

**I've decided
to opt out.**

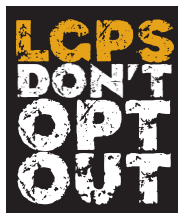
**What could
possibly go
wrong?**

It's all too easy to think that by opting out of your pension scheme, you've found an easy way of saving money, particularly when your finances are being stretched.

But if you consider the benefits you'll miss out on in the future, you'll see that – by opting out – you can lose a lot more than you gain.

In the Local Government Pension Scheme:

- you currently pay less tax and national insurance
- employers' contributions can only be made to the LGPS - opt out and lose out!
- you get valuable 'peace of mind' life cover



www.warwickshire.gov.uk/pensions

Reasons to stay in the Local Government Pension Scheme



Tax and National Insurance

If you pay tax and national insurance, you currently get quite hefty savings in both of these as long as you are paying into the Scheme.

For example, if your payslip shows a £100 pension contribution, this reduces your tax bill each month by £20 (assuming that you pay tax at the basic rate). And your national insurance goes down by about the same.

If you opt out of this pension scheme – and do nothing else in its place – your tax and national insurance will go up. Therefore, you will not save as much as you think by opting out.

Valuable Life Cover

Hopefully, you will never need to claim on it, but as a member you have valuable life cover – at no extra charge. Literally, from the second you join, you have lump-sum life cover of three years' pay. For example, if you earn £20,000 a year before deductions, we would pay out £60,000 if you died, to whoever you have nominated for us to pay.

Fact: A 50-year old wanting £60,000 of life cover would otherwise have to pay around £9 per month just for that – and remember, we may also pay pensions to your dependants.

It's Free Money

By being in the pension scheme, you are effectively getting free money from your employer every time you are paid.

Of course, it's not money that you can get your hands on now, but there's no denying the fact that employers pay towards the cost of the benefits in schemes like the LGPS. Your employer's contribution rate changes over time, but typically for every pound you pay in, they're paying double.

By opting out, you are, in effect, voluntarily giving up part of your pay package...

**GIVING UP YOUR PENSION IS LIKE
GIVING AWAY YOUR MONEY**

