

# A guide to transferring benefits into the EAPF



## About this guide

The Environment Agency Pension Fund (EAPF) is part of the Local Government Pension Scheme (LGPS) and is governed by the LGPS regulations.

This guide is for all employees who join the LGPS and have previous pension benefits in any pension scheme which they may wish to consider transferring into the EAPF.

## Introduction

As a member of the LGPS, you may request to transfer the value of any eligible previous pensions into the LGPS. If accepted, the transfer value will provide additional pension/membership, which will be used to give you additional pension benefits when you retire.

## Transferring benefits into the LGPS - what previous pension rights may I consider transferring?

The EAPF may accept transfers from the following:

- A previous LGPS fund (in England or Wales)
- A pension scheme registered with HMRC
- Some overseas pension schemes from a European pensions institute

Under the LGPS regulations, the EAPF is not allowed to accept transfers from:

- LGPS membership as a councillor or mayor
- A previous LGPS pension, which was deferred as a result of opting out of the Scheme on/after 11 April 2015
- A pension credit awarded by a pension sharing order following divorce
- Some overseas transfers
- Pensions already in payment

Further details about each type of available transfer are provided in the sections below.

## What are the timescales?

An election to transfer benefits (including previous LGPS membership where you stopped contributing before 1 April 2014) must be made within the first 12 months of you becoming a contributing member in your employment. If you are transferring from another public sector scheme where benefits are linked to final salary, and you wish to take advantage of the preferential transfer terms, the election to transfer must also be made within this timescale.

If you have previous membership from the EAPF or another LGPS fund where you stopped contributing on/after 1 April 2014, then this will be transferred to your new EAPF membership automatically. However, if you want to keep your previous LGPS membership separate to your new membership, you can elect to do so, providing the election is made within the first 12 months of you becoming a contributing member in your new employment.

In order to help you decide whether it is beneficial to you to transfer the value of your previous pension rights into the LGPS, the EAPF will obtain information from your previous provider and send you a calculation showing the benefits the transfer is likely to give you. As this can take some time you should commence the transfer process as early as possible, to allow you to make an informed decision within the 12 month limit.

## What if the deadline has expired?

If the deadline has expired, you will not normally be allowed to transfer any previous benefits into the EAPF unless there are exceptional circumstances; for the transfer to be allowed, the consent of both the EAPF and your Fund employer is required. If you leave your employment and start a new employment in which you are eligible to rejoin the LGPS, you will be given new options to transfer your previous pension to your new scheme membership.

If your previous LGPS membership ceased on/after 1 April 2014 and you have decided to keep this separate from your active record, then you will not be allowed to aggregate these 2 periods of membership at any time in the future (even if you later change your mind and decide to aggregate within the original 12-month window; your original decision to keep them separate still stands).

## Will the 12 month deadline restart if I opt out and opt back into the Scheme?

The 12-month deadline starts on the day you first join the LGPS in each employment. If you opt out and then rejoin the Scheme whilst in the same employment, you will not be able to transfer any pensions into the EAPF unless you are still within the original 12-month window.

In addition, if you opt out of the EAPF to create a deferred benefit, it cannot be combined with any future LGPS membership (even if you later rejoin the LGPS in a new employment/LGPS fund).

## How do I get information about the transfer of previous benefits (excluding other LGPS rights)?

If you are interested in transferring your previous pension rights (excluding other LGPS rights) into the EAPF, you should enter the details on the new joiner form (PEN1) and tick the 'YES' box, confirming your interest. This will authorise the EAPF to obtain further details regarding your previous benefits. However, the transfer will not proceed until you have all of the relevant information needed to make an informed decision and you have confirmed your decision to transfer in writing.



After you have confirmed your interest in a transfer, you should take care to ensure that you reply promptly to any further correspondence you receive. Most pension providers will only guarantee a transfer quote for a period of 3 months. If you delay making a decision, a new quote will have to be requested and the provider may charge for this. Also, the value of your previous pension could change significantly between one quote and the next.

Please remember that benefits are not automatically transferred from a previous pension scheme.

## What if my previous pension rights are held in an LGPS fund in England or Wales?

This section does not apply to transfers from LGPS in Scotland, Northern Ireland or the Isle of Man. If you have previous membership from the EAPF or another LGPS fund, you should enter the details on the new joiner form (PEN1), which will authorise the EAPF to obtain further details regarding your previous benefits.

In some circumstances, transfers of previous LGPS rights will be carried out automatically, while the benefits purchased by the transfer will depend on when you left the scheme, and whether you have a continuous break of more than 5 years between leaving one public sector scheme and joining another (referred to a 'disqualifying break'); please see 'table 1' of this guide for further information.

Please note that, if you opted out of your previous LGPS fund on/after 11 April 2015 to create a deferred benefit, it cannot be combined with your new EAPF membership or any future LGPS membership (even if you later rejoin the LGPS in a new employment/LGPS fund).

## What if I have other previous public sector pension rights (including but not limited to the LGPS in Scotland, Northern Ireland)

Most public sector pension schemes, including the LGPS, are members of a transfer 'club', which ensures that you will get equivalent pension benefits in another 'club' scheme if you transfer your benefits within the initial 12 month period (a 'club transfer').

However, in order for a transfer from a club scheme to be treated as a 'club' transfer, **all** of the following criteria must be met:

- The transfer is from a scheme that participates in the Public Sector Transfer Club (a 'club scheme').
- The period between ceasing contributing membership of another public sector scheme and joining the EAPF is 5 years or less
- The election to transfer is received by the EAPF within 12 months of you first becoming a contributing member of the Scheme in your new EAPF employment.

If the club transfer criteria listed above is met then the transfer will give you an equivalent benefit in the EAPF as you previously had in your old scheme. This does not necessarily mean that you will be credited with the same amount of membership/pension, as differences in retirement ages and scheme design could reduce or increase the amount of membership/pension which is credited to you following a transfer.

Although a club transfer may often be beneficial to you, this is not always the case especially if:

- You have taken a large pay cut on joining the EAPF and you do not expect to make up the difference before retirement.
- The membership/pension credited to you under the terms of the transfer 'club' leads to you exceeding the annual allowance in the year the transfer payment is received. For more information, please refer to factsheets **The tax controls on pension savings** and **Annual allowance and pension saving factsheet**, which are available to view on the EAPF website.

In deciding whether to transfer, you may also wish to compare the dates on which you can voluntarily draw the pension from each scheme and how any dependant's benefits would be calculated following your death as these may be different.

If you wish to investigate the transfer of your previous public sector pension to the EAPF, you should contact Capita.

## What about other pension rights (including non-LGPS pension rights and transfers from public sector schemes that do not count as a 'club' transfer)?

All other transfers are calculated on a different set of factors, which will purchase a fixed amount of pension in the EAPF. However, the amount of pension purchased by the transfer will vary depending on your age, gender, date of joining the Scheme and the amount of the transfer value.

In deciding whether to transfer, you may also wish to compare the dates on which you can voluntarily draw the pension from each scheme and how any dependant's benefits would be calculated following your death as these may be different.



## Can I transfer in previous AVC funds?

If you have an AVC fund in the LGPS in England and Wales, you can transfer it with your main scheme benefits as a cash amount into one of the EAPF's in-house AVC funds (Standard Life or Prudential) You will have options on investment and the same AVC rules will apply to your fund on retirement.

If you have a free standing AVC, or an AVC that is attached to a previous non-LGPS (England & Wales) pension scheme, you can transfer this into the EAPF and this will buy you a fixed amount of pension in the same way as transferring other non-LGPS (England & Wales) rights into the Fund.

If you are requesting information about a transfer from any previous AVC fund, you should enter the details on the new joiner form (PEN1) and tick the 'YES' box to say that you are interested in transferring these monies to the LGPS or an EAPF AVC provider.

## What if I have lost contact with my previous pension scheme?

If you have lost contact with your previous pension provider, or the company you worked for closed down and you do not know how to access your previous pension you can contact The Pension Tracing Service. This is a free service, run by the Department for Work and Pensions, which can help to trace an old pension scheme. You can contact them online at: [www.gov.uk/find-lost-pension](http://www.gov.uk/find-lost-pension) or by telephone or post at:

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



## Should I transfer my benefits into the LGPS?

We are unable to offer you any advice to help you in making your decision on whether to transfer, but we will provide you with information on which to base your decision including a full quotation.

You can get advice from an independent financial adviser (IFA) and details of how to contact a local adviser can be found at [www.unbiased.co.uk](http://www.unbiased.co.uk)

## Overview and things to consider

Table 1 provides an overview of the rules on transferring into the EAPF from a previous pension scheme, as well as the benefits purchased by such a transfer.

Table 2 provides an overview of the rules on transferring into the EAPF from another LGPS fund, as well as the benefits purchased by such a transfer.

Table 3 provides a number of things to consider when making a decision as to whether to combine previous EAPF rights or transfer from another LGPS fund into the EAPF.

<b>Table 1 - Overview of the transfer rules and the benefits purchased by a transfer into the EAPF from another pension scheme (excluding the LGPS in England &amp; Wales)</b>			
<b>Previous pension rights</b>	<b>Do you have a break of 5+ years when you weren't contributing to a public sector scheme?</b>	<b>Are benefits transferred automatically?</b>	<b>Benefits purchased by transfer</b>
<b>A registered pension scheme (or a public sector scheme not linked to final salary)</b>	N/A	No – you must elect for the transfer to proceed	Fixed amount of pension – revalued each year by Treasury Orders
<b>A public sector scheme linked to final salary</b>	Yes	No – you must elect for the transfer to proceed	Fixed amount of pension – revalued each year by Treasury Orders
	No	No – you must elect for the transfer to proceed	Fixed amount of Scheme membership (1/60 <sup>th</sup> accrual rate), linked to final pay - transfer to be completed within 12 months of joining

<b>Table 2 - Overview of the transfer rules and the benefits purchased by a transfer into the EAPF from another LGPS fund in England &amp; Wales</b>			
<b>Previous pension rights</b>	<b>Between leaving a previous LGPS fund and joining the EAPF, do you have a break of 5+ years when you weren't contributing to a public sector scheme?</b>	<b>Are benefits transferred automatically?</b>	<b>Benefits purchased by transfer</b>
<b>LGPS membership – contributing membership ceased on/after 1 April 2014</b>	Yes	Yes – though if you don't want the transfer to proceed, you must elect within 12 months of joining	Fixed amount of pension – revalued each year by Treasury Orders
	No	Yes – though if you don't want the transfer to proceed, you must elect within 12 months of joining	Pre 1 April 2014 membership - day-for-day –membership, linked to final pay on leaving Post 31 March 2014 membership purchases fixed amount of pension - revalued each year by Treasury Orders
<b>LGPS membership – contributing membership ceased before 1 April 2014</b>	Yes	No – you must elect for the transfer to proceed	Fixed amount of pension – revalued each year by Treasury Orders
	No	No – you must elect for the transfer to proceed	You may choose between: <ul style="list-style-type: none"> <li>• day-for-day membership, linked to final pay on leaving; <b>or</b></li> <li>• Fixed amount of pension, revalued each year by Treasury Orders</li> </ul>

<b>Table 3 - Some things to consider before deciding to combine previous pension rights from an LGPS fund in England and Wales</b>	
<b>Not combining - leaving benefits deferred in your previous fund</b>	<b>Combining with your new membership</b>
The final pay will be different when calculating any pre 1 April 2014 deferred benefits (including dependant's benefits payable on your death) to the final pay that would have been used with your current employer if you had chosen to combined benefits.	Pre 1 April 2014 benefits (including dependant's benefits payable on your death) will be calculated using the final pay when you leave your new employment.
You will retain any '85 year rule' <sup>1</sup> protection you have on your deferred pension. All/part of your benefits within the EAPF may be reduced if taken before your normal pension age (NPA – which is the later of age 65 or state pension age).	If you have 85 year rule protections, the protections are extended to cover benefits from your new employment. However, if there is a break between your periods of membership, some of the notional membership will be lost and you may suffer greater reductions to the benefits from your deferred membership, than if you retire prior to NPA and decide not to combine them.
If you have to retire due to ill health, you will need to apply to your employer (via Capita) and to your former LGPS employer for payment of your current and deferred pensions respectively. This may mean that you have to undergo separate medical assessments for each employer	You will only have to apply to the EAPF (via Capita) for payment of your combined benefits on the grounds of ill health.
If you die in service your beneficiaries will receive a death grant based on the greater of: <ul style="list-style-type: none"> <li>• 3 or 5 x your deferred pension<sup>2</sup>.</li> <li>• 3 x pensionable pay from your new employment.</li> </ul>	If you die in service, your beneficiaries will receive a death grant of 3 x your pensionable pay with your employer.
If you are retired from your new EAPF employment due to redundancy or in the interests of efficiency of the service, your new EAPF benefits will be paid immediately and unreduced, providing you are aged 55 or over.  However, you will not be able to voluntarily take payment of your 'old' LGPS deferred benefits until you reach: <ul style="list-style-type: none"> <li>• Left previous LGPS employment before 1 April 2014 - age 60 at the earliest (unless your former employer consents on or after age 55).</li> <li>• Left previous LGPS employment on/after 1 April 2014 – age 55 at the earliest.</li> </ul> <p>Please note that your deferred benefits may be subject to actuarial reductions if paid before your normal pension age.</p>	All of your combined benefits will be payable immediately and unreduced if you are retired (age 55+) due to redundancy or in the interests of efficiency of the service.

### Contact details

Capita look after the day to day administration the Scheme and will be your main point of contact for any questions you have about your benefits. You can contact them by:

-  Using the '**contact us**' button the website at **[www.eapf.org.uk](http://www.eapf.org.uk)**
-  Emailing **[info@eapf.org.uk](mailto:info@eapf.org.uk)**
-  Calling **0800 1216593**
-  Sending your query to: **Capita, 11b Lingfield Point, Darlington, DL1 1AX**

**Disclaimer** - This guide is not intended to cover every personal circumstance, nor does it confer any contractual or statutory rights and is provided for information purposes only. In the event of any dispute over your pension benefits the appropriate legislation will prevail.

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<sup>1</sup> The '85 year rule' applies to members who have LGPS membership which was built up before 1 October 2006 (either continuous membership or membership which has been combined with the member's current contributing membership) and whose total membership in whole years plus their age in whole years adds up to 85 before they reach the age of 65. If these members take payment of their pension before age 65 they will have smaller reductions to all or some of their benefits.

<sup>2</sup> Multiplier varies depending on your date of leaving