

When can I take my LGPS pension?



Introduction

In this leaflet, we look at when you can take the pension that you've built up under the Local Government Pension Scheme (LGPS).

Am I entitled to a pension?

You'll be entitled to an LGPS pension with the EAPF if you:

- Were a contributing member of the EAPF for 2+ years (or 3+ months if you left between 1 April 2004 and 31 March 2014); or
- Hold any other LGPS benefits in England or Wales,

If you don't meet any of the above criteria¹, you'll usually be entitled to a refund of your contributions, less any deductions for:

- Tax; and
- The cost of buying you back into the State Second Pension scheme (though only for service up to 5 April 2016)

¹ In some circumstances, you may still qualify for an LGPS pension even though you've not been a contributing member for 2+ years (or 3+ months if you left between 1 April 2004 and 31 March 2014); for more information, please visit www.eapf.org.uk/publications to view our 'Scheme guide for members' (please refer to the definition of 'vesting period', which can be found at the back of the guide).

When is my pension normally payable from?

If you leave your benefits to be paid automatically, they'll be payable unreduced from your Normal Pension Age (NPA).

What is my Normal Pension Age (NPA)?

Your NPA depends on when you stopped being a contributing member of the Scheme; if you stopped contributing to the Scheme:

- **Before 1 October 2006 (and joined before 1 April 1998)** – your NPA is the point at which you would've built up 25 years' qualifying service and would be at least age 60 (max age 65).
- **Between 1 October 2006 and 1 April 2014 (and joined before 1 October 2006)** – your NPA is 65, but you may have protection from early payment reductions under the '85 year rule'. This is explained on the next page.
- **Before 1 April 2014 (but joined after 30 September 2006)** - your NPA is 65.
- **After 31 March 2014** – your NPA is the later of your state pension age² (SPA) or age 65, although:
 - Benefits built up to 31 March 2014 will retain the 'old' NPA of 65.
 - If you joined before 1 October 2006, you may have protection from early payment reductions under the '85 year rule'.

If you're a former Civil Service employee, who was compulsory transferred to the Environment Agency on 1 April 1996, your benefits built up to 31 March 2014 have a protected NPA of 60.

² If you left service after 31 March 2014, your NPA may change if your SPA changes at any time before your benefits are paid. Find out your current SPA by using the Government's State Pension Age calculator at www.gov.uk/state-pension-age

Can I take my pension before my NPA?

You can take your pension benefits from age 55, without your employer's (or former employer's) consent; **this applies to all members**, irrespective of when you stopped contributing to the LGPS.

Please note that, if you take your pension before your NPA, your pension will be reduced for being paid earlier than your NPA.

In addition, if you were a contributing member of the Scheme at any point between 1 April 1998 and 30 September 2006, you'll be entitled to protection under the '85 year rule'; this means that your benefits may be payable earlier than your NPA, with smaller or no reductions for retiring early (a 'protected retirement age'). For more information on 85 year rule protections, visit our 'Retiring early' page at www.eapf.org.uk, you can also use our helpful '**85 year rule checker tool**' to see instantly if you're protected.

In some instances, you may find that, where you've built up pension before 1 April 2014, or where you were contributing to the Scheme before 1 October 2006, you'll have different retirement ages applying to different parts of your pension; in this case, any reductions applied for retiring early will be applied differently across your benefits.

The reduction to your benefits for retiring early is based on the length of time (in years and days) that you retire early, i.e. the period between the date your benefits are first paid and your NPA/your protected retirement age. The earlier you retire, the greater the reduction.

The reduction is calculated in accordance with guidance that's issued by the Secretary of State from time to time. The latest reduction factors issued in April 2016 are shown in the table below. Where the number of years is not exact, the reduction percentages are adjusted accordingly.

No. of years paid early	Pension reduction men	Pension reduction women	Lump sum reduction
0	0.0%	0.0%	0.0%
1	5.6%	5.2%	2.9%
2	10.8%	10.1%	5.7%
3	15.5%	14.6%	8.5%
4	20.0%	18.8%	11.2%
5	24.0%	22.7%	13.7%
6	27.8%	26.4%	16.3%
7	31.4%	29.8%	18.7%
8	34.7%	33.0%	21.1%
9	37.7%	36.1%	23.4%
10	40.6%	38.9%	25.6%
11	44.2%	42.2%	N/A – the maximum reduction to the lump sum is 10 years
12	47.6%	45.5%	
13	50.9%	48.6%	

Your employer (or former employer) can agree to waive any reductions. You can ask what their policy is on this.

As different retirement ages may apply across different parts of my pension, can I take parts of my pension at different times?

You can't normally take parts of your pension separately; your whole pension has to be drawn at the same time, unless you're taking partial retirement (please see 'Can I take my pension and continue to work for my EAPF employer?').

Can I take my pension after my NPA?

If you stopped contributing to the Scheme:

- **Before 1 April 1998** – your pension must be paid no later than your NPA
- **After 31 March 1998** – you can take your pension after your NPA

If you take your pension after your NPA, it's increased for being paid later than your NPA.

However, if your SPA is greater than 65 and you've been a contributing member of the Scheme since before 1 April 2014, then your benefits built up before 1 April 2014 will have an earlier NPA (65) than your benefits built up since 1 April 2014 (linked to the later of SPA or 65). In this case, the increase to your benefits built up before 1 April 2014 would be applied from age 65, but an increase to your benefits built up since 1 April 2014 would only be applied if your pension was paid after your SPA.

The late retirement increases to your benefits are calculated as follows:

- Pension x 0.010% x number of days after NPA (min. age 65) = **pension late retirement increase**
- Lump sum x 0.001% x number of days after NPA (min. age 65) = **lump sum late retirement increase**

If you're still contributing to the Scheme and you're already over your NPA, your pension will be payable immediately on leaving your employment.

However, if you've already stopped contributing to the Scheme and you want to take your pension after your NPA, you'll need to contact Capita no later than 3 months before your NPA and let them know of your intentions.

How does ill health affect when my pension is payable from?

On ill health, your pension can be paid early (at any age) and without reductions. If you were a contributing member immediately before your retirement date, your pension could be paid early on ill health if your employer decides that, due to ill health, you're:

- Unable to perform the duties of your job, and are likely to remain so up to your NPA
- Not immediately capable of undertaking other work

In addition, the pension would be paid at an increased rate if you're unlikely to be capable of working again:

- **Up to your NPA** – you'll receive an ill health enhancement, equal to the pension you would've built up if you'd carried on contributing to the Scheme up to your NPA
- **Within 3 years of leaving** – you'll receive a quarter of the enhancement calculated above

However, if you're **likely** to be capable of working again within 3 years of leaving, then a temporary ill health pension is payable for up to a maximum of 3 years; once the temporary pension stops, it simply becomes a deferred pension, which becomes payable from your NPA (or you can elect to take voluntarily from age 55 onwards, with reductions being applied for early payment).

The conditions/enhancements listed above only apply if you were a contributing member immediately before your retirement date; **if you stopped contributing to the Scheme before your retirement date, please visit www.eapf.org.uk/publications to view our 'Guide for deferred members' factsheet for details on ill health benefits for deferred members.**

Redundancy & efficiency – how do these affect when my pension is payable from?

If you're a contributing member aged 55+ and you're made redundant, or lose your job for efficiency reasons, your pension will be payable immediately with no reduction for early payment.

If you stopped contributing to the Scheme before you lost your job, or were under age 55 at the point you lost your job, it simply becomes a deferred pension from the point you stop contributing to the Scheme; for more information, please visit www.eapf.org.uk/publications to view our 'Guide for deferred members' factsheet.

Can I take my pension and continue working for my EAPF employer?

If you'd like to take all or part of your pension and continue working for your employer, the Scheme allows for you to do this (known as 'partial retirement'). To do this, you must:

- have been a contributing member of the Scheme immediately before your partial retirement date;
- be aged 55+ at your partial retirement date;
- reduce your hours and/or your pay grade, effective from your partial retirement date
- receive your employer's consent to take partial retirement

In addition, your pension may be reduced if it is being paid before your NPA (please see 'Can I take my pension before my NPA').

For more information on partial retirement, please visit www.eapf.org.uk/publications to view our 'A guide to your partial retirement options' factsheet.

What about my automatic lump sum built up before 1 April 2008? When is this paid?

Your automatic lump sum is normally payable within 5 working days of your retirement date (or if you're taking partial retirement, within 5 working days of your partial retirement date). However, if you haven't completed and returned your retirement option forms before your retirement date, or your employer's payroll department haven't sent the necessary pay information to Capita before your retirement date, the payment of your lump sum (and, in some cases, your pension) could be delayed.

Cost of living adjustment

When you receive your pension, it will be revalued each year in line with the cost of living, which is currently measured by the Consumer Prices Index (CPI), to ensure it keeps its value.

However, if you previously stopped contributing to the LGPS, your pension is later put into payment on ill health grounds and:

- **You're 55 or more, or you're under 55 and you're deemed incapable of carrying out regular full time employment before your NPA** - Your pension and any lump sum payable will include the cumulative cost of living revaluation to date, plus cost of living revaluation being applied every year thereafter
- **You're under 55 and you're deemed capable of carrying out regular full time employment before your NPA** - Your pension and any lump sum payable will **not** include the cumulative cost of living revaluation. However, on reaching age 55, cumulative cost of living revaluation will be applied to that date (with no arrears payable), plus cost of living revaluation being applied every year thereafter.

What if I have any questions?

Contact details

If you have any questions regarding your pension entitlement you can contact our pension administrator, Capita, by:

 Using the '**Contact the EAPF**' button on the website at **www.eapf.org.uk**

 Emailing **info@eapf.org.uk**

 Following on twitter
@EAPensionFund

 Calling **0800 121 6593**

 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.

The EAPF is part of the Local Government Pension Scheme (LGPS) which is governed by the LGPS regulations.