

Leaving Early

Introduction

The Scheme provides a number of options for members who leave the Scheme before reaching the Schemes normal pension age. The options available depend on your age and the length of your pensionable service.

Options for members below the minimum pension age

If you have not reached the Scheme's minimum pension age of 50 you are entitled to either a refund of contributions or a preserved pension, depending on your length of service in the Scheme (see table below). Preserved pensions are payable at age 60 (or earlier with reduction).

All members will also have the option of transferring their benefits to another pension arrangement.

The following table summarises these options.

Option if under 50	Less than 2 years qualifying service when you leave	At least 2 years' qualifying service when you leave
Refund of contributions, less tax and National Insurance contributions	Yes, if under 60	No
Leave your benefits in the Scheme and take a preserved pension	No	Yes
Transfer your benefits to another pension arrangement	Yes	Yes

Options for members over the minimum pension age

If you have less than 2 years qualifying service in the Scheme you are entitled to a refund of contributions. If you have more than 2 years qualifying service you may choose to have a preserved pension payable at age 60 (or earlier with reduction), a transfer to another pension arrangement or you may have your pension paid early.

If you choose to have your pension and lump sum paid early, they will be reduced to allow for the fact that they are being paid earlier than expected. Your dependants will still get any benefits that they are entitled to in full.

Option if over 50	Less than 2 years' qualifying service when you leave	At least 2 years' qualifying service when you leave
Refund of contributions, less tax and National Insurance contributions	Yes, if under 60	No
Leave your benefits in the Scheme and take a preserved pension	No	Yes
Transfer your benefits to another pension arrangement	Yes	Yes
Voluntary Early Retirement (own choice)	No	Yes. Pension and Lump sum reduced
Voluntary Early Retirement with employer's consent	No	Yes. No reduction to your benefits

Additional Pension Savings

If you have additional pension savings that are linked to the Scheme you will have to stop paying into these when you leave. You will have to decide what to do with these savings. In most circumstances these will be treated the same way as your Scheme benefits but you may be able to treat them differently, for example, you could choose to have your Scheme benefits paid early and decide to leave your AVCs invested until you reach age 60.

Making your decision

If you wish to apply for early retirement you can do this on a form available from your employer. There is a guide to the proportion of benefits payable if you choose to retire early available on the SPPA website under the Voluntary Early Retirement Section.

If you are entitled to a refund or a transfer the SPPA will tell you about your choices.

If you are entitled to a preserved pension the SPPA will send you a statement of your benefits after they have received confirmation of your leave date and pay details from your employer.

Questions

If you are unclear about any aspect of this Factsheet or have a specific question that is not answered by the information above, please ask your usual pension contact.

The contact details are available in the members guide or are on the web www.sppa.gov.uk