

# THE LONDON BOROUGH OF SOUTHWARK PENSION FUND

## TYPES OF RETIREMENT

### YOUR PENSION CONNECTION



This is a summary of Southwark Council's types of retirement policy, which is part of The London Borough of Southwark Pension Fund (the Fund).

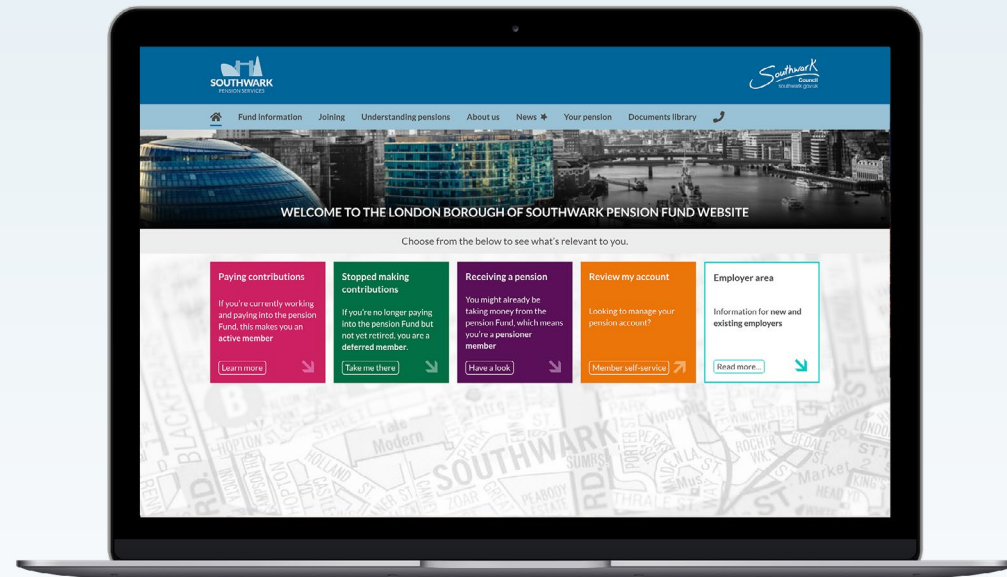
While the Fund has tried to ensure the accuracy of this guide, it is not a legal document and does not confer any rights to the benefits outlined within it. The Fund is subject to UK legislation, any changes to the legislation that come into effect after April 2021 may not be accurately reflected in this guide.

In addition to the guide, the Fund website [www.southwarkpensions.co.uk](http://www.southwarkpensions.co.uk) contains more information. Southwark Pension Services are also here to help. You can contact them on:

✉ [lbspensions@southwark.gov.uk](mailto:lbspensions@southwark.gov.uk)

☎ 020 7525 4924

🏠 Southwark Pension Services  
Southwark Pension Fund  
PO Box 7606  
WS10 1EJ



## How to use this guide

You can navigate around this interactive guide by:

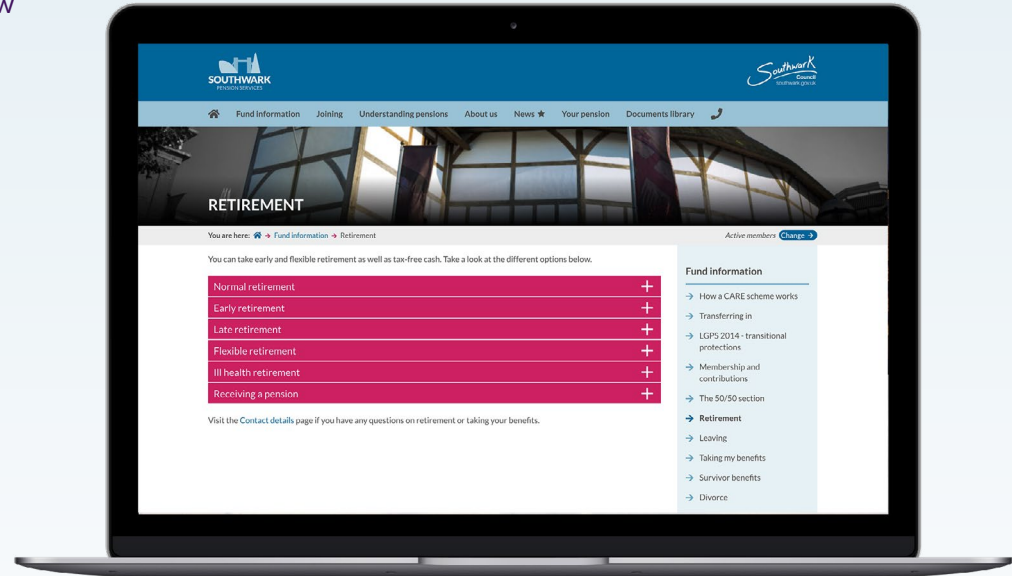
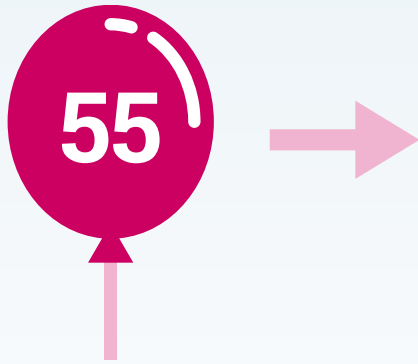
- Using the tabs at the bottom of each page to switch to the section that applies to you; or
- Clicking or tapping the previous and next buttons at the bottom of each page. You can also revisit this introduction by clicking on the home button.





# VOLUNTARY EARLY RETIREMENT (VER)

- The Local Government Pension Scheme (LGPS) normal retirement age is now linked with the State Pension Age.
- Members can now choose to retire from age 55 and do not require the employer's consent to do so.
- Members selecting VER will suffer an actuarial reduction in their benefits because their benefits will potentially be paid for a longer period of time





# FLEXIBLE RETIREMENT

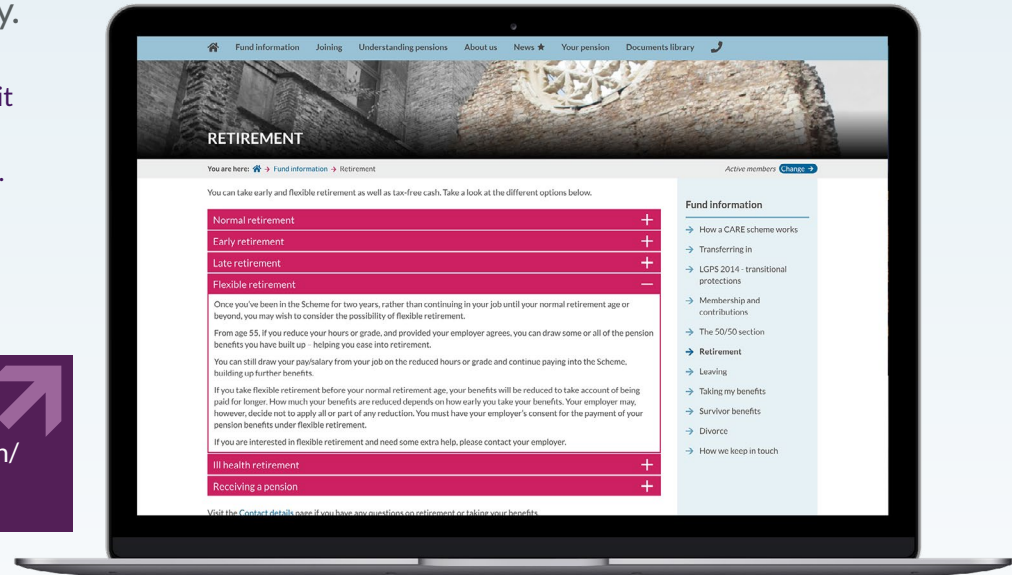
Firstly, the employer must have a flexible retirement policy.

If the employer agrees, the member can either reduce their hours or their grade to be able to claim their benefits and still receive their salary from their job, albeit on a reduced grade or hours basis.

They can continue to pay into the LGPS, building up further benefits if they wish.

If the member takes flexible retirement before their normal retirement age, dependent on the benefits that the member elects to take, there could be an actuarial reduction applied to the benefits.

Visit [www.southwarkpensions.co.uk/fund-information/retirement](http://www.southwarkpensions.co.uk/fund-information/retirement) and click on "Flexible retirement" for more.

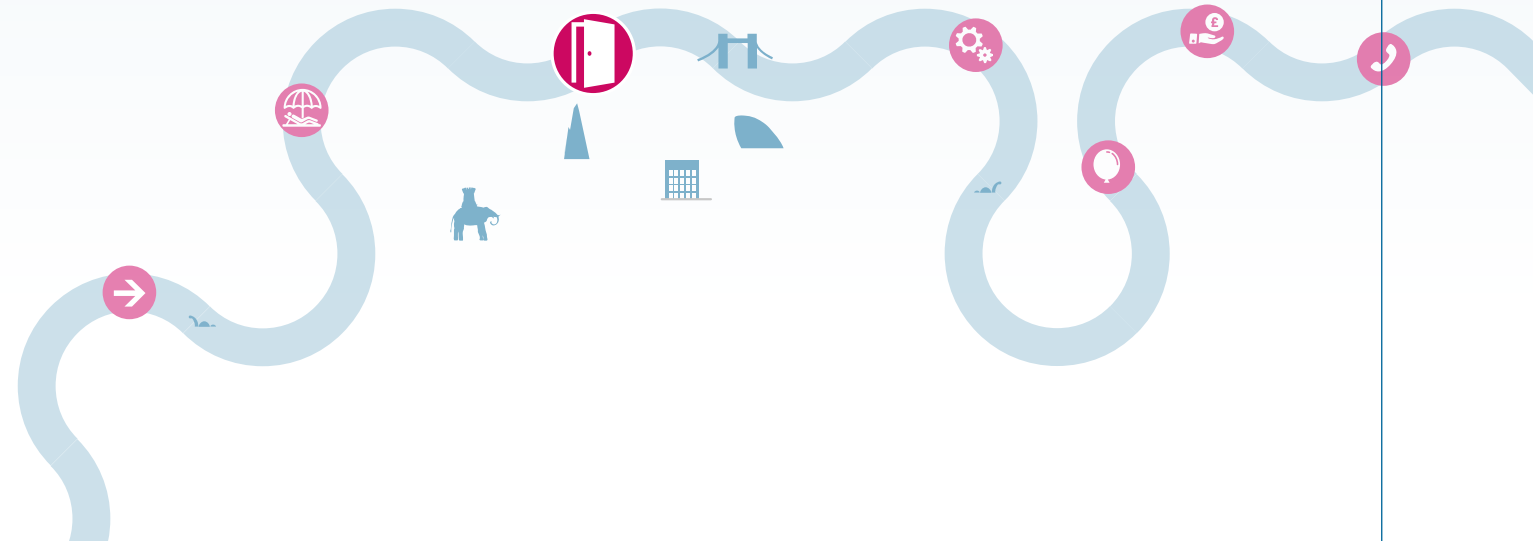
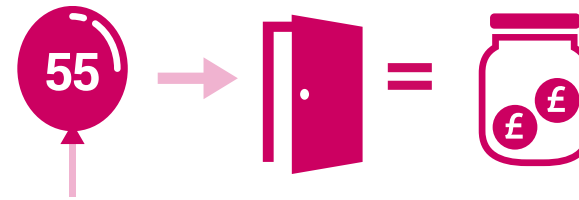


## Severance

- If a member has agreed (by signing a compromise agreement) to go under severance and is over the age of 55, they can claim their accrued pension benefits as a pension.

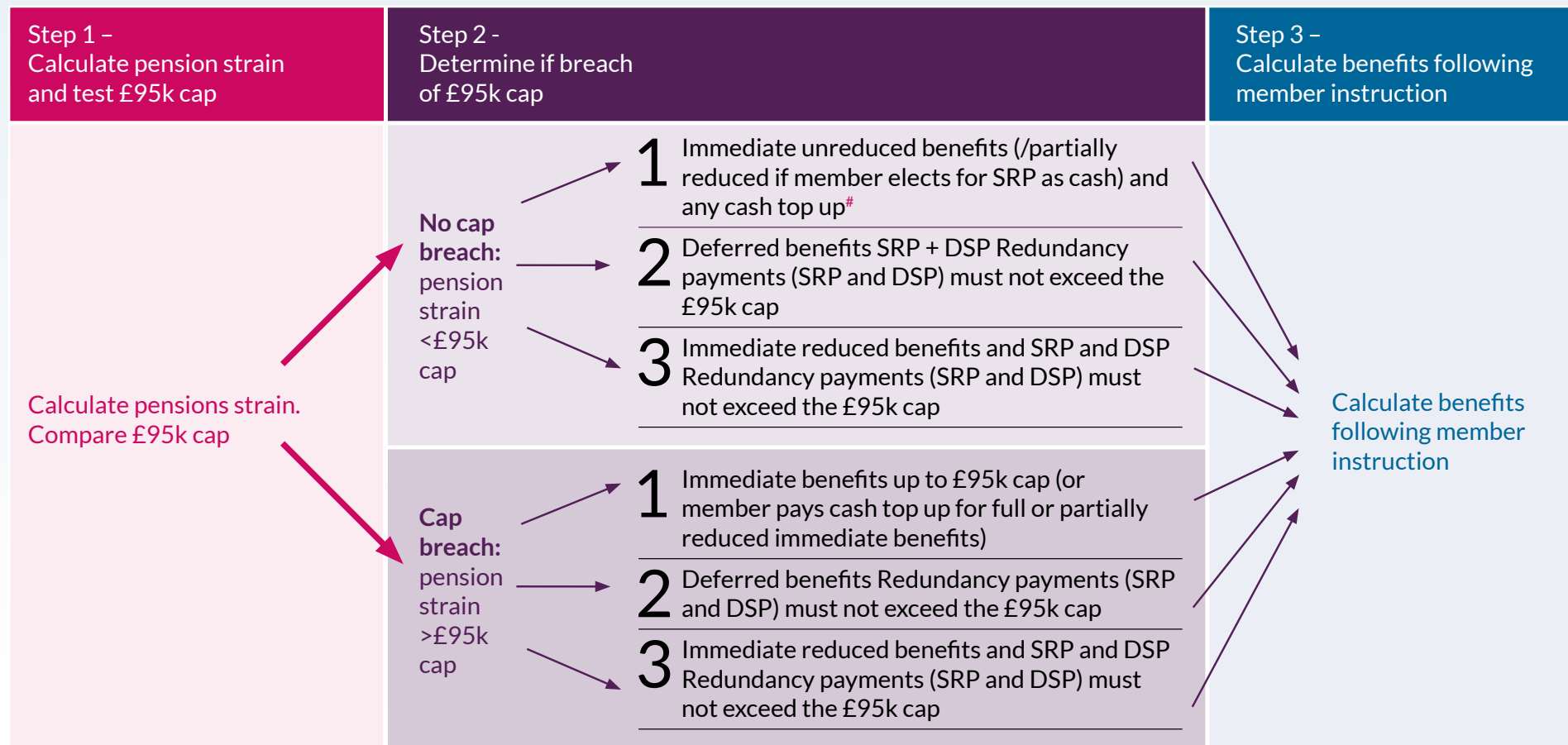
## Redundancy

- If a member of the LGPS loses their job because of redundancy or business efficiency, provided they are aged 55 or over and meet the two-year vesting period, the main benefits are payable immediately without any early retirement reductions.
- However, any additional pension paid for by Additional Pension Contributions (APCs), Additional Regular Contributions (ARCs) or Shared Cost APCs would be paid at a reduced rate.

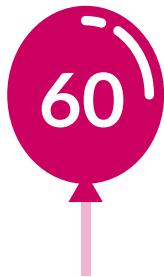


## Overview of process

Benefits of redundancy for members over age 55



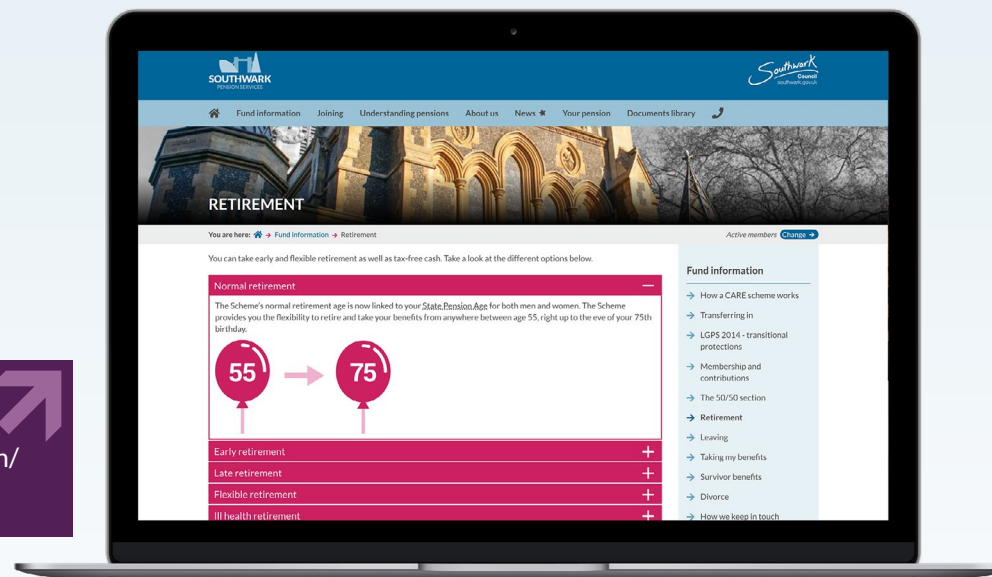
<sup>#</sup> If (strain < SRP), the member is entitled to the excess as a cash payment. Member may also be entitled to a cash top up if (strain - SRP) < (DSP). Any excess can be paid as cash top up, up to £95k cap

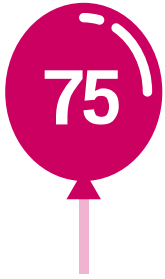


If an employee reaches their normal retirement age, the benefits will be paid to them without any actuarial reductions.

Due to age discrimination laws, we cannot now assume that an employee will retire at their retirement age as they can continue to work and pay into the LGPS until they are age 75.

Visit [www.southwarkpensions.co.uk/fund-information/retirement](http://www.southwarkpensions.co.uk/fund-information/retirement) and click on 'Normal retirement' for more.

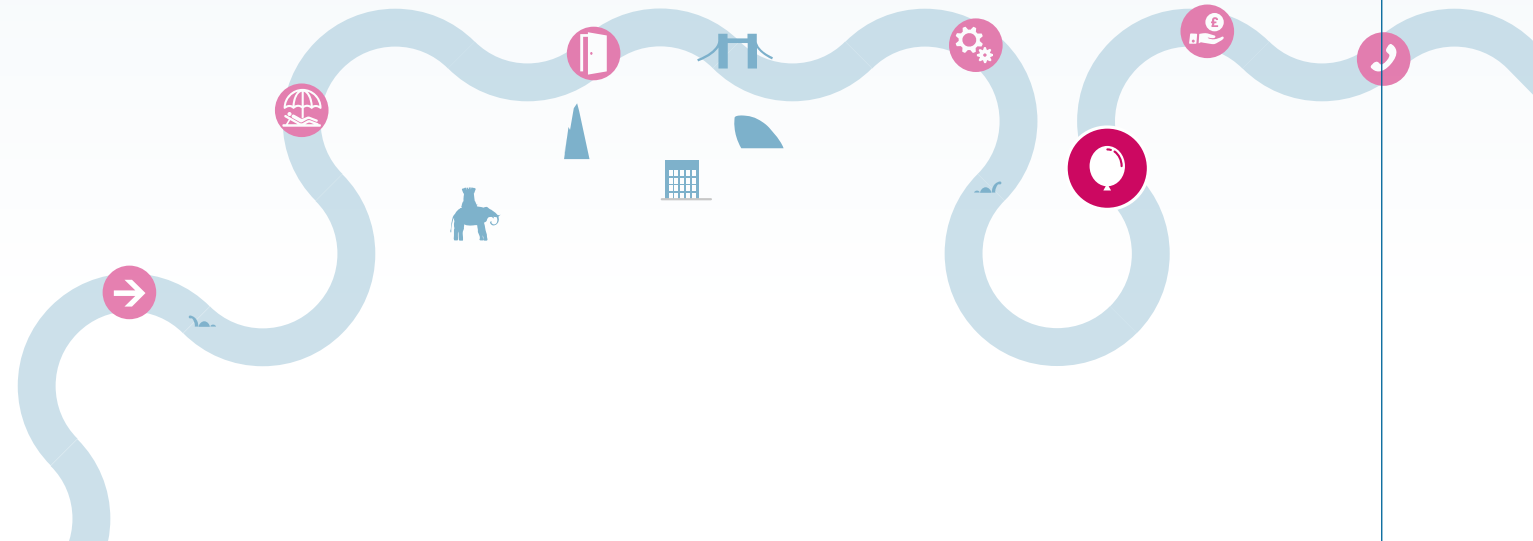
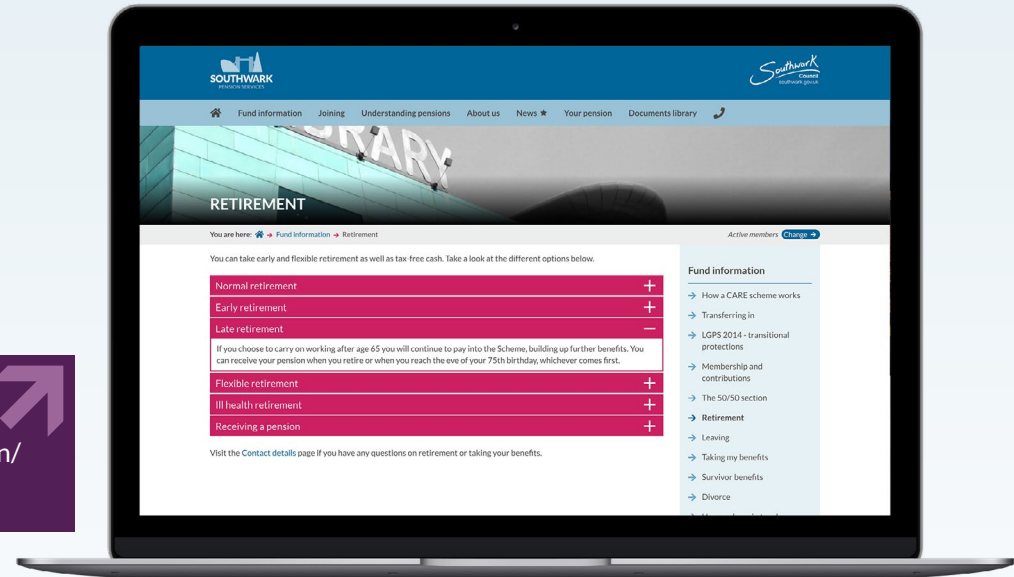




Employees can continue to work beyond their normal retirement age and pay into the LGPS up to the age of 75, but they then must stop paying in and take their benefits.

The benefits will be actuarially increased to take into account what they will potentially be paid for less time than they would, had the member claimed their benefits at their Normal Pension Age.

Visit [www.southwarkpensions.co.uk/fund-information/retirement](http://www.southwarkpensions.co.uk/fund-information/retirement) and click on 'Late retirement' for more.





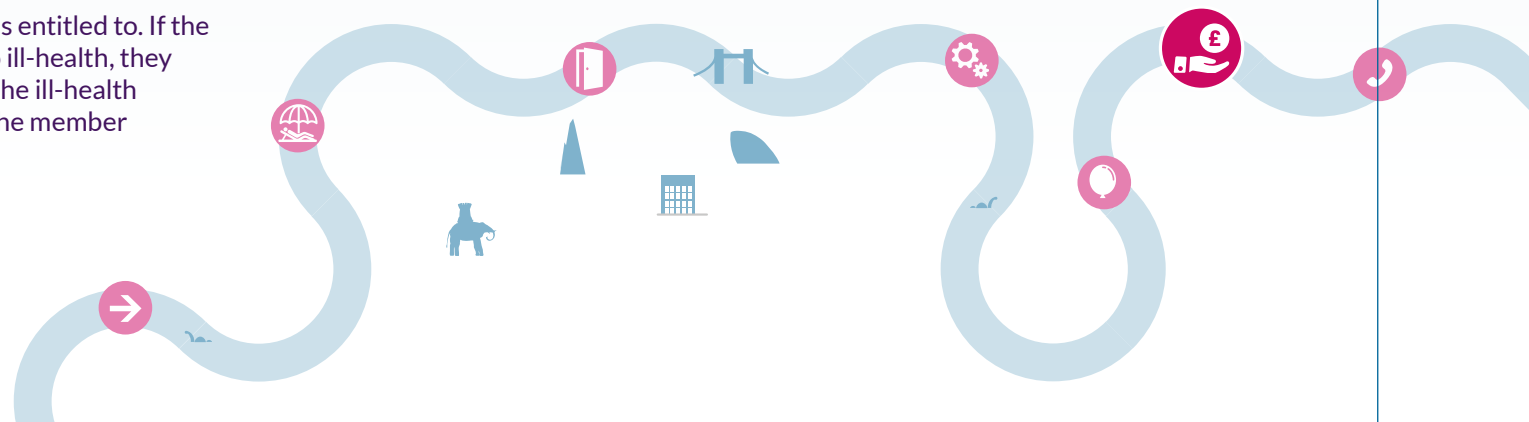


# ILL-HEALTH RETIREMENT

- Being a member of the LGPS not only provides death in service benefits, but also an ill-health retirement benefit.
- If a member has to leave work due to illness, they may be able to receive immediate payment of their benefits if the LGPS' ill-health criteria are met.
- To qualify for immediate payment of retirement benefits on the grounds of ill-health, the member needs to meet the two-year vesting period in the Scheme and the independent occupational health physician must be satisfied that the member meets the ill-health retirement criteria enough to complete the relevant ill-health certificate.
- Ill-health benefits can be paid at any age and are not actuarially reduced on account of early payment. In fact, dependent on the ill-health retirement tier that is awarded, the benefits may actually be enhanced.
- There are three levels of benefit based on how likely you are to be capable of gainful employment after you leave.
- Gainful employment means paid employment for no less than 30 hours in each week for a period of no less than 12 months.
- It is the responsibility of HR to make the referral to Southwark's Occupational Health Care Provider (OHCP) and is imperative that these referrals are made promptly with regards to serious health conditions. The OHCP will gather medical information as well as details of the members' post held at Southwark to enable the Occupational Health Physician (OHP) to decide the following:
  - Whether or not the member qualifies at all for immediate release of pension benefits under the ill-health retirement provision; or
  - Which ill-health retirement tier the member is entitled to. If the OHP deems the member unfit to work due to ill-health, they will advise HR of the decision by completing the ill-health retirement certificate with the relevant tier the member qualifies under.



Visit the website for the latest ill-health presentation at [https://southwarkpensions.co.uk/assets/uploads/presentations/Southwark\\_III-health-presentation.pdf](https://southwarkpensions.co.uk/assets/uploads/presentations/Southwark_III-health-presentation.pdf)



There's more help out there if you need it. There are a number of organisations that can provide you with help and advice about your pension savings. Some of these are listed below:

## The Pensions Advisory Service (TPAS)

TPAS is an independent voluntary body that provides free help and advice to members and other beneficiaries of occupational and personal pension schemes. TPAS is available at any time to assist members and beneficiaries with any pension query they may have or any difficulty they have failed to resolve with the trustees or administrators of a scheme.

📞 0800 011 3797

📄 You can complete an enquiry form at [www.pensionsadvisoryservice.org.uk/contacting-us/online-enquiry-form](http://www.pensionsadvisoryservice.org.uk/contacting-us/online-enquiry-form)

📄 [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

## The Pensions Ombudsman (TPO)

TPO deals with all complaints and disputes. If TPAS guidance cannot resolve your problem, you can make a formal application to TPO setting out your complaint. Please note, anyone using TPO's 'Early Resolution Service' will not be expected to have first used the LGPS' IDRPs if the parties are happy with that.

TPO is impartial and looks at all the facts without taking sides. It has legal powers to make decisions that are final, and binding and enforceable in Court. There is no charge for using TPO as it is funded by grant-in-aid, paid by the DWP.

📞 0800 917 4487

📍 10 South Colonnade  
Canary Wharf  
London  
E14 4PU

📄 [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

## Local Government Pension Scheme (LGPS) regulations

All LGPS regulations are available for inspection upon request.

📍 Pension Services  
2nd Floor  
160 Tooley Street  
London  
SE1 2QH

📄 [www.lgpsmember.org](http://www.lgpsmember.org)

