

# Annex 5D

## Opting Out Process

The member decides to opt out and downloads the latest version of the Opt Out form from the Civil Service Pensions website ([www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)) or asks the Scheme Administrator for a copy.

The member then completes the Opt Out form and sends it to their employer. If the member has not completed a valid Opt Out form the employer should return the form to the member.

**Please note:** the employer must not ask or force an employee to opt out, or do anything that might suggest that they have. For this reason, it is important that the employer does **not** give Opt Out forms to employees. The form must be obtained from the Civil Service Pensions website or from the Scheme Administrator.

2. In all cases, on receipt of the Opt Out form, the employer must insert the date received in the appropriate box. The employer then fills in the rest of the employer section of the form, ensuring that information is complete and accurate. The employer will also arrange for their payroll to stop the member's contributions. The employer should retain the original copy of the Opt Out form and send a copy of the form to the Scheme Administrator.

**Please note:** The date that the member is opted out of the scheme is the day after the last day on which contributions are taken. The date the member is opted out of the scheme can either be, at the earliest, the date the form is received (as stated in the appropriate box on the form), or the next available payroll date. **Members cannot be opted out of the scheme retrospectively.** Therefore, the last day on which contributions are taken cannot be more than one day before the exact date the Opt Out form was received (as stated in the appropriate box).

If the form is not completed correctly, the Scheme Administrator will return the form for correction.

3. If the employer receives the Opt Out form within one month of the member:

a. being automatically enrolled / re-enrolled, or

b. being informed that they have been automatically enrolled / re-enrolled (if later), the employer refunds the member's contributions and forwards a copy of the Opt Out form to the Scheme Administrator.

4. If the employer receives the Opt Out form outside the one month time limit, they forward the form to the Scheme Administrator to assess what further action is needed.

5. The Scheme Administrator will then assess what further action is needed and either confirm to you that a refund can be processed through your payroll or they will write to the employee with details of the options available to them following opting out.

Depending on their service, a member may opt to have their contributions refunded, opt to transfer their benefits out of the scheme to another pension provider, or will have their accrued benefits preserved. The option to transfer would be available where the member had more than three months qualifying service. A preserved award would be due only where the member had opted out with over two years qualifying service or had a preserved award for previous service (subject to certain criteria – see below for further details).

6. For clarification, a refund would be due in the following circumstances:

a. Member has less than three months qualifying service and:

- is not over their normal pension age; and
- does not already have a preserved award in the CSP arrangements; or
- does have an award in the CSP arrangements under one of the Principal Civil Service Pension Scheme (PCSPS) sections but is opting out of **alpha** and the break between scheme service (including service in a public service pension scheme) is more than five years (see section 4 for further information or contact the Scheme Administrator for further advice).

It is an employer responsibility to refund through payroll on receiving instruction from the Scheme Administrator.

If the employer is told to pay a refund through payroll they must tell their payroll to:

- refund to the employee any pension contributions they have paid within the first three months of joining or being automatically enrolled / re-enrolled, less income tax; and
- recover overpaid scheme ASLCs from the Cabinet Office Civil Superannuation Vote.

b. Member has at least three months but less than two years qualifying service, and:

- is not over their normal pension age; and
- does not already have a preserved award in the CSP arrangements; or
- does have an award in the CSP arrangements under one of the PCSPS sections but is opting out of **alpha** and the break between scheme service (including service in a public service pension scheme) is more than five years (see section 4 for further information or contact the Scheme Administrator for further advice); and
- does not opt to transfer their benefits to another provider;

It is the Scheme Administrator's responsibility to refund the employee.