



## WHEN CAN I TAKE MY PENSION?

### Introduction

The Local Government Pension Scheme (LGPS) is changing from 1 April 2015. This is one of a series of Member Briefings developed to explain the main changes to the LGPS. Further information as well as a video can be found on the LGPS 2015 website: <http://www.scotlgps2015.org>

In this Member Briefing we will look at when you can take your pension. In particular:

- Your Normal Pension Age
- Protections
- Other types of retirement
- Life Cover
- Family/partner benefits
- Leaving before drawing your pension
- Cost of living adjustment

Let's look at these in more detail.

### Normal Pension Age

For the pension you build up from 1 April 2015, your Normal Pension Age is not fixed at age 65 but, instead, is the same as your State Pension Age (but with a minimum of age 65).

You can use the Government's State Pension Age calculator to find out your State Pension Age at: [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension).

It's important to know that changes to State Pension Age are possible in the future. That means your Normal Pension Age could change. If your State Pension Age increases in the future then your Normal Pension Age for the pension you build up from April 2015 in the LGPS will also be increased.

### Flexibility

Your Normal Pension Age is simply the age when you can retire and take the pension you have built up in full without a reduction. However, you can choose to retire and draw your pension at any time between age 60 and 75.

If you choose to take your pension before your Normal Pension Age, it will normally be reduced, as it's being paid earlier. If you take it later than your Normal Pension Age it's increased because it's being paid later.

The amount of any reduction or increase will be based on how many years earlier or later than your Normal Pension Age you draw your benefits.

### Protections

Any pension you have built up before 1 April 2015 is fully protected. This includes a protected Normal Pension Age for payment of those benefits. The protected Normal Pension Age is age 65 (except for a very small number of members with an earlier protected age of 60).

The protection means that if you retire and draw your benefits at your protected Normal Pension Age, the pension you have built up in the scheme before 1 April 2015 will be paid in full.

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The amount of any reduction or increase will be based on how many years earlier or later than your protected Normal Pension Age you draw the pension you have built up in the scheme to 31 March 2015.

You cannot take your benefits built up to 31 March 2015 separately from the benefits you build up from April 2015. All your pension would have to be drawn at the same time if retiring voluntarily. The only exception to this is if you take flexible retirement (see the section below on flexible retirement).

For those members who have rule of 85 protection this will continue to apply. It protects some or all of a member's benefits from the normal early payment reduction. **To have rule of 85 protections you must have been a member of the LGPS on 30 November 2006.**

A separate Member Briefing providing more information on protections 'Paying into the LGPS before April 2015?' is also available.

### Other types of retirement

There is no change to the way other types of retirement work from April 2015.

### Ill health

From April 2015, your pension (provided you've got 2 years membership of the scheme) can still be paid early if your employer decides you are permanently unable to perform the duties of your job due to ill health. The pension would be paid at an increased rate if you are unlikely to be capable of working again.

### Redundancy and business efficiency

From April 2015 if you are made redundant or lose your job for business efficiency reasons when aged 55 (50 if in the scheme on 5 April 2006) or over, your pension (provided you've got 2 years membership of the scheme) will still be payable immediately (with no reduction to your main pension for early payment, but there would generally be a reduction for early payment of any additional pension you have chosen to buy).

#### [Flexible retirement](#)

From April 2015 the scheme still allows flexible retirement. This is where, with your employer's consent, you can reduce your hours and/or your pay grade when aged 55 or over and draw some or all of your pension (provided you've got 2 years membership of the scheme) whilst remaining in work.

#### [Life Assurance Cover](#)

If you die in service whilst an active member of the scheme, the scheme will still provide a lump sum payment of three times your annual pensionable pay.

#### [Family/partner benefits](#)

The scheme continues to provide cover for your family in the event of your death, with pensions for your dependants including spouses, civil partners, eligible cohabiting partners, and eligible children. From April 2015 a survivor's pension will automatically be payable to an eligible cohabiting partner without the need for the scheme member to have completed a form nominating them to receive a survivor's pension.

#### [Leaving before drawing your pension](#)

The period after which you are entitled to benefits in the LGPS is 2 years. This means you need to have been a member of the scheme for 2 or more years to be awarded a pension unless you meet the requirement for some other reason including, for example, if you have received a transfer from another pension scheme or because you already have a deferred pension or a pension in payment with another LGPS Fund in Scotland. If you leave the scheme before meeting the requirement, you have the option of taking a refund of contributions from the scheme or transfer out to another pension scheme.

Remember any future changes to State Pension Age will mean that your Normal Pension Age for the part of the deferred benefits built up from 1 April 2015 will also change. However, if you were in the scheme before 1 April 2015, the protected Normal Pension Age for the part of the deferred benefits built up before 1 April 2015 will not change.

#### [Cost of living adjustment](#)

When you receive your pension it will be increased each year in line with the cost of living - as currently measured by the Consumer Prices Index (CPI) - to ensure it keeps its value.

#### [Further Member Briefings available:](#)

There are four further Member Briefings in this series:

- The LGPS is changing from 1 April 2015

- Paying into the LGPS before April 2015?
- Member contributions and the flexibility to pay more or less
- How is my pension worked out?

For more information on the new scheme and to view a video explaining the new scheme and to try out the modeller showing how a pension account works and the contribution cost calculator please visit <http://www.scotlgps2015.org>

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