

Enfield Pension Fund

FREQUENTLY ASKED QUESTIONS



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THE LOCAL GOVERNMENT PENSION SCHEME (LGPS)

WHAT IS THE LGPS?

The LGPS or Local Government Pension Scheme is a Defined Benefit (DB) pension scheme for employees working in local government and other eligible organisations. It provides a secure pension **payable for life** and is based on your salary, length of service, and accrual rate. Unless you have opted out of paying contributions, the LGPS is the default scheme you will pay contributions into.

HOW IS MY PENSION CALCULATED?

The LGPS became a Career Average Revalued Earnings (CARE) scheme as of April 2014 (England and Wales). 1/49th of your pensionable earnings is accumulated into your pension each year, which is then revalued to keep pace with inflation. For those with service before April 2014, there will be Final Salary benefits (benefits based on a fraction of the salary you were receiving before you left the scheme or retired), this uses a separate calculation which combines with your CARE benefits to form your overall pension benefits.

HOW MUCH DO I NEED TO CONTRIBUTE?

Your contribution rate depends on your salary. The more you earn, the higher your contribution rate. You can find the current contribution rates [here](#).

ARE MY PENSION CONTRIBUTIONS TAX-FREE?

Yes, your contributions to the LGPS are deducted from your pay before tax is calculated, meaning you receive tax relief automatically. This makes saving into the LGPS a tax-efficient way to build up retirement benefits.

CAN I TAKE PART OF MY PENSION AS A TAX-FREE LUMP SUM?

Yes, when you retire, you can take up to 25% of the capital value of your LGPS benefits as a tax-free lump sum at a commutation rate of £1: £12 - Meaning that if you commuted £1000 from your Pension, you would receive a lump sum of £12,000. This would, however, reduce your pension by £1000 per year.

HOW DO EMPLOYER CONTRIBUTIONS WORK?

The amount your employer contributes to the LGPS can vary. However, these contributions are separate to your own contributions. Instead, they help cover the cost of providing your pension benefits when you retire. Think of it as a form of insurance that ensures you receive the pension you are entitled to for life, not a direct contribution that increases your overall benefits.

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LEAVING OR CHANGING JOBS

WHAT HAPPENS IF I LEAVE MY JOB BEFORE I RETIRE?

If you leave your job having contributed for 2 years or more, your pension benefits will be held by the fund (deferred), increased in line with consumer price index (CPI), and can be accessed when you reach retirement age. We will write to you annually detailing how much this amount has been increased by. You may also have the option to transfer your benefits to another pension scheme. If you have been a contributing member for less than 2 years, you are ineligible for a deferred pension, thus, you can either claim back your contributions as a refund, or have your pension transferred to another fund. Please contact the Fund if you would like to discuss the options available.

WHAT HAPPENS IF I GO ON UNPAID LEAVE?

If you are on Unpaid leave, you will not pay pension contributions during this period, and it will not count towards your pension unless you choose to buy back the lost pension via an Additional Pension Contribution.

WHAT HAPPENS IF I GO ON MATERNITY/PATERNITY LEAVE?

If you are on maternity, paternity, or adoption leave, your contributions continue based on the pay you actually receive. Any unpaid periods can also be bought back to maintain full pension benefits.

WHAT HAPPENS IF I HAVE MORE THAN ONE JOB – DO I GET SEPARATE PENSIONS?

Yes, if you are contributing to the LGPS in more than one job, each job is treated as a separate pension record. You will receive separate Annual Benefit Statements (ABS) and, when you retire, each pension will be calculated and paid individually, although when pensions are commenced they are paid together.

CAN I TRANSFER OTHER PENSIONS INTO THE LGPS?

Yes, you can transfer other pension benefits into the LGPS within the first 12 months of joining the scheme. This can help consolidate your pension savings into one scheme.

WHAT IF I MOVE TO ANOTHER LOCAL AUTHORITY OR PUBLIC SECTOR EMPLOYER?

If your new employer also offers the LGPS, you will be enrolled into their pension scheme. You may have the option to combine your pension benefits accrued with Enfield, with your new pension authority. If you move to a different pension scheme, you may be able to transfer your LGPS benefits, subject to time limits and scheme rules. and time limits

RETIREMENT AND ACCESSING BENEFITS

WHEN CAN I RETIRE AND ACCESS MY PENSION ?

The earliest you can retire and start receiving your pension benefits is from age 55 (this will rise to 57 by 2028). This is considered an early retirement. The Normal Retirement Date (NRD) is linked to your state pension age which for most people is age 67 (please check the [government website](#) to check your state pension retirement age). Taking your pension before your NRD will result in reduced benefits.

CAN MY PENSION BENEFITS BE PAID EARLIER THAN MY NORMAL PENSION AGE?

Yes, you can voluntarily elect for payment from age 55 under current pension regulations, however, early retirement percentage reductions are likely to apply to recognise that you are receiving your pension earlier than anticipated. You can be paid at any age on ill health grounds within the LGPS.

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DEATH GRANT BENEFITS

ARE THERE ANY BENEFITS PROVIDED IF I DIE IN SERVICE?

If you die in service a lump sum can be paid out to persons of your choosing. The lump sum is three times your annual salary.

WHAT HAPPENS TO MY PENSION IF I DIE IN RETIREMENT?

There is a protection of up to 10 years or age 75 (whichever is shorter) of your pension when you die. This means that the remaining amount that would have been paid to you should you pass away can be paid in the form of a grant to those of your choosing. For those who are married or in civil partnerships, they are able to inherit the pension payments of their late spouse, this is known as a survivor's pension and applies past the age of 75.

CAN I NOMINATE SOMEONE TO RECEIVE MY DEATH GRANT?

Yes, you can nominate one or more individuals or organisations, including charities, to receive your death grant. This is done through the Pension Fund's [Expression of Wish Form](#), which can be submitted online, or downloaded and filled out, via our [website](#). We at the Pension Fund have full discretion over who receives the grant, but your nomination will be taken into strong consideration and will guide us towards your wishes.

CONTRIBUTION OPTIONS

WHAT IS THE 50/50 OPTION?

The 50/50 option allows you to pay half your normal contributions and build up half your normal pension benefits. This can be a flexible option if you need to reduce your contributions temporarily. See our [50/50 video](#) for more information.

CAN I OPT OUT OF THE LOCAL GOVERNMENT PENSION SCHEME?

Yes, you can opt out of the LGPS at any time by completing an [opt-out form](#), which is available on our website. Before opting out, it is important to consider the valuable benefits you may be giving up. Where possible, it is recommended to use the [50/50 option](#) as a way of reducing contributions but still having access to key benefits.

WHAT HAPPENS IF I REJOIN THE LGPS AFTER OPTING OUT OR LEAVING?

If you rejoin the LGPS, a new pension record will be created. You may have the option to combine your previous pension benefits with your new record. Upon rejoining, please contact the Fund to confirm if aggregation provisions apply. If you are unable to combine them, your previous benefits will remain separate and be paid when you reach retirement age.

BOOSTING YOUR PENSION

CAN I INCREASE MY PENSION BENEFITS?

Yes, you can increase your pension by paying **Additional Pension Contributions (APCs)** or **Additional Voluntary Contributions (AVCs)**. These options allow you to boost your pension benefits. Please visit [Prudential M&G](#) for more information on these options.

CAN I BUY MORE PENSION?

Yes, you can pay extra to increase your pension, to obtain a quote, please visit:

www.lgpsmember.org/help-and-support/tools-and-calculators/buy-extra-pension-calculator/

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ANNUAL BENEFIT STATEMENT (ABS) QUERIES

I PAY ADDITIONAL VOLUNTARY CONTRIBUTIONS, ARE THESE INCLUDED IN MY ABS?

No. You will receive a separate AVC statement detailing your fund value as at 31st March 2025 direct from the Prudential (M&G) before the 31st March 2025 (the statutory deadline for issuing AVC statements). If you don't currently pay towards AVCs and want more information, please visit the following site:

www.pru.co.uk/rz/localgov/

Additional Voluntary Contributions are a tax-efficient way to save for retirement and provides an opportunity for you to supplement your LGPS retirement fund.

I PAY ADDED YEARS, APCS (ADDITIONAL PENSION CONTRIBUTIONS) OR ARCS (ADDITIONAL REGULAR CONTRIBUTIONS), ARE THESE INCLUDED IN MY ABS?

If you have previously entered into a contract to buy added years, APCs or ARCs, the benefits shown as at 31st March 2025 in this statement include the proportion of the original contract that you have purchased by that date and assume completion of the contract when you reach your normal retirement date.

WHY HAVE I RECEIVED MORE THAN ONE ABS?

The number of statements you have received should match the number of jobs you have had pension contributions deducted from as at 31st March 2025.

CAN I ACCESS MY PENSION INFORMATION ONLINE?

You can access your pension records, make projections, and view your ABS through the Member Self-Service portal at pensions.enfield.gov.uk.



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