

Local Government Pension Scheme Fact Sheet

It is not our policy to complete individual questionnaires, however the contents of this fact sheet answer most of the common queries we receive.

Type of Scheme

The Local Government Pension Scheme is a Statutory, Defined Benefit Scheme. It is governed by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and relevant earlier regulations.

The scheme was formerly contracted out of the State Additional Pension and is a member of the public sector transfer club.

Scheme Benefit Structure

Pension and lump sum

Up to 31/03/2014 scheme benefits were calculated on a final salary basis. From 01/04/2014 scheme benefits are calculated on a career average revalued earnings (CARE) basis. Please refer to www.lgpsmember.org or further information.

Pension:

1/80th of final salary for service up to 31/03/2008

1/60th of final salary for service between 01/04/2008 – 31/03/2014

1/49th of actual pay from 01/04/2014

Automatic lump sum:

3/80th of final salary for service up to 31/03/2008

Additional lump sum:

12:1 commutation rate for all ages with a 25% maximum of capital value.

$0.25 \times [(120 \times P) + (10 \times RG)] / 7 = \text{Max tax free cash}$

AP = Annual Pension

RG = Retirement Grant

Retirement Ages (NRA)

Service up to 31/03/2014 – age 65

Service post 01/04/2014 – linked to State Pension Age

Early Retirement

On grounds of ill health at any age (subject to review from an independent medical advisor).

If a member who is 55 or over leaves employment on the grounds of redundancy or efficiency, the pension must be paid in full without actuarial reductions.

All leavers from age 55 with actuarial reductions.

If the client was a member of the LGPS prior to 1 October 2006, some or all of the benefits could be protected from an early payment reduction. **This protection is reflected in all estimates and CETVs.**

Please refer to the '[Thinking of Leaving or Retiring](#)' section of www.lgpsmember.org for further information about the 85 year rule and for the table of early retirement reductions.

Transfer Information

Please note – members can only transfer benefits out of the LGPS if they have left the scheme and have not already drawn benefits from the LGPS (either in their current employment or any earlier employment). Also, if more than one deferred benefit is held in the LGPS (including those held in other LGPS pension funds), the member will be required to either transfer all their benefits, or none of them. It is not possible to transfer one deferred benefit whilst retaining another deferred benefit in the LGPS.

Transfer guaranteed until (date) – Please see transfer letter. Additional CETVs within 12 months are charged at £140.00+ VAT. If a payment request is received outside of the guarantee date the CETV will be recalculated and paid at no charge. The value however could go up as well as down if it is outside of the guarantee date.

Will the trustees offer a CETV and cash transfer within the last 12 months before normal retirement date? – No, it is not possible to transfer out of the scheme within 12 months of NRA

Is it possible to complete a partial transfer of the scheme? – No

Member contributions paid – N/A we are a Defined Benefit Scheme

Service and Salary levels – Pensionable remuneration and service shown on transfer quote.

Revaluation and escalation rates of the scheme – CPI (Section 148 for GMP). September CPI figure is applied on the first Monday after 6th April each year. When the pension is in payment the pre 88 GMP is not increased and the post 88 GMP only up to a maximum of 3%.

Contracted out periods and details– Scheme contracted out up to 05/04/2016

Fee to process transfer – None

ID required for transfer – Copy of birth certificate or passport required

General Scheme Information

Have any monies been drawn-down? – N/A

Money Purchase Underpin? – N/A

Funds invested in/funds available - N/A

Charging structure – No fund or management charges applicable

Scheme funding position – Fully funded

Is the scheme in surplus, if so, is any of this surplus likely to be distributed? - No

If the funds are carrying a deficit, are transfer values being reduced? – No

Scheme status – Open

Scheme benefits are equalised but GMP's are not

Copy of scheme booklet – please refer to www.lgpsmember.org or www.essexpensionfund.co.uk.