



Casual workers/Local Government Pension Scheme FAQs

Dated: 16/8/24

This is the third Frequently Asked Questions linked to the Casual Workers Local Government Pension Scheme (LGPS) and contains important updates on the Pension Remediation Process timescale. Previous FAQs are also available on the Casual Workers Portal (<https://www.cityoflondon.gov.uk/casualworkersportal>)

What is the deadline for us to respond to the offer to opt-in historically to the LGPS?

When we sent out the original correspondence, we set a deadline of the end of August 2024 for you to respond. However, following feedback from several of you, we have decided to extend the deadline to 30 November 2024 to give you more time to make this important decision.

If I decide to opt-in historically to the LGPS, am I then committed to do so?

No - at this initial stage we are seeking expressions of interest to opt-in to the pension scheme historically, and that it is the start of the 'Remediation Process', not the end. As such, a response to opt-in at this point provides a statement of intention, not a commitment. Any final decision to proceed or not can be made later in the process.

If I decide to opt-in, what does that mean about membership of the LGPS going forward?

Although there is no commitment at this stage to the historical opt-in, if you are not already in the pension scheme, this will mean that you are committing to join the LGPS going forwards from the date of opt-in.

What if I am not in a position to make backdated payments immediately, or want to defer until a later date?

We have not currently set any time limits on when the backdated payments need to be paid by. We will state clearly in any correspondence that individuals can ask to defer this to a later date where required. As such any final decision on whether to opt in historically can be made at a later date.

Please note that until any payment is received by the pension fund, you will not be entitled to pension for the historical period, should any unexpected life events occur.

What are the implications for Tax Relief should I decide to opt-in?

We have been liaising with His Majesty's Revenue & Customs regarding the treatment of tax relief. HMRC have since issued guidance that *“Active members of a pension scheme may be entitled to relief under Section 188 Finance Act 2004, but only in the [tax] year the contribution is paid - the relief can't be spread over earlier years.”* Having taken specialist tax advice, it is understood there may be scope to explore other solutions. However, we are not able to commit beyond what HMRC have advised.