGPS. The purpose of APP is so that the member's Pension Account is credited with an amount to reflect that which would have been credited if the member had worked normally. The Employer should calculate an annual APP figure, usually using the previous 3 months or 12 weeks worked, then apply the amount for the relevant period as a proportion of this.

There is further information about Pay and Assumed Pensionable Pay under the LGPS 2014 Regulations at:

- Pensionable Pay www.legislation.gov.uk/uksi/2013/2356/regulation/20/made
- Assumed Pensionable Pay www.legislation.gov.uk/uksi/2013/2356/regulation/21/made
- LGA HR & Payroll Guides for LGPS 2014 www.lgspregs.org

APP for ill health retirement or death in service

APP must be calculated when an employer terminates an active members employment on the grounds of permanent ill health with a Tier 1 or Tier 2 pension, an active member who dies in service or a Tier 3 ill health pension is awarded and later uplifted to a Tier 2 ill health pension.

The APP figure is calculated as normal using the average pensionable pay for 12 weekly or three-monthly pay periods before the date of termination or death. Make sure to include any APP credited during those pay periods in the average pensionable pay plus any regular lump sums paid in the 12 months before the date of death or retirement.

If an IRMP certifies that the member was working the reduced hours wholly or partly because of the condition that caused or contributed to the ill health retirement or death. When calculating the APP figure the reduction in hours should be ignored and the APP figure calculated on the pay the member would have received in the relevant pay periods if they had not been working reduced contractual hours. The following basic example shows how APP should be calculated for a member.

The member from example 7A received a regular annual bonus of £1,000 in the period before going on to APP:

Month 1: £1,400

Month 2: £2,500 (including £100 overtime and £1,000 bonus)

Month 3: £1,400

Initially, the bonus is excluded in working out the annual rate:

Annual rate = $(£1,400 + £1,500 + £1,400) \div 3 \times 12 = £17,200$

Then the bonus and any other regular lump sum payments received by the employee in the 12 months before the relevant event must be added. In this example, we assume that there were no other regular lump sum payments.

Annual rate of APP = $£17,200 + £1,000 \text{ bonus} = £18,200$

Final Pay (under LGPS 2008)

Final Pay on leaving is used to calculate the Final Salary benefits that members built up in the LGPS prior to 1 April 2014. Members are credited with 1/60th of Final Pay for each year of membership.

IMPORTANT NOTE - for member's who worked less than full-time, Final Pay is always the full-time equivalent of their part-time pay – it is their membership which is pro-rated, not their pay. Therefore, for a part-time or term-time post holder you must give the Fund the pay which is the reasonable equivalent pay figure as if their post were worked full-time.

The Pensionable Pay (under LGPS 2008) which is used to calculate Final Pay does not include pay for any non-contractual overtime worked (unlike Pensionable Pay under LGPS 2014).

Final Pay is either the last 12 months pay up to the date of leaving, or either of the previous two years pay if that is higher (at full-time equivalent if the post holder works less than full-time).

There are also circumstances in which previous protected pay figures can be used as Final Pay. Scheme Employers should advise the Fund if the member has been: **downgraded in the last 10 years**, if their pay has been **reduced or frozen in the last 10 years**, or if they have been issued with a **Certificate of Protection** – there is more information on the 'Final Pay Calculation Sheet'.

There is further information about Final Pay under the LGPS 2008 Regulations at:

- Meaning of Pay <http://timeline.lge.gov.uk/Amended/SI20102090/pt2ch3.html#reg13>
 - Final Pay <http://timeline.lge.gov.uk/Amended/SI20102090/pt2ch4.html#reg21>
 - Other Final Pay Periods <http://timeline.lge.gov.uk/Amended/SI20102090/pt2ch4.html#reg22>
- Certificates of Protection <http://timeline.lge.gov.uk/Amended/SI20102090/pt2ch4.html#reg23>

Please scan and email your notification to: pensions@torfaen.gov.uk

Or return your notification by post to: The Greater Gwent (Torfaen) Pension Fund
Torfaen County Borough Council Civic Centre
Pontypool, Torfaen, Gwent NP4 6YB

Final Pay Calculation Sheet

under the LGPS 2008 definition of Pensionable Pay

The purpose of the Final Pay Calculation Sheet is to assist you in calculating the Final Pay of an LGPS member who built up membership before 1 April 2014

Details of Member and Post

Name of LGPS Member

NI Number

Date of leaving LGPS

Post Reference

Final Pay Period

From

To

i.e. to date of leaving; or
to 1 year prior to date of leaving; or

to 2 years prior to date of leaving etc

Date from	Date to	Annual Salary Rate (full-time equivalent if part-time)	Sub Total
		£	£
		£	£
		£	£
		£	£
		£	£
		£	£
		£	£
Total (A)			£

Pensionable Additions (emoluments)

*if a part-time / term-time post holder would receive proportionally more bonus or allowance if they worked in the post full-time, then the full-time equivalent Annual Amount should be shown. The criteria to apply when pro-rating Pensionable Additions is 'reasonability' – for example, if a part-time post holder already worked full Saturday and Sundays and received a 'weekend working allowance' then this should not be pro-rated up proportionally in line with the post holder working full-time equivalent weekly hours, because no further 'weekend working allowance' could be earned if the post was worked full-time.

Regular Pensionable Additions

Type	Period from	Period to	Annual Amount (*FT equivalent if PT)	Sub Total
			£	£
			£	£
			£	£
			£	£
			£	£
			£	£
			£	£
Total (B)				£

One-off / Fluctuating Pensionable Payments – paid in Final Pay period

Type	Additional Details – if applicable	Sub Total
		£
		£
		£
		£
Total (C)		£

Total Final Pay (A+B+C) = D

*D £

*D is the Final Pay figure that you should enter in Part D of the Leaving the LGPS in a Post Notification

Calculating Final Pay (under the LGPS Regulations 2008)

What is Final Pay?

A post holder's Final Pay will normally be their pensionable earnings in the last 12 months of membership, ending on the day their employment ceases.

However, the best of the previous two years pay can be used as Final Pay, if the last 12 months pay is not the best. For example, a member might have been paid a pensionable emolument (i.e. a bonus or allowance such as an Honorarium, Shift Allowance, Weekend Working Allowance, Unsocial Hours, Sleep-in etc.) which falls outside the final 12 months, in which case the pensionable pay for the previous 12 months, or the 12 months before that, might be the best. In some circumstances it may be possible to use previous pay as Final Pay – see the section 'Protected Pay'.

It's important to note that Final Pay is based on a different definition of pensionable earnings than CARE pay (under the LGPS Regulations 2014). The most significant difference is that pensionable pay used to calculate CARE pay includes any non-contractual overtime earnings, whereas pensionable pay used to calculate Final pay does not include any non-contractual overtime earnings.

Part-time and Term-time employees – always give the Fund the full-time equivalent of their pay

LGPS benefits for part-time and term-time post holders are worked out using their **full-time equivalent pay**. Scheme Employers should calculate their Final Pay based upon the pensionable earnings of an equivalent full-time post.

Periods of no pay

Where a member has had a period unpaid leave e.g. additional child-related leave or strike action for which they have not paid pension contributions, the Final Pay should be rounded up to 365 days. For example, if a member did not pay contributions for 20 days unpaid leave, the pensionable pay for the last 12 months would be multiplied by 365/345.

Protected Pay – using previous pay as Final Pay (this does not apply to Flexible Retirement)

- if the post-holder was **downgraded** (either voluntarily or compulsorily) in the 10 years before their leaving date, or had their **pay frozen** since 1 April 2008, then the Fund may be able use the average of the best 3 consecutive years in the past 13, uprated by inflation, as Final Pay.
- if you issued a **Certificate of Protection** to an LGPS member who was downgraded before 1 April 2008, then the Fund is able to also use the best of the last 5 years pay, or the average of the best 3 consecutive years in the past 13, uprated by inflation, as Final Pay.

You must advise the Fund if Protected Pay should apply by ticking the relevant box on the 'Leaving the LGPS in a Post Notification'.

Example of how to Calculate Final Pay

Myfanwy left the LGPS on 30 November 2015. At the date of leaving she worked part-time (18.5/37 hours per week i.e. 50%) on an actual pay of £15,000 a year and received an honorarium of £500 a year for acting up. Her last pay award was 1 April 2015 (previous actual pay £14,000 a year and the honorarium £400).

Final Pay Period		From	To		
		1 December 2014	30 November 2015	(365 days)	
Date from	Date to	Annual Salary Rate	Sub Total		
(full-time equivalent if part-time)					
1.4.2015	30.11.2015	£30,000	£20,054.79	(244/365days)	
1.12.2014	31.3.2015	£28,000	£9,282.19	(121/365 days)	
Total (A)			£29,336.98	(365 days)	
Regular Pensionable Additions					
Type	Period from	Period to	Annual Amount	Sub Total	
(FT equivalent if PT)					
Honorarium	1.4.2015	30.11.2015	£1,000	£668.49	(244/365days)
Honorarium	1.12.2014	31.3.2015	£800	£265.21	(121/365 days)
Total (B)			£933.70	(365 days)	
One-off / Fluctuating Pensionable Payments – paid in Final Pay period					
Type	Additional Details – if applicable			Sub Total	
None				£0	
Total (C)				£0	
Total Final Pay (A+B+C) = D			£30,270.68	(365 days)	