

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.

What previous pension rights can I consider transferring into the LGPS?

The EAPF may accept transfers from the following:

- A previous LGPS fund
- Another public service pension scheme, 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) or Free Standing AVC (FSAVC) arrangement
- 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 or 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're transferring from another public service pension 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 or 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.

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

What if the deadline has expired?

If the deadline has expired, you won't normally be allowed to transfer your previous benefits into the EAPF unless there are exceptional circumstances. For the transfer to be allowed after the deadline, the consent of both the EAPF and your employer is required. If you leave your employment and start a new employment in which you're eligible to rejoin the LGPS, you'll be given new options to transfer your previous pension to your new scheme membership.

If your previous LGPS membership stopped on or after 1 April 2014 and you have decided to keep this separate from your contributing member record, then you won't be able to combine your previous benefits with your new contributing membership at any time in the future (even if you later change your mind 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 won't be able to transfer any pensions into the EAPF unless you're still within the original 12 month window.

In addition, if you opt out of the EAPF to create a deferred benefit, you can't combine this benefit with any future LGPS membership (even if you later rejoin the LGPS in a new employment or LGPS fund).

How do I get information about the transfer of previous benefits?

If you're interested in transferring your previous pension rights (excluding other LGPS rights) into the EAPF, you should enter the details on the 'New starter' form (PEN1) and tick the 'YES' box, confirming your interest. This will authorise the EAPF to obtain further information about your previous benefits. However, the transfer won't proceed until you have all of the information you need to make an informed decision and you confirm your decision to transfer in writing.

After you've 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, while some previous LGPS benefits can be automatically transferred, benefits from other pension schemes are not automatically transferred and you must tell us in writing if you want a transfer to proceed.

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

This section does not apply to transfers from the 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 starter 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 service pension scheme and joining another (this is referred to as a 'disqualifying break'); please see Table 1 on page 7 for more information.

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

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

Most public service pension schemes, including the LGPS, are members of a transfer 'club', which ensures that you'll 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 conditions must be met:

- The transfer is from a scheme that participates in the Public Sector Transfer Club (a 'club scheme').
- The period between ending contributing membership of another public service pension scheme and joining the EAPF is not more than 5 years
- 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 these club transfer conditions are met, then the transfer will give you an equivalent benefit in the EAPF to the one you previously had in your old scheme. This doesn't necessarily mean that you'll be credited with the same amount of membership or pension, as differences in retirement ages and scheme design could reduce or increase the amount of membership or pension which is credited to you following a transfer.

Although a club transfer may often be beneficial to you, this isn't always the case especially if:

- You've taken a large pay cut on joining the EAPF and you don't expect to make up the difference before retirement.
- The membership or pension credited to you under the terms of the transfer 'club' leads to you exceed the annual allowance in the year the transfer payment is received.

For more details about annual allowance, read our 'Tax controls on pension savings' factsheet available to download from our 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 without reduction for early payment 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 service pension to the EAPF, you should contact Capita using the contact details at the end of this factsheet.

Can I transfer in previous AVC pots?

If you have an AVC pot 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 AVCs with Standard Life or Prudential. You'll be able to choose the investment fund your AVC pot is placed in and the same AVC rules will apply to your AVC pot on retirement.

If you have a free standing AVC, or an AVC that's attached to a previous non-LGPS (England & Wales) pension scheme, you can transfer this into your contributory member pension account in the EAPF. On transfer your pot will buy you a fixed amount of pension which will be paid to you as extra LGPS pension when you retire.

If you're requesting information about the transfer of a previous AVC pot, you should enter the details on the 'New starter' form (PEN1) and tick the 'YES' box to say that you're interested in transferring these pots to the EAPF or an EAPF AVC provider.

What about other pension rights?

All other transfers (including non-LGPS pension rights and transfers from public service pension schemes that do not count as a 'club' transfer) 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, 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.

What if I've lost contact with my previous pension scheme?

If you've lost contact with your previous pension provider, or the company you worked for closed down and you don't 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-pension-contact-details 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?

Whether you should or shouldn't transfer is a decision you'll need to take, we're not allowed to give you any advice. However, to help you make your decision we'll provide you with information you can use to base your decision on including a full quotation of what you might get in the EAPF if you go ahead with a transfer.

If you feel you need more help, you can get advice from an independent financial adviser (IFA) and details on how to contact a local adviser can be found at www.moneyhelper.org.uk

Overview and things to consider

The next couple of pages provides some helpful info that you should read before considering a transfer of benefits into the EAPF.

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 on whether to combine previous EAPF rights or transfer benefits in another LGPS fund into the EAPF.

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 & Wales)			
Previous pension rights	Do you have a break of 5+ years when you weren't contributing to a public service pension scheme?	Are benefits transferred automatically?	Benefits purchased by transfer
A registered pension scheme (or a public service pension scheme not linked to final salary)	N/A	No – you must elect for the transfer to proceed	Fixed amount of pension – revalued each year by Treasury Orders during contributory membership
A public service pension scheme linked to final salary	Yes	No – you must elect for the transfer to proceed	Fixed amount of pension – revalued each year by Treasury Orders during contributory membership
	No	No – you must elect for the transfer to proceed	Fixed amount of Scheme membership (1/60 th accrual rate), linked to final pay

Table 2 - Overview of the transfer rules and the benefits purchased by a transfer into the EAPF from another LGPS fund in England & Wales			
Previous pension rights	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 service pension scheme?	Are benefits transferred automatically?	Benefits purchased by transfer
LGPS contributing membership stopped on or after 1 April 2014	Yes	Yes – so you must elect within 12 months of joining if you want to keep your benefits separate.	Fixed amount of pension – revalued each year by Treasury Orders during contributory membership
	No	Yes – so you must elect within 12 months of joining if you want to keep your benefits separate.	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 during contributory membership
LGPS contributing membership stopped before 1 April 2014	Yes	No – you must elect within 12 months of joining if you want a transfer to proceed	Fixed amount of pension – revalued each year by Treasury Orders during contributory membership
	No	No – you must elect within 12 months of joining if you want a transfer to proceed	You may choose between: <ul style="list-style-type: none"> Day for day membership, linked to final pay on leaving; or Fixed amount of pension, revalued each year by Treasury Orders during contributory membership

Table 3 - Some things to consider before deciding to combine previous pension rights from an LGPS fund in England and Wales (including the EAPF)

Not combining - leaving benefits deferred in your previous fund	Combining with your new membership
<p>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've been used with your current employer if you had chosen to combine benefits.</p>	<p>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.</p>
<p>You'll keep any '85 year rule'¹ protection you have on your deferred pension.</p> <p>All or 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.</p>	<p>If you have 85 year rule protections, the protections are extended to cover benefits from your new employment.</p> <p>However, if there is a break between your periods of membership, some of the notional membership will be lost so you may suffer greater reductions to the benefits from your deferred membership, than would have been the case if you decided not to combine them and retired before your NPA.</p>
<p>If you have to retire due to ill health, you'll need to apply to your employer 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.</p>	<p>You'll only have to apply to the EAPF for payment of your combined benefits on the grounds of ill health.</p>
<p>If you die in service, your beneficiaries will receive a death grant based on the greater of:</p> <ul style="list-style-type: none"> • 3 or 5 x your deferred pension². • 3 x pensionable pay from your new employment. 	<p>If you die in service, your beneficiaries will receive a death grant of 3 x your pensionable pay with your employer.</p>
<p>If you're retired from your new EAPF employment due to redundancy or efficiency, your new EAPF benefits will be paid immediately and unreduced, providing you're aged 55 or over.</p> <p>You'll be able to voluntarily take payment of your 'old' LGPS deferred benefits providing you're aged 55 or over, however your deferred benefits may be subject to actuarial reductions if paid before your NPA.</p>	<p>All of your combined benefits will be payable immediately and unreduced if you're retired (age 55+) due to redundancy or in the interests of efficiency of the service.</p>
<p>You may take your deferred benefits from an earlier employment from as early as age 55 even if you are still a contributory member in the EAPF. However, your benefits may be reduced if you take them before your NPA.</p>	<p>You won't be able to take your combined benefits until you've stopped contributing to the EAPF unless your employer agrees to you taking partial retirement.</p>

¹ 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'll have smaller reductions to all or some of their benefits.

² Multiplier varies depending on your date of leaving.

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](https://twitter.com/EAPensionFund)



Calling **0800 121 6593**
+44 114 452 5008 (overseas)



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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