

Key differences between combining benefits and keeping benefits separate

	COMBINED BENEFITS	SEPARATE BENEFITS
REDUNDANCY / BUSINESS EFFICIENCY	Benefits paid early because of redundancy or efficiency (when aged 55 or over) would include the value of earlier deferred benefits that have been transferred.	Benefits paid early because of redundancy or efficiency in your ongoing employment (when aged 55 or over) would <u>not</u> include the value of earlier deferred benefits.
ILL HEALTH	Any decision by your employer that pension benefits be paid early because of ill-health would include the value of earlier deferred benefits that have been transferred.	Any decision by your employer that pension benefits be paid early because of ill-health in your ongoing employment would <u>not</u> include the value of your deferred benefits. A separate employer decision would be required for your deferred benefits.
EARLY PAYMENT OF BENEFITS	You can voluntarily choose to draw the combined benefits from as early as age 55 (at, normally, a reduced rate to account for the early payment). However, the combined benefits would be payable at the same time (i.e. cannot be paid at different times) and cannot be paid until you have ceased your ongoing employment.	You can voluntarily choose to draw benefits from as early as age 55 (at, normally, a reduced rate to account for the early payment). However, the deferred benefits do not have to be drawn at the same time as the benefits from your ongoing employment.

If you have scheme membership before 1st April 2014 you will also need to consider the following key differences.

	COMBINED BENEFITS	SEPARATE BENEFITS
RULE OF 85	If your previous benefits are combined with your ongoing employment, and you have Rule of 85 protections these protections will transfer to	If you decide not to combine your previous benefits with your ongoing active pension account, and you have Rule of 85 protections these will apply

	<p>your ongoing active pension account. <i>(If there's a gap between the day you previously left the scheme and the day you re-joined (of less than 5 years) please refer to our website for more detailed information as it could make the rule of 85 date later). If there is more than a 5 year gap the protections do no transfer).</i></p>	<p>to your deferred benefits only.</p>
<p>PAY UPON WHICH PRE 1 APRIL 2014 BENEFITS ARE CALCULATED</p>	<p>If your previous benefits are combined with your ongoing employment the pre 1 April 2014 element of your benefits will continue to be final salary benefits. They will be calculated using your whole time equivalent final pay in the ongoing employment when you cease membership of the LGPS in that employment (based on the definition of final pay in the final salary scheme). <i>(If there's a gap between the day you previously left the scheme and the day you re-joined, of more than 5 years this section does not apply).</i></p>	<p>If you decide not to combine your previous benefits with your ongoing active pension account, the pre 1 April 2014 element of your deferred benefit will have been calculated on your whole time equivalent final pay in the employment that gave rise to the deferred benefits (based on the definition of final pay in the final salary scheme).</p>

Other key areas to consider

Death in Service lump sum

As a member of the LGPS if you die in service a lump sum of three times your annual pensionable pay would normally be payable. If you have a deferred pension, and die before it is paid, a lump sum equal to 5 times the deferred pension is paid. However, only one amount for lump sum life cover is payable from the LGPS so, even if you keep your deferred benefits separate from your active pension account, only the greater of the lump sum life cover for your deferred benefit or for your active pension account would be payable.

Transferring the value of your deferred benefit to another pension scheme Please note that even if you choose not to combine your benefits you will not be able to transfer the value of your deferred benefits to another pension scheme whilst you are contributing to the LGPS or if you have less than one year to go before reaching your Normal Pension Age.

