



## Local Government Pension Scheme (LGPS)

# Scheme Employer

Welcome to the first edition of 'Scheme Employer', a newsletter specifically aimed at the 400+ Local Government Pension Scheme employers who make up the Essex County Council Pension Fund. The newsletter will be issued quarterly and one of the main aims is to bring you up to date with any changes or proposed changes to the scheme. We also intend to cover various administration issues, starting in this issue with 'Maternity, Paternity & Adoption Leave', and we would welcome your feedback and suggestions for topics to cover in future issues.

## New Look LGPS 2008 — Latest

Phil Woolas MP, Minister for Local Government, made a statement to Parliament on 23 November 2006 setting out the Government's overall objectives for the new LGPS from 2008.

The new look scheme is coming into force from 1 April 2008. One of the main aims of the scheme is to offer an attractive Final Salary Pension Scheme to its members but to remain affordable to the tax payer.

The proposed main features of the New Scheme are:

- ◆ Everyone moves to a new accrual rate of 1/60<sup>th</sup> for future service from 1 April 2008.
- ◆ Employee Contributions are 5.5% on first £12,000 of whole time pensionable pay and 7.5% on pay above £12,000 (for part-timers the £12000 threshold is reduced pro-rata)
- ◆ Benefits calculated on Final Pay being the better of the last years pay or the average of any 3 consecutive years in the last 10.
- ◆ Normal Retirement age of 65 but members can voluntarily take retirement at 60 subject to reductions or, with employers consent, from age 55.
- ◆ Flexible retirement from 55 with employer's consent.
- ◆ New 3 tier ill health benefits system.
- ◆ 3 times Final Pay Death Grant for death in service.
- ◆ Spouses, civil partners and co-habiting partner's pensions based on a 1/160<sup>th</sup> accrual rate.
- ◆ Members can pay additional contributions either into AVC scheme with Standard Life

or to purchase additional pension benefits (in blocks of £250 p.a. of pension up to maximum of £5000 p.a.).



There are 3 sets of draft regulations being consulted on, the LGPS (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2007 and the Local Government Pension Scheme (Amendment) (No.2) Regulations 2007. These can be viewed at <http://www.xoq83.dial.pipex.com/whatsnew.htm> and any responses should be addressed directly to Margaret Dunleavy, Communities and Local Government, Local Government and Firefighters' Pension Schemes Division, Zone 2/E6, Ashdown House, 123 Victoria Street, London, SW1E 6DE (e-mail: [margaret.dunleavy@communities.gsi.gov.uk](mailto:margaret.dunleavy@communities.gsi.gov.uk))

Once details of the new look LGPS are finalised Pensions Services will be undertaking a major communications exercise to ensure that both Employees and Employers are aware of the new scheme — details will follow in a future edition.

### In This Issue :

New Look LGPS 2008 - Latest	1
Pension Fund Valuation	2
How do I .....? Maternity, Paternity & Adoption Leave	2
About Us	2
Contact details	2



## CONTACT US

Address: Pensions Services  
P O Box 11  
County Hall  
CHELMSFORD  
CM1 1LX

Phone: 01245 431912  
Fax: 01245 493439  
Email: [pensionenquiries@essexcc.gov.uk](mailto:pensionenquiries@essexcc.gov.uk)

## ABOUT US

Essex County Council are the Administering Authority for the Local Government Pension Scheme (LGPS) in Essex.

There are more than 400 scheme employers participating in the Essex County Council Pension Fund.

In Pensions Services we administer the LGPS for in excess of 85000 scheme members including active, deferred and pensioner members.

It would help us to help you if all of your calls/e-mails are directed through our new Member Services Team using the contact details shown at the top of this page.

Financial Strategy & Investments deal with the investment of the Pension Fund itself and with the collection of contributions from employers. If you have any questions on these subjects they can be contacted on 01245 431301 (Investments) or 01245 431733 (Contributions)

## Pension Fund Valuation

The triennial valuation of the ECC Pension Fund takes place this year.

This is an extremely busy time for our Support Team as they have to :

- Ensure that all new starters and changes of hours are input onto our system
- Ensure that we have received end of year returns, in the correct format, from over 400 scheme employers
- Run reports identifying potential problems with records and liaise with the employer to resolve

It will greatly assist the valuation process if employers can ensure that they have notified Pensions Services of any changes affecting members' pension rights and that they submit their end of year return promptly

**Please note that the deadline for submitting your end of year return is 13th April**

## We're on the Web:

[www.essexcc.gov.uk/pensions](http://www.essexcc.gov.uk/pensions)

## How do I .....? Maternity, Paternity & Adoption Leave

If a member goes on maternity, paternity or adoption leave they must pay standard pension contributions, i.e. 6% (or 5% for manual workers with protection) on any pay they receive, including any statutory maternity, paternity or adoption Pay.

If a member is on *ordinary maternity leave*, *ordinary adoption leave* or paternity leave and is not entitled to receive any pay for all or part of that period of leave then for pension purposes they are treated as if they had paid contributions on the pay they would have received but for the absence.

If the member is still on leave after the end of the *ordinary maternity leave* or *ordinary adoption leave* and is not receiving any pay then they can pay contributions in respect of the unpaid period (i.e. any unpaid period after the end of the *ordinary maternity leave* or *ordinary adoption leave*).

The election to pay those contributions should be made within 30 days of returning to work or ceasing employment (or such longer period as the employer allows). The contributions should be based on the rate of pay on the day before they went onto no pay (including any statutory maternity or adoption pay).

It is the employer's responsibility to both inform the member of their right to pay contributions for the unpaid period and to collect those contributions if the employee so elects.

Please note that Employer's contributions are due, based on the pay the member would have received had they not been absent (i.e. full pay), during any period of *Ordinary Maternity Leave*, *Ordinary Adoption Leave*, *Paternity Leave*, *paid Additional Maternity Leave*, *paid Additional Adoption Leave* and any period of unpaid leave for



which the member has elected to pay contributions.

Employers must notify Pensions Services, using form PN12, of:-

- when the member commences maternity leave
- when the member returns from maternity leave (or ceases employment)
- details of any unpaid period for which contributions have not been paid (or treated as having been paid)

Further details can be found at [www.lge.gov.uk/lge/aio/55725](http://www.lge.gov.uk/lge/aio/55725)