

## Answers to questions raised at NAC meeting on Wednesday 18 April 2018

### 1. What is the life cover for a deferred member?

- If you are a deferred member a lump sum death grant of 5 x your deferred pension is payable.

Note: If you hold an active and deferred file the life cover payable will be the greater of the two files.

### 2. To qualify for most benefits 2 years' membership is required – does this only start from the 'new' CARE (i.e. 31/03/2015)?

No, your active membership begins when you started making contributions to the Scheme. Two years' 'qualifying service' could be taken from both active and deferred files. Contact NILGOSC if you have further queries.

### 3. Can I opt out and add it to my existing benefits?

You cannot opt out to receive a benefit i.e. there must be a form of retirement or termination of employment that gives you the right to access benefits under the Regulations. You cannot choose to opt out and receive payment of benefits. Also, opting out means you lose the right to aggregate the file you have opted out from with other pension files you may hold with NILGOSC.

### 4. I hold an AVC, what are my options?

Assuming the AVC has been taken out with the Prudential and NILGOSC are aware of this contract you should be able to use your AVC fund to boost benefits in NILGOSC upon your retirement. You may take your AVC in one of the following ways:

- Buy an annuity
- Buy a top-up pension in the LGPS (NI)
- Take up to 100% of your AVC plan as a tax-free lump sum if taken at the same time as your main Scheme benefits. This is subject to tax rules.
- Leave your AVC invested and take it at a later date (this only applies to AVCs taken out before 1 April 2015).

NILGOSC will provide retirement quotations using the current value of your AVC fund if requested.

### 5. Payment to eligible children specifically foster children.

Under the definition of an 'eligible child' in Schedule 1 of the LGPS Regulations (NI) 2014 an 'eligible child', in relation to a deceased member means –

- (a) A natural or adopted child of a member who meets any of conditions A to C and who was born before, on, or in the case of a natural child within twelve months of the member's death; or
- (b) A step-child **or child accepted by the deceased as a member of the family** (excluding a child sponsored by the member through a registered charity) who-
  - (i) Meets any of conditions A to C; and
  - (ii) Was dependent on the member at the date of death.

Condition A – The person is under 18

Condition B – The person is in full-time education or vocational training and has not reached age 23

Condition C – the person is unable to engage in gainful employment because of a physical or mental impairment.

## 6. Payment to family members in event of death;

- If you die, while an **active member** your widow, widower, civil partner or eligible cohabiting partner will receive a pension equal to:
- Your accrued pension to the date of death (ignoring any reductions) recalculated as if it had built up at a rate of 1/160th, plus
- $1/160 \times \text{career average pay} \times \text{membership in the Scheme up to 31 March 2015}$
  
- If you die and you are a **deferred member** and you left the Scheme **before 1 April 2015** a long-term pension is payable of:
- $1/160 \times \text{career average pay} \times \text{total membership}$
  
- If you die and you are a **pensioner member** a long-term pension is payable of:
- Your accrued pension recalculated as if it had built up at a rate of 1/160th, ignoring any reductions and pension given up for lump sum.

### Death Grants

- If you die as an **active member** of the Scheme, a lump sum death grant is payable of:

3 x your pensionable pay

If you die as a **deferred member** of the Scheme, a lump sum death grant is payable of:

5 x your deferred pension

If you die as an active member and have deferred benefits only the higher death grant is payable.

If you die after retiring on pension, the lump sum death grant is a reducing amount as it takes account of pension that has already been paid. The death grant is ten times your pension including any pension you may have given up for lump sum, minus any pension

already paid to you and the amount of tax-free cash you chose to take when you drew your pension at retirement. No death grant is payable once you are over age 75 or if you have been in receipt of a pension for ten years or more.

- Children's pensions will also be payable if eligible according to the regulations upon a Councillor's death.

#### **7. Opting out and refunds**

If you opt out within the 2-year vesting period and hold no other files you are entitled to a refund of your personal contributions less tax. This will not include employer contributions.

#### **8. What happens if my pay goes up?**

If your pay goes up, you will pay contributions on the rate of pay you are receiving. When this is implemented (immediately or on 1 April) will depend on your council's policy on contribution banding. The LGPS (NI) has 6 contribution bands ranging from 5.5% - 10.5% (available on our website). An increase in pensionable pay will mean an increase in the pension you accrue under the CARE Scheme.