



Leaving the scheme

This factsheet is designed for members of the National Health Service Pension Schemes (Scotland) and the Scottish Teachers' Pension Schemes (STPS)



LEAVING THE SCHEME

As you have decided to leave the scheme, there are three options available to you regarding any benefits already accrued. You can:

- choose to leave your benefits in the scheme
- transfer your benefits to another scheme
- apply for a refund of your contributions

It should be noted that whilst you are an active member of the scheme, you are entitled to death in service benefits. On leaving the scheme these benefits will not apply.

LEAVING YOUR BENEFITS IN THE SCHEME

If you have accrued at least two years membership you can preserve your benefits which will be index linked. These benefits will be paid upon application when you reach normal pension age, dependant on the scheme you have entered. Please see our website for further information on this. If you preserve your benefits in the NHS scheme and become too ill to undertake any regular employment, you may apply to take your pension early. The same applies to the STPS if your work is impaired by more than 90% and is likely permanently to be so. These benefits will not be enhanced.

Action to take: Keep SPPA informed of any change of name or address and write to us at least four months prior to your normal pension age to ensure that benefits are paid on time.

TRANSFERRING YOUR BENEFITS OUT OF THE SCHEME

You can transfer your benefits out of the scheme to another NHS/Teachers' Pension scheme (England & Wales or Northern Ireland) or a registered occupational pension scheme with defined benefits.

You should contact your new pension provider as soon as possible after joining, as your new provider may have time limits on receiving a transfer. They will contact the SPPA and we will provide them with a transfer value. This will tell you how much pension you can buy in the new scheme and you can decide if you wish the transfer to go ahead.

Criteria

If you have over two years service you can apply for a transfer at any time but it must be completed before normal pension age (NPA).

If you were in the NHS scheme, have less than two years' service and have not previously transferred in from another provider. You must join your new scheme within 12 months of leaving and apply within 12 months of joining your new scheme.

If you were in the Teachers' scheme, have less than two years' service and have not previously transferred in from another provider. You must apply within 12 months of joining your new scheme.

Restrictions

The Pension Schemes Bill 2014/2015 contains measures to restrict transfers out of unfunded defined benefit public service schemes, except to other defined benefit schemes. This means that for members

who qualify for benefits, transfers to Overseas and Defined Contribution schemes offering flexible benefits will no longer be permitted. More information about the Pension Schemes Bill can be found on our website www.sppa.gov.uk.

Members that do not qualify for pension benefits and apply within the time limits described above, may transfer to a Defined Contribution scheme offering flexible benefits. More information is available on our website.

If you wish to transfer contact your new provider as soon as possible and ask for a transfer application within 12 months of joining the new scheme.

Before applying for a transfer, you may wish to visit to seek financial advice.

APPLYING FOR A REFUND OF CONTRIBUTIONS

You can apply for a refund of your contributions if you have less than two years membership in the scheme. You will not receive the full amount of contributions paid as this is subject to deductions for Income Tax and National Insurance. This refunded service cannot be restored back in the scheme should you subsequently rejoin.

Action to take: See our website for refund application form REF1. Further details, leaflets, applications, information about rejoining are available in the member guide and from our website at www.sppa.gov.uk.

REJOINING THE SCHEME

You can rejoin the scheme at any time as long as you are eligible to join. If you wish to rejoin the scheme, please notify your employer.

You should note that after the introduction of the statutory Automatic Enrolment provisions, if you opt out of the scheme, your employer will automatically re-enrol you back into the scheme every three years. You will also be re-enrolled into the scheme if you take up further NHS/Teaching employment with another employer.

RE-EMPLOYED TEACHERS LEAVING THE SCHEME

If you are a teacher who is already in receipt of a pension and have returned to work either supply, part time or full time you need to inform SPPA.

When you become re-employed you will be automatically enrolled into the scheme and may be subject to an earnings limit. This limit is applicable even if you elect to opt-out of the scheme. If you retired early with actuarially reduced pension benefits you will not be subject to an earnings limit. If you at any time breach your earnings limit your pension may be stopped and any overpayment recovered.

If you choose to opt-out of the scheme within three months of commencing re-employment your contributions will be refunded by your employer. If you are re-employed in the scheme for more than three months but less than one calendar year, your contributions and interest will generate a Short Service Annuity in addition to your existing pension, payable from your State Pension Age or 65, whichever is later. If you are re-employed for more than one calendar year you will receive a Second Pension.

Please see the [Short Service Annuity Application form](#) for more details on the process

Should you require to contact us our address is:

Scottish Public Pensions Agency
7 Tweedside Park
Galashiels
TD1 3TE

Telephone: 01896 893 000

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