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Opting out of the Northern Ireland Civil Service (NICS) pension schemes for all scheme members

This fact sheet provides important information for you to read if you are thinking about opting out of (leaving) the NICS pension schemes.

Opt out and miss out

If you are thinking of opting out of the NICS pension schemes, please remember that you will be missing out on:

- a range of valuable benefits for you and your family
- an important part of your pay and reward package; and
- the peace of mind that comes from knowing you have made a start on planning for your retirement.

It may be that your reasons for wanting to opt out include one or more of the following:

- I don't want to pay a percentage of my pay towards a pension;
- I'm too young to think about a pension; or
- I'm not planning to stay long in employment covered by the Northern Ireland Civil Service (NICS) pension schemes.

If so, please read on.....

What you need to know

- Your employer cannot ask you or force you to opt out.
- If you are asked or forced to opt out, you can tell The Pensions Regulator – see www.tpr.gov.uk
- If you change your mind, you may be able to opt back in – notify HR Connect / your employer if you want to do this.
- If you stay opted out, your employer will normally put you back into pension saving in around three years.
- If you change your job, your new employer will normally put you back into pension saving straight away.
- If you have another job, your other employer might also put you into pension saving, now or in the future. This notice only allows you to opt out of pension saving with the employer you name on the OPT OUT form. A separate notice must be filled out and given to any other employer you work for, if you wish to opt out of that employer's pension saving as well.

Effect of opting out on pension benefits already accrued in the NICS pension schemes.

If you decide to opt out you will keep any benefits you have qualified for in your current scheme (if more than 2 years), but will not build up further benefits including

- An index linked pension
- Widow's/widower's / civil partner's pension
- Partner's pension (**classic plus, premium, nuvos** and **alpha** members only)
- Death benefit
- Children's pensions
- Ill health retirement benefit
- The right to buy added pension

After opting out

- If you remain in eligible employment you may apply to rejoin the section of the NICS pension schemes that you opted out of.
- You will not be able to continue or restart any added years' contracts you have now (**classic, classic plus** and **premium** members only).
- You may be able to make added pension contributions if you rejoin.
- You will be automatically re-enrolled by your employer periodically (typically every three years) from your employer's staging date. You will have further rights to opt out again if you are re-enrolled.

A factsheet on automatic enrolment can be found on the CSP(NI) website:
www.finance-ni.gov.uk/civilservicepensions-ni

I don't want to pay a percentage of my pay towards a pension

Your contributions actually cost you less than the contribution rate because of tax relief. If you are a member of a NICS Pension Scheme, you may choose a **partnership pension account**, but you must still opt out of the NICS pension schemes. You don't have to pay anything if you don't want to, and your employer will make contributions anyway to build up a pension pot for you. This means you can build up a free pension! A **partnership pension account** booklet can be found on the CSP(NI) website:

www.finance-ni.gov.uk/civilservicepensions-ni

I'm too young to think about a pension

You're never too young to start building up a pension – the earlier you start the better. If you want to enjoy “life after work”, a pension that has built up over your working life could be the key to helping you achieve this.

I'm not planning to stay long in employment covered by the Northern Ireland Civil Service (NICS) pension schemes.

If you leave, or opt out with less than two years' service you may be able to transfer the value of your pension to another scheme, or you can get a refund of your contributions (minus a deduction of tax). If you have more than two years' service your pension is 'preserved' and held in the scheme until you claim it, or apply to transfer the value of your preserved pension to another scheme.

If you have a partnership pension account, you can take it with you when you leave.

Please note: Under automatic enrolment legislation, if you opt out, you will be re-enrolled every three years on your employer's automatic re-enrolment date. Further information about automatic enrolment can be found on The Pensions Regulator website:

<http://www.thepensionsregulator.gov.uk/automatic-enrolment.aspx> or on the CSP(NI) website: www.finance-ni.gov.uk/civilservicepensions-ni

What about pension contributions I have already paid?

It is your choice to remain in the scheme or opt out. Automatic enrolment legislation states that you must opt out within one calendar month of joining to guarantee a full refund of contributions taken, however the CSP(NI) guarantees a full refund if you opt out within three months of enrolment.

There are two exceptions to this:

- **If you have at least two years scheme membership and your benefits are preserved, you must opt out within a one month period of joining to be guaranteed a full refund of contributions made since rejoining.**
- **If you have HMRC fixed or enhanced protection you must opt out within one month in order to retain your fixed or enhanced protection. You can find further information on how the tax rules may affect you in the "Your pension and tax" leaflet which can be accessed on the Civil Service Pensions (Northern Ireland) website under Resources.**

In these scenarios, you will only be guaranteed a refund of contributions if you opt out within one month.

HR Connect/employer will make the refund if the OPT OUT Form is received within 3 months of enrolment (one month if either of the two scenarios above apply).

All refunds for OPT OUT Forms received after 3 months will be handled by Civil Service Pensions.

Further information about the NICS pension schemes

Please read the appropriate pension scheme booklet and the “partnership pension account” booklet for further information on the valuable benefits offered by the NICS pension schemes. These booklets are available on our website:

www.finance-ni.gov.uk/civilservicepensions-ni

Please think very carefully before making your decision and consider taking independent financial advice to help you make the right choice.

If you still decide you wish to opt out of the NICS pension schemes completely, you should complete the OPT OUT form attached and send it to HR Connect/your employer.

But remember – if you opt out you will miss out.

This fact sheet provides information to help you think about the consequences of opting out. Neither this fact sheet nor the booklets referred to cover every aspect. The full details are contained only in the regulations/ rules, which are the legal basis of the scheme. You should note that nothing in this fact sheet can override the rules, and in the event of any unintentional difference, the regulations /rules will apply.

OPTING OUT OF THE NORTHERN IRELAND CIVIL SERVICE (NICS) PENSION SCHEMES

If you have decided to Opt Out of Pension Saving, complete this form and submit as detailed after the **DECLARATION** section, at the bottom of the form.

Are you a new entrant to the Northern Ireland Civil Service or to an employer covered by the NICS pension schemes?

Yes

No

If Yes please provide date of joining: (dd/mm/yyyy)

Are you an existing employee who was automatically enrolled in the NICS pension schemes on your employers staging date? (If so you will have already received a letter to this effect.)

Yes

No

Are you an existing member of the NICS pension schemes who has decided to opt out of the pension scheme?

Yes

No

Please state reason for opting out below.

The reason I do not wish to remain a member is:

1. Contribution rates too high

2. Financial reasons

3. Personal reasons

4. Already have more than 2 years previous service with a preserved pension

5. Have HMRC fixed or enhanced protection and therefore I must opt out within one month in order to retain my fixed or enhanced protection.

6. Have found a more suitable way of providing for my retirement

7. Other (please indicate)

DECLARATION

By ticking this box I declare that I have read the information provided in the factsheet and understand the contents. I do not wish to remain a member of the NICS pension schemes.

- I wish to opt out of pension saving
- I understand that if I opt out I will lose the right to pension contributions from my employer
- I understand that if I opt out I may have a lower income when I retire

* Full Name:
(BLOCK CAPITALS)

* National Insurance No:

Staff/Payroll No:
(if known)

* Date of Birth:
(dd/mm/yyyy)

Email:

Telephone No:

* Date:
(dd/mm/yyyy)

* Employer:

Office Address:

Postcode:

*indicates mandatory fields

Please submit this form to:

Non-industrial: nics@hrconnect.nigov.net

Industrial: industrial@hrconnect.nigov.net

or

nio@hrconnect.nigov.net

or alternatively to your **Departmental HR** email address..

All personal information submitted to Civil Service Pensions is held in accordance with the Civil Service Pensions Privacy Policy which is published on the CSP(NI) website:

www.finance-ni.gov.uk/civilservicepensions-ni