Deferred Member FAQs

As you have left your job before retirement, and you meet the two-year qualifying period, you have deferred benefits in the LGPS.

What is the LGPS?

The LGPS is a defined benefit pension scheme which means your pension is based on your salary and how long you have paid into the Scheme. Your pension is not affected by how well investments perform. The LGPS provides you with a secure and guaranteed income every year when you retire.

Why have I got 'Deferred Benefits' and what are they?

Deferred benefits are benefits that are set aside to be taken at a later date. If you have stopped paying LGPS contributions, or finish working for an employer in the LGPS, we work out the deferred benefits and write to you.

Your annual benefit statement shows the pension we have worked out that will be payable if you claim it from your normal pension age (NPA). Your benefits in the LGPS remain deferred until they become due for payment or you decide to transfer them to another pension arrangement.

What is my NPA?

Your Normal Pension Age (NPA) is the date from which your LGPS pension can be paid without any reductions. This age is different for each member and depends on when you left the scheme

- If you left after 1 April 2014, your NPA is linked to your State Pension age.
- If you left between 1 October 2006 and 1 April 2014, your NPA is 65.
- If you left before 1 October 2006, your NPA is normally 65 but could be as early as 60

If you're unsure of your State Pension age, you can check it online at www.gov.uk/state-pension-age

When can I take payment of my deferred benefits?

You can take payment of your deferred benefits at any age between 55* and 75, as long as you have left the job those benefits are linked to.

You can take your benefits:

- **From age 55 to your Normal Pension Age (NPA):** You can take your benefits early, although they will usually be reduced.
- **At your NPA:** You can take your benefits in full, with no reduction.
- **After your NPA (up to age 75):** Your benefits may increase as they are being paid later. However, if you left the LGPS before 1 April 1998, you must take your pension by your NPA.
- **Before your NPA due to ill health:** If approved by your former employer, you may be able to take your benefits early without any reduction.

We will contact you with details of the benefits payable just before you reach your NPA, however, you can choose to **voluntarily** take payment anytime from age 55* by contacting us.

***Note:** The Government has announced that the earliest age you can take your pension, other than for ill-health reasons, will increase from 55 to 57 from 6 April 2028. You could be protected from this increase if you joined the LGPS in England and Wales before 4 November 2021 or you transferred a previous pension into the LGPS and certain conditions are met. However, you will only be able to use this protection when you take your LGPS pension if the LGPS rules allow you to take your pension before age 57. The UK Government makes the LGPS rules. It has not yet confirmed if it will allow members who qualify for protection to take their LGPS pension before age 57, from 6 April 2028

How much will I get if I take my benefits before my NPA?

If you choose to take your deferred benefits before your Normal Pension Age (NPA), they will usually be reduced. This is because your pension is likely to be paid over a longer period of time.

The following table shows the percentage your pension will be reduced by if you take it earlier than your NPA. If the number of years is not exact, the reductions will be adjusted accordingly.

Number of years early	Pension reduction	Lump sum reduction (for membership to 31 March 2008)
0	0%	0%
1	5.0%	2.0%
2	9.6%	3.9%
3	13.9%	5.8%
4	17.8%	7.6%
5	21.5%	9.4%
6	24.9%	11.2%
7	28.1%	12.9%
8	31.1%	14.7%
9	33.9%	16.3%
10	36.6%	18.0%
11	39.0%	Does not apply
12	41.4%	Does not apply
13	43.6%	Does not apply

Our benefit calculators available on our Member Self Service (MSS) online portal https://pensions.lambeth.gov.uk/ can help you work out how much your pension might be with these reductions.

I paid additional voluntary contributions (AVCs) before I left – what happens with those?

If you paid AVCs before you left, your AVC provider will continue to send you a separate annual statement. Your provider may also have a portal you can access to view your AVC pot.

When you choose to claim your LGPS pension, we will include your AVCs into the options we provide to you.

What are my options at retirement?

When you become entitled to payment of your deferred benefits you will be given the option to convert some of your pension for a tax-free lump sum. Every £1 of your annual pension you choose to give up will provide £12 of lump sum. The maximum tax-free lump sum you are allowed is 25% of the capital value of your pension benefits.

I can't work because of ill health, so can I take my deferred benefits?

If you can't work because of ill health, you may be able to have your benefits paid without reductions, whatever your age.

For your application to be approved, you must be permanently incapable of doing the job you were in when you stopped paying LGPS contributions and your benefits became deferred. If you left the LGPS after 31 March 2008, your former employer must also consider whether you are likely to be able to undertake any gainful employment within the next three years.

Gainful employment is paid work of at least 30 hours a week that lasts for a year or more.

If you think this may apply to you, you should contact your former employer. They will arrange for an independent registered medical practitioner to provide an opinion, to help with their decision.

Do my deferred benefits keep their value against inflation?

Yes. Each April, the value of your deferred pension is adjusted, based on the Consumer Price Index from the previous September. The standard increase applied from 6 April 2026 was 3.8%.

If you became a deferred member before 22 April 2025, you'll get the full increase. However, if you became a deferred member after that date, your pension increase will normally only be a proportion of the full increase.

What happens if I rejoin the scheme?

If you were previously a member of the LGPS in England or Wales and you re-join the scheme, you have the option of joining your deferred pension(s) with your new pension or leaving them separate.

Even if you don't wish to join the pensions together, you must let your new fund know the dates of service as this may affect your future pension benefits.

If you do not inform the new fund of the former service within 12 months of re-joining, your benefits may automatically be joined or kept separate depending on the type of previous LGPS pension benefits you hold.

Different rules apply depending on what type of LGPS benefits you have, when you left the LGPS, and how long you were a member.

Things to consider when deciding whether to combine your benefits:

- Redundancy or ill health: if you leave your role because of ill health or redundancy and you keep your pension records separate, whilst your current LGPS pension would be paid early without reductions, your previous LGPS pension would not.

- Retiring early: If you retire before your Normal Pension Age (NPA), your pension would normally be paid at a reduced rate to take account of the early payment. If you choose to join your pension records together, you will not be able to take one pension early and leave the other until your NPA, as your entire pension will be reduced for early payment.

- Final salary link: If you were in the LGPS before 31 March 2014, left after 1 April 2014, rejoin within five years, and combine your benefits, your pension will keep its final salary link and your LGPS membership from pre-April 2014 will be linked to your new full-time salary.

Please note, if you opted out on or after 10 April 2015 and qualify for Deferred pension benefits, your pension cannot be combined (unless your service is concurrent).

It may not always be in your interest to join a deferred benefit with an active pension account. You should contact your new pension fund when you join the LGPS to tell them that you have been a member of the Scheme before. They will let you know your options and what you should think about when you make your decision. It is important that you think about your options carefully and that you are aware of the deadlines that apply. You will not be able to change your decision later.

Can I transfer my deferred benefits to another pension scheme?

If you meet certain conditions, you may be able to transfer your deferred benefits to another pension scheme. Transferring your pension is an important decision and one that you should think about carefully. Visit our Member Self Service (MSS) online portal to find out more about transferring your pension https://pensions.lambeth.gov.uk/

If you join another public sector pension scheme, you will usually need to register your interest in transferring your deferred LGPS pension within 12 months of joining your new scheme. Your new pension scheme will be able to provide more information about the transfer process and your options.

What happens to my deferred benefits if I die?

A death grant may be paid as a lump sum and the amount depends on when you left the scheme:

- If you stopped paying LGPS contributions before 1 April 2008, the death grant is three times your deferred pension.
- If you stopped paying contributions on or after 1 April 2008, the death grant is five times your deferred pension.

If you are also still paying LGPS contributions for a different job at the time of your death, only the highest death grant will be paid.

If you have a linked Additional Voluntary Contribution (AVC) fund, the value of the fund at your date of death will be paid with the death grant.

Please see the following section for details on how to nominate a beneficiary to receive any death grant that is due or how to update an existing nomination.

A survivor's pension may also be paid to your dependants, such as:

- your spouse or civil partner;
- any eligible children; or
- someone you live with as if you were married (if you were still paying LGPS contributions on or after 1 April 2008).

You can use our online portal to find out how much your dependants could get https://pensions.lambeth.gov.uk/.

Can I access my pension online?

Yes, the Member Self Service (MSS) portal allows you to access your pension account online at a time convenient to you. You can use the portal to:-

- update your contact details
- add or amend your nomination for any death grant that may become payable
- use the online calculators to perform estimates of your pension benefits for different retirement dates
- make a request to start receiving your pension if you are over 55.
- view your latest annual benefit statement, including a personalised video to talk you through this.

If you haven't already signed up for MSS, go to https://pensions.lambeth.gov.uk/, click on 'I would like to create an account' and follow the on-screen instructions.

How do I update my personal details?

It is important that you let Lambeth Pension fund know when your contact details change. This will include your home address, email address and telephone number.

You can update your information by logging on to the online MSS portal or by contacting us in writing. If you need to change your name, partnership status or gender, we need to see a copy of the relevant legal document.

Contacting the Pension Team

Telephone	0207 926 3333 (option 2)
Email	pensions@lambeth.gov.uk
Website	www.lgpslambeth.org
Address	Lambeth Pensions, PO Box 80771, London, SW2 9QQ

Disclaimer
The information in this factsheet applies to individuals who were contributing members of the Local Government Pension Scheme on or after 1 April 2014. The factsheet is up to date at the time of issuing and is for general use. It cannot cover every personal circumstance, nor does it cover specific protected rights that apply to a very limited number of employees. In the event of any dispute over your pension benefits, the appropriate legislation will prevail as this factsheet does not confer any contractual or statutory rights and is provided for information purposes only.