



prime

Newsletter for deferred members

Pensions and Retirement Income for our Members to Enjoy

Welcome to the latest edition of Prime for LGPS members with deferred pension benefits.

Emergency Budget

The Chancellor made several announcements one of which will have an effect on members with deferred LGPS pensions.

Public sector pension schemes including the LGPS historically used the Retail Price Index for pension increase; however, the Government announced that from April 2011 Public Sector schemes will switch to using the Consumer Prices Index (CPI).

There are some significant differences in the composition of RPI and CPI. In particular, certain housing costs (including mortgage costs and Council Tax) form a substantial component of RPI, but are excluded from CPI. In recent decades, the growth in these costs has been faster than the average growth in the other items in the basket of goods and services included in both indices.

The government usually announce the amount of pensions increase in January.

Review of Public Sector Pensions Schemes

You may have heard the government is to review public sector pension schemes and has appointed Lord Hutton to chair the Independent Public Service Pensions Commission.

The commission will make recommendations to the Government on how public service pensions can be made sustainable and affordable in

the long-term, fair to both the public service workforce and the taxpayer, and ensure that they are consistent with the fiscal challenges ahead. A final report will be produced in time for Budget 2011.

It is understood that existing accrued pension rights will be protected.

Miscellaneous Regulations 2010

With effect from 30 September 2010 the Local Government Pension Scheme (LGPS) regulations were amended and some of the restrictions applying to the aggregation of former LGPS membership have been relaxed.

As a result existing contributing scheme members, may be able to elect to aggregate any former period of LGPS membership with their current membership. However, any election must be made on or before the 1 October 2011.

If you are currently contributing to the LGPS and would like further

information, please contact the administering authority for your current pensionable employment.



When can you get your deferred Benefits?

From 1 April 2010 pension legislation increased the earliest age at which a pension can be paid (other than for ill health) to age 55.

However, here are a few more ages that you may find helpful to know:

- Age **55*** is the earliest retirement age with former employer consent
- Age **60** is the earliest age you can receive payment without your former employers consent
- Age **65** is the normal retirement age in the LGPS
- Age **75** is the age all pension benefits must be in payment by

*Please note the decision to allow payment LGPS benefits before age 60 is at the sole discretion of your former employer. Please contact your former employer if you wish to receive further information.

Actuarial reductions

Please note payment of your pension benefits before age 65, with the exception of ill health, may result in a permanent reduction of up to 24% to the value of your pension and a reduction of up to 12% to any basic lump sum (for payment 5 years early).

And if a reduction is applicable it will be applied to the value of your benefits before any conversion of pension to lump sum.

Don't Forget!

Things change! We all know that, but when they do we don't always notify the right people. Every year we have to trace people's whereabouts so we can pay them their pension.

If you want us to pay your deferred benefits correctly and without delay there are a few things you should keep us informed of:

- Current address
- Marital status
- Change of name
- Death grant nomination
- Co-habiting partner declarations (only if you were a contributing member on or after 1 April 2008)

If you need to update any of the above please go to our website to print a form or write to us. You may need to include copies (photocopies) of relevant documents.

Please note due to data protection we cannot accept emails as your authority to change material facts on your record.



Our Contact details:

Phone: **01245 431912**

Web: **www.essexpensionfund.co.uk**

Email: **pensionenquiries@essex.gov.uk**

Office Hours: **Mon–Thurs 08:30–17:30, Fri 08:30–17:00**