

Royal County of Berkshire Pension Fund

Redundancy Retirement Guide

The LGPS retirement benefits you have built up will be paid immediately without any early retirement reductions if your employer makes you redundant or you are retired on the grounds of business efficiency providing you meet the following criteria:

- **age 55 or over** at the point you are made redundant **and**
- have been a member of the LGPS for **at least 2 calendar years overall**

We have compiled a series of frequently asked questions in relating to retirement from the LGPS on Redundancy or Business Efficiency grounds.

Please note the Minimum Retirement Age is expected to increase from age 55 to age 57 from April 2028.

What happens to my annual pension if I am made redundant?

If your employer makes you redundant or retires you in the interests of business efficiency and you satisfy the above conditions, your retirement benefits are payable immediately without reduction.

What happens if I am made redundant but under the age of 55?

If you are under the age of 55 at the point of being made redundant then unfortunately your annual pension cannot be released at this stage. Instead, your annual pension is deferred for you within the Pension Fund and can be released from age 55 at the earliest but with an actuarial reduction applied if claimed before your Normal Pension Age (NPA).

Will my annual pension be enhanced in any way?

Your annual pension **is not** automatically enhanced if you are made redundant. However, at their discretion, your employer can award an additional amount of annual pension to improve your retirement benefits. Your employer is required to produce and publish a statement of policy setting out how they intend to use this and other discretions available to them under the scheme regulations.

Will my annual pension be reduced?

If you are made redundant your annual will be calculated up to your date of redundancy and released to you **without** any early retirement percentage reductions being applied. **Please note your annual pension will not automatically be enhanced to your NPA.**

How do I obtain a redundancy quotation?

If you would like an estimate of your pension entitlement assuming you were to be made redundant please contact your employer directly. We are unable to provide redundancy figures directly to scheme members, but your employer can request such an estimate on your behalf.

How do I claim my pension if I am made redundant?

If you are aged 55 or over at the point that you are made redundant then your employer's payroll department will contact us directly with confirmation of your leaving details. Once this is received, we will calculate your annual pension entitlement and contact you to arrange payment of your retirement benefits.

Can I defer payment of my redundancy pension until a later date?

No, we are required to pay your annual pension to you at the point you are made redundant.

When will my redundancy annual pension commence?

Your redundancy annual pension will be payable from the day after your employment ceases. Your annual pension is then payable to you for your lifetime on the last working day of every month.

Will I have the option of taking a lump sum if I am made redundant?

If you have built up membership prior to 1 April 2008 you will be entitled to an automatic tax-free lump sum retirement grant payment released at the same time as your annual pension. If you joined the LGPS after 1 April 2008 you will not be entitled to an automatic lump sum retirement grant, however, you will have the option of exchanging some of your annual pension into tax-free cash lump sum.

Will I still be entitled to my annual pension if I take voluntary redundancy?

Yes, if you retire through compulsory redundancy or voluntary redundancy then you will automatically be entitled to your annual pension if you are aged 55 or over and have at least two calendar years membership in the scheme on your last day of service.

If I am in receipt of my redundancy pension what happens if I become re-employed?

If you become re-employed your annual pension will not cease and will continue to be paid to you for your lifetime.

Can I still exchange part of my annual pension to purchase additional tax-free lump sum?

Yes, if you are made redundant you will still be able to exchange part of your annual pension into additional tax-free lump sum. You can exchange £1 of annual pension for an additional £12 tax-free lump sum up to a maximum of 25% of the capital value of your total 'pension pot'. You will be provided with details of how this option applies to you before your retirement benefits come into payment, as you will need to decide if you wish to convert any part of your pension into additional tax-free cash before that time.

Do I have to give notice to claim my redundancy pension?

No, your employer's payroll department will notify us of your redundancy retirement details. Once the formal instruction has been received from the payroll department we will contact you directly to confirm your retirement options.

Will I receive a monthly pension payslip once I have retired?

All monthly payslips and annual P60 information relating to your annual pension will be available to view securely via your online 'Engage' account. To register please visit our website www.berkshirerensions.org.uk for details on how to sign up.

'Engage' – online pension portal

'Engage' enables you to securely update your personal details, perform pension estimates and update your nominated beneficiaries from the comfort of your own home or workplace.

It's easy to sign up – just visit our website www.berkshirerensions.org.uk

More information

More detailed information about the scheme is available from the pension team at the following address: **Royal County of Berkshire Pension Fund, Zone C, Town Hall, St Ives Road, Maidenhead, Berkshire, SL6 1RF**

Help Desk Telephone Number: 01628 796 668

E-mail: info@berkshirerensions.org.uk

Web: www.berkshirerensions.org.uk