

Puzzled By Pensions?

Leaving Your Workplace Pension Scheme or Stopping Contributions



What You Should Know

If you leave your employer or stop paying contributions to your pension scheme, you don't lose your pension benefits. Any benefits which you and your employer have built up already remain yours.

If you choose to stop paying contributions into your pension scheme, ie you opt out or defer your pension, you will be treated as having left the scheme and your employer will also stop paying contributions. You may also lose any other benefits that the scheme provides, such as life cover.

What Are Your Options?

If you leave your workplace pension scheme before retirement age, there are a number of options available to you depending on how long you have been paying into it:

- You can leave the money invested in the scheme until you decide to start drawing retirement benefits (the earliest age is currently 55, increasing to age 57 from 2028, unless you have a protected Normal Minimum Pension Age in your scheme).
- You can transfer your pension either to a new employer's workplace pension scheme (providing they will accept the transfer) or a personal pension.
- If you have been auto-enrolled into a workplace pension scheme you may be able to ask for a refund of your contributions, however, if you have greater than 30 days service/membership you will not be entitled to a refund. The amount refunded is taxable.

You Can Be Re-Enrolled

If you were automatically enrolled into your employer's workplace pension scheme and decide to opt out or stop contributing, but you continue working for the same employer, you will be automatically re-enrolled into the scheme every three years (if you're eligible). You can opt out or stop contributing again, if you do not want to re-join.

In some cases, if you opt out of a workplace pension scheme you may be able to re-join the scheme at any time, with the consent of your employer.

Your Pension Rights

Your pension provider will send you a leaver statement once they have been notified of your decision to leave and they have received the final contributions from your employer. The pension provider is obliged to provide the closing statement and information about your options within two months of receiving notification of leaving from your employer.

Defined Contribution Schemes

The information contained within this factsheet is relevant to pension schemes which are classified as a defined contribution (DC) arrangement. If you have any questions relating to leaving a defined benefit, ie a final salary or career average revalued earnings (CARE), workplace pension scheme, please contact the Usdaw Pensions Section as the rules relating to these pension schemes are different in some respects.

For more information contact Usdaw's Pensions Section on **0161 224 2804** or email us at pensions@usdaw.org.uk

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