

Please read these notes before you fill in your forms

These notes are designed to help you work through your forms.

The sections are in the same order as the forms. If you have any queries that are not covered, please contact us on the number shown in the letter we've sent you.

At the end of the Guide we've included some useful information.

**Notes on completing the
“Benefits from other Registered Schemes
and Overseas Transfers” Form**

URGENT: we can't pay your benefits until you return this form

You need to complete and return the enclosed form R39 urgently. We need this to calculate any tax charge due for members with unusually large pension funds. We have to take into account the value of all your benefits (not just those from the LGPS) to see if the value exceeds the HMRC 'Lifetime Allowance' (LTA).

If your total pension fund value is less than the Lifetime Allowance, there's no additional tax charge.

Very few members will reach this level but legally we still have to make the calculation before we can pay your benefits.

Details correct at date of production – December 2016

For this purpose, the value of your benefits is calculated as 20 times the annual pension plus 1 times any tax-free lump sum retirement grant. For example, if you retired with an annual pension of £833 and a tax-free lump sum of £5,000, the value of your benefits for testing against the Lifetime Allowance would be £21,660 calculated as follows:

$$[20 \times £833] + [1 \times £5,000] = £16,660 + £5,000 = £21,660$$

This is much less than the Lifetime Allowance, so there's no additional tax charge.

Your personal income tax allowances are not connected with your Lifetime Allowance. You'd have to pay income tax on your annual pension (just as you would on any income) if it was more than the allowances given in your PAYE tax code.



**It's important you deal with the enclosed form quickly.
We won't be able to pay your retirement benefits
until you return it.**

You may need to get details from other schemes first.

The rest of these notes show you, step by step, how to complete form R39 ("Benefits from Other Registered Schemes and Overseas Transfers"). If you need more help to fill it in, please contact us.

**The technical terms we've had to use are explained on
the back page of the form.**

Page 1: Please read page 1 of the form carefully and then answer the four questions:-

Question 1:

The answer is YES only if you're already getting a pension from another pension scheme or policy **and** it began to be paid to you **before** 6 April 2006.

Question 2:

The answer is YES only if you're already getting a pension from another pension scheme or policy (or will be **before** the 'date LGPS benefits payable' we've shown on the form) **and** it began to be paid to you **after** 5 April 2006.

Question 3:

The answer is YES only if you have a pension entitlement in another pension scheme or policy that will start **at the same time** as your LGPS benefits from us.

Question 4:

The answer is YES only if you've transferred any pension rights overseas **after 5 April 2006** or you intend to **before** the 'date LGPS benefits payable' we've shown on the form.

If you answer
'YES'
to any of the four
questions, you also
need to complete
the relevant
Sections of the rest
of the form as
follows:-

If you answer
'NO'
to all four
questions, all you
need to do next is
to complete
Sections
E & F on the back
page and return the
form to us.
Turn to page 5
"Retirement Benefit
Application Form".

Section A:

If you've said YES to Question 1, you should also complete Section A on page 2. If you haven't got the details we've asked for, you should contact the other scheme and ask them the following question: *What is the current gross annual rate of my pension and what was it on 5 April 2006?* Enter their reply in Section A.

Section B:

If you've said YES to Question 2, you should also complete Section B on page 2. If you haven't got the details we've asked for, you should contact the other scheme and ask them the following questions: *When my pension came into payment, what percentage of the Standard Lifetime Allowance at that time did it use up? Was any cash element protected under Primary Protection? If so, how much tax-free cash was paid and what was the date of retirement?* Enter their reply in Section B.

Section C:

If you've said YES to Question 3, you should also complete Section C on page 3. If you haven't got the details we've asked for, you should contact the other scheme and ask them the following question: *What percentage of the Standard Lifetime Allowance does my pension use up on coming into payment?* Enter their reply in Section C.

You also need to tell us in Section C whether you want the other pension to be considered before or after your benefits from our scheme when we check your overall tax situation. You must give an answer but it doesn't really matter either way unless your benefits are unusually large, in which case you should consider taking financial advice first.

Section D:

If you've said YES to Question 4, you should also complete Section D on page 3. If you haven't got the details we've asked for, you should contact the scheme that made the overseas transfer and ask them the following question: *What was the date of my overseas transfer and how much transfer value was paid?* Enter their reply in Section D.

**When you've filled in the form,
please complete Sections E & F on the back page and then
return the form to us straight away.**

Tax law says you must tell us within 30 days of receiving your lump sum if you intend to 'recycle' any of it by paying a significant extra contribution into the LGPS or any other pension scheme.

HMRC allows this within certain strict limits but there are severe tax penalties for breaking them. Section E asks you whether or not you intend to do this.

Notes on completing the “Retirement Benefit Application Form”

Section 1 Personal details

Please complete this section in full. We need to know about your family situation to help us contact the right people quickly if any dependants' benefits become payable when you die.

Section 2 Choice of reduced benefits now or full benefits later



You don't need to complete this Section if you are retiring on redundancy grounds as your benefits will be payable immediately.

You should only fill in this section if the letter we've sent you gives you the choice of taking reduced benefits now or full benefits later. If it doesn't, please go straight to Section 3.

If it does, please tick one of the boxes to show whether you want reduced benefits straight away or unreduced benefits from your normal pension age (NPA). NPA is your state retirement age but some members have an earlier protected date between 60 and 65.

Tick the third box if you'd like us to send you the two sets of figures before you make your mind up.

If you're a woman aged 60 or more, we have to pay you any GMP entitlement even if you ask us to hold the rest of your benefits until NRD. GMP stands for Guaranteed Minimum Pension and is the minimum pension we have to guarantee to pay members who were contracted-out of the state pension scheme between 1978 and 1997. This won't apply if you paid reduced-rate national insurance or joined the LGPS after March 1997.

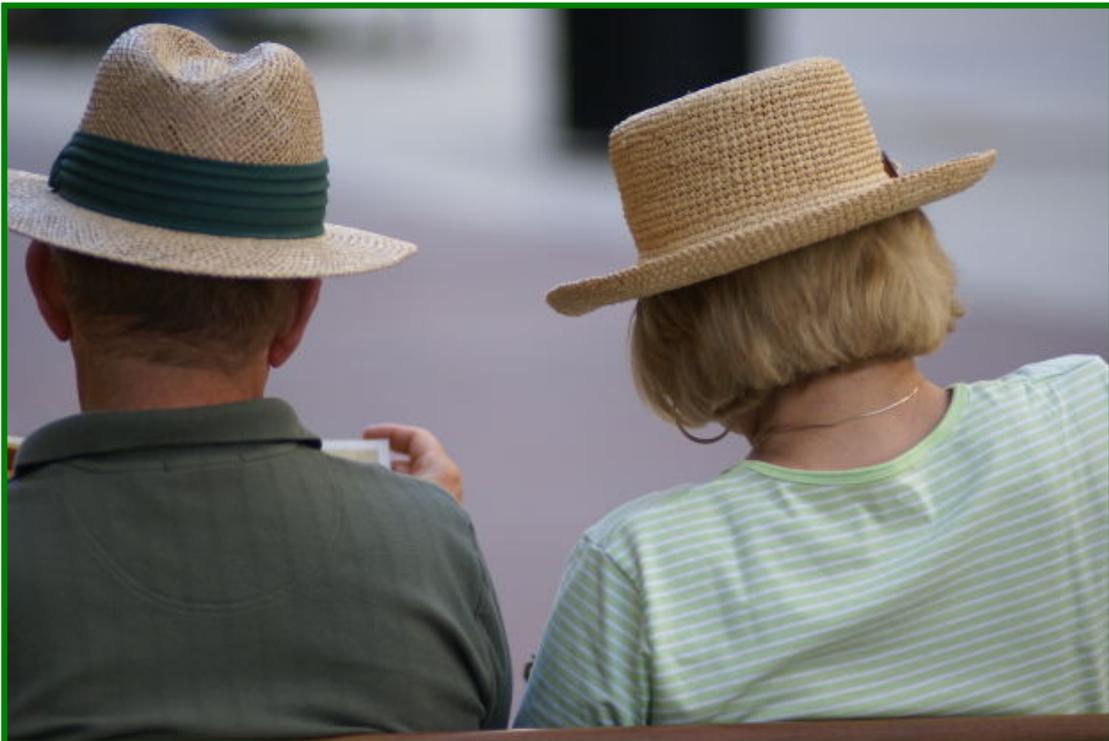
If you left before 1 April 1998, we can't pay your deferred benefit before your normal retirement date if you're still working in local government.

Section 3 | Drops in pay in the last ten years

If your pay rate was reduced at any time during your last ten years of membership, there may be some protection for your pension: so please tell us in this section in case we don't already know. It doesn't matter whether the reduction was voluntary or compulsory. A drop in pay because of working fewer hours does not count for this purpose unless the hourly rate of pay also fell (e.g. if the new hours were on a lower grade or scale point).

Section 4 | Nominating a beneficiary

A death grant may be payable from the LGPS when you die. You have the right to say who you'd like to get it. The law calls this an 'expression of wish'. You're allowed to nominate any people or organisations you want. They don't have to be relations or dependants.



This isn't compulsory but there are possible advantages in doing it. If you'd made a valid nomination, any death grant could be paid more quickly, without waiting for your estate to be sorted out; and wouldn't form part of your estate (and so should avoid Inheritance Tax).

If you don't make a nomination **or** if you do make one but at the time of your death either:-

- the person you nominated had died; **or**
- the person you nominated was your husband, wife or civil partner at the time but you'd since divorced or dissolved your civil partnership; **or**
- Norfolk Pension Fund felt that payment to the nominee wouldn't be practicable:

then we'd normally pay any death grant to a relative or dependant (usually your next-of-kin). If that wasn't possible, we'd pay it to the administrators of your estate.

You may choose more than one beneficiary. If you do, please say what share of the death grant you want each of them to get (and please make sure the total shares add up to 100%). You can't make conditional nominations (e.g. "50% to Fred *if* Mary dies first"). You may revoke or change your nomination at any time by writing to us.

We regret we can't give you legal or financial advice on your estate or on Inheritance Tax.

Section 5 | Bank details for payment of your benefits

Your pension will be paid by bank credit direct to your bank or building society account on the last banking day of each month. We can pay it into any recognised bank or building society; but not to the National Savings Bank and not into the post office account used for state pensions.



Please enter full details of the account you'd like us to use. Your sort code and account number should be on your chequebook or statement. In the case of a building society account, you'd normally need to enter the society's own account number and then your personal account or roll number; please ask your society what to put.

Section 6 | Giving up part of your pension for lump sum

Your total lump sum must not be more than a quarter of the capital value of your total pension benefits. We'd check this for you when your benefits were processed; if you'd made an application that took you over the limit, it would be scaled back to the legal maximum (but the reduction in your pension would be smaller to compensate). One other limit is that your pension must not be reduced below any GMP (Guaranteed Minimum Pension) payable to you under the State Earnings Related Pension Scheme. We'd check this for you as well.

TAX law states we can't accept a revised option if you change your mind once we have calculated and paid your benefits. Please fill in Section 6 of the form very carefully. Please call us if you are not sure what to do (01603) 495923.

Section 7 | Signature

Please double-check you've fully completed all the sections that apply to you and then sign and date Section 7 at the end of the form. Send it back to us straight away.

Useful Information

These don't affect your forms but you may find them handy

Payslips

We don't send monthly payslips. We will send you one when you first retire but after that, you'll only get one if your net payment changes by £1 or more; if your address, bank account or tax code changes; or if we need to send you an individual message.

Income tax

The Norfolk Pension Fund is required by law to deduct income tax from your pension as instructed by HM Revenue & Customs (HMRC). We can't accept instructions from anyone else. If you think your tax deduction or tax code is wrong, please contact HMRC.

Their address is HM Revenue & Customs, Pay As You Earn, PO Box 1970, Liverpool, L75 1WX. Or you can telephone them on 0300 200 3300. If you need to contact them, you should quote your name and National Insurance number and our tax reference number, which is 531/N3722P. Further useful information can be found on their website; www.hmrc.gov.uk/index.htm

What tax code will we use when we start paying you

If you took flexible retirement we'll use tax code 0T on a Month 1 basis, and your employer will carry on using the tax code they have for you. If not, we'll use the emergency tax code set by HMRC on a Month 1 basis. When we use your code on a Month 1 basis it means income tax will be calculated on the amount paid to you each month, ignoring any previous pay and income tax to date. We'll tell HM Revenue & Customs we've started paying you a pension and how much it is. They'll assess your income tax situation and if you need a new tax code, they'll tell us both.

If HMRC change your tax code at any time, they'll send us a copy: so there's no need to tell us unless the new code isn't operated. Each month's payroll is completed well before pay day to give us time to get the money into your account; so a new code received in the second half of the month probably won't be used on our payroll until the month after.

If your employer sends you parts 1a, 2 & 3 of form P45 **please send parts 2 & 3 to us straight away. You should keep part 1a** in case you need to complete a self-assessment income tax form. When we receive the 2 parts from you we'll look to see if we've already had a tax code for you from HMRC. If we haven't, we will add your taxable earnings and income tax to your pension payroll record, and use the tax code shown on the P45 on a Month 1 basis. We'll tell HMRC we've done that.

Multiple Pensions

We can pay up to 3 pensions on one pension payroll number. If you already get a pension payment from us, and we start paying you another one, or you have several pensions starting at once we'll pay up to 3 of them on the same payroll number and use your tax code on them.

If we pay you more than 3 pensions, you'll be given another payroll number. If this happens we would have to use tax code BR (Basic rate 20%) on a Month 1 basis on that second number.

We'll let the HMRC know you have another payroll number. They'll reassess your income tax situation and if you need a new tax code they'll tell us both.

Pensions Increase

Your pension is reviewed each year to protect against rises in the cost of living. Any increase is paid from the first Monday of each new tax year. If the cost of living is published as 'nil or negative' then your pension will stay the same.

Pensions Increase is paid to all pensioners aged 55 or more, or at any age if you retired on ill health grounds or become permanently unfit for regular work after retiring. Pensions Increase will begin on the day after you leave pensionable employment. So if you left on 30 June, your increase next April would be calculated from 1 July onwards; and so it would be 9/12 (i.e. three quarters) of the full year's increase. Every April after that, you'd get the full year's increase.

Pensions increase is added to the whole of the pension being paid at the time, including any previous increases. If you were contracted out of the state pension scheme between 6 April 1978 and 5 April 1997, you may find part of the increase being paid by us and part being added to your state pension.

With your state pension, you would get the increase on any GMP earned before 6 April 1988, together with any increase above 3% on any GMP earned from 6 April 1988 onwards.

With your pension from us, we would pay the increase up to 3% on any GMP earned from 6 April 1988 onwards, together with all the increase on the rest of your pension (except on any GMP earned before 6 April 1988).

National Insurance

National Insurance contributions will not be deducted from your pension. If you have any queries about your National Insurance position, you should contact HM Revenue & Customs. Their national insurance helpline number is 0300 200 3500.

State Pension

Your state pension is quite separate from your local government pension. If you have any queries about your state pension, you should contact The Pension Service, which is part of the DWP (Department for Work & Pensions).



They have various telephone helplines:

- 0845 606 0265 : general enquiries
(or to arrange for someone to come and see you)
- 0800 731 7898 : state pension applications
- 0845 300 0168 : state pension forecasts
- 0800 99 1234 : pension credit applications



The government's 'GOV.UK' website has a lot of useful information on state pensions:

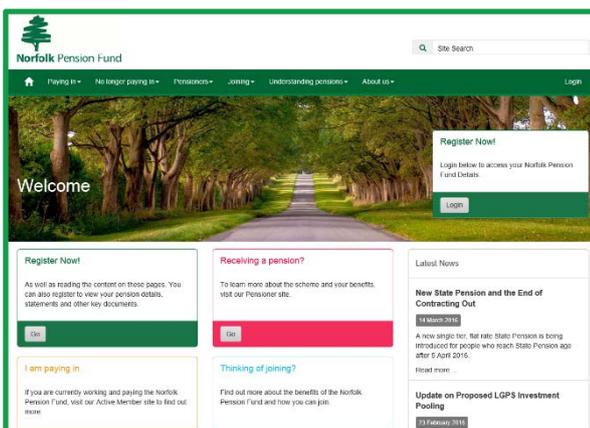
<https://www.gov.uk/browse/working/state-pension>

Norfolk Pension Fund website

You can view your pension details, including your monthly pension pay advice. You can also track the progress of your retirement calculations through to payment of your benefits.

If you haven't already registered to use the service go to www.norfolkpensionfund.org and click on "Register".

For help with registering email pensions.systems@norfolk.gov.uk or telephone (01603) 222132



The website also contains information about the LGPS and the Norfolk Pension Fund, including details of our regular pre-retirement seminars and the annual events we organise for our pensioners.

**Norfolk Pension Fund
Lawrence House
5 St Andrews Hill
Norwich NR2 1AD**

Member Services Teams

Inquiries before you retire: 01603 495923

Email: pensions@norfolk.gov.uk

Pensioner Support Team

Inquiries after you retire: 01603 495788

Email: pensions@norfolk.gov.uk

www.norfolkpensionfund.org

Please note, while we are happy to help you understand your pension options; we are not able to offer financial advice. If you need financial advice you should contact an Independent Financial Advisor (IFA) who is regulated by the Financial Conduct Authority (FCA)

These notes have been prepared on the Norfolk Pension Fund understanding of the information presently available including the relevant legislation governing the Local Government Pension Scheme and associated overriding legislation. No responsibility whatsoever will be assumed by Norfolk Pension Fund for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on the information contained herein.

Norfolk Pension Fund: Data Protection

Norfolk County Council on behalf of Norfolk Pension Fund is a Data Controller under the General Data Protection Regulations. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we are required to share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your data, who we share it with and what rights you have to request information from the Fund, please visit www.norfolkpensionfund.org.

