

Pension Factsheet 9

Deferred Benefits



Have you left your Local Authority job? Or have you just left the Local Government Pension Scheme (LGPS)? Have you paid pension contributions for more than three months or transferred other pension rights in? What happens to your contributions? We hope that this factsheet will answer some of your questions.

What are deferred benefits?

A deferred benefit is the pension (and lump sum if you were a member of the LGPS before 1 April 2008) you have paid for up until the date you left the scheme. They are preserved in the Wiltshire Pension Fund until you reach retirement age. These are also known as "frozen" or "preserved" benefits.



Does my pension have to stay with you?

No it does not! You can transfer your pension rights to a new employer's scheme or personal pension.

We would always recommend that you seek independent financial advice if you are unsure about choosing between deferred benefits and transferring to another scheme.

Will my deferred benefits increase with the Wiltshire Pension Fund?

Yes they will. Every April, your pension will be increased in line with the Retail Price Index (RPI). We usually send you a benefit statement during the year to keep you up to date with the value of your deferred benefits.

When will I receive my deferred pension?

We will normally pay you on the date shown on your deferred benefits letter. This will be between your 60th and 65th birthday depending on your LGPS membership.

Can it be paid any earlier?

We can pay your deferred benefits sum at any age on the grounds of permanent ill health. You can ask for your benefits to be paid after age 50 (rising to 55 in 2010), but if you are under 60 you will need your former employer's agreement. They will have a policy on how to deal with these requests. The benefits may be reduced depending on your length of service.

Unless your benefits are due automatically on your 60th birthday (see above), we will write to you shortly before your birthday offering to pay a reduced level of benefits. You will have to choose whether to take the smaller benefit or delay payment to a later date. We will provide you with figures to help you make this decision.

What happens if I die before I reach my retirement date?

If you leave on or after 1 April 2008 a death grant equal to 5 times the deferred pension is payable. It is important to ensure that you have completed a nomination form because we can then pay the death grant immediately to the person you have nominated. If you are married or have a civil partner, your husband, wife or civil partner will also receive a pension. They will not have to wait until your retirement date. Children's pensions may also be payable if they are still dependent. If you left on or after 1 April 2008 and have nominated an unmarried partner that you are cohabiting with, they may also receive a pension if certain conditions are met (see our separate factsheet on unmarried partners).

Need any more help?

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