

LGPS 2014 – Changes to Scheme [Benefits]

<ul style="list-style-type: none"> • Benefits
Not Final Salary but Career Average
New Calculation basis [Build up / accrual]
All actual pay used to calculate pension
Actual pay x 1/49 = Pension built up each year {Calculation example attached}
Increased in line with inflation [subject to Treasury Order each year]
<ul style="list-style-type: none"> • Member Contributions
9 Banded Rates between 5.5% and 12.5% [Bands adjusted by CPI each year]
Average member contributions 6.5%
Deducted from all actual earnings including all overtime
Majority of members will pay either the same as currently; some will pay less
<ul style="list-style-type: none"> • Pension Accounts: including
Pension build up on membership of the LGPS since April 2014
All annual CPI revaluations
Previous LGPS benefits on service prior to 2014: calculated on final year's pay
Tax free lump sum accrued prior to 2008: calculated on final salary
Transfers into the LGPS
<ul style="list-style-type: none"> • Temporary reduction in contributions: 50/50 Option
pay half contributions - get half member's pension
but get full death in service and ill health benefits
Re-instated into main section every 3yrs in conjunction with auto enrolment
<ul style="list-style-type: none"> • LGPS 2014 – Pension Payable after leaving scheme from
Normal Retirement Age [NRA] = State Pension Age
Optional – between Ages 55 and 75 [Actuarial Reduction if before NRA]
Redundancy and efficiency cover provided from age 55
Ill health retirement at any age (subject to two years membership)

LGPS 2014: Career Average

[Assumed CPI 3%]

Year	Pensionable Pay	Accrual Rate	Pension			
1	£10,000	X 1/49	£204.08		yr 1	£204.08
					CPI	3% £210.21
2	£10,500	X 1/49	£214.29		yr 2	£214.29
					Accrued	£424.50
3	£11,000	X 1/49	£224.49		CPI	3% £437.23
					yr 3	£224.49
					Accrued	£661.72
4	£11,500	X 1/49	£234.69		CPI	3% £681.57
					yr 4	£234.69
					Accrued	£916.26
5	£12,000	X 1/49	£244.90		CPI	3% £943.75
					yr 5	£244.90
					TOTAL	£1,188.65

[Under Current Scheme 5 x 1/60 x £12,000 = £1,000.00]

**LGPS 2014 – Changes to Scheme
[Protections / Councillors]**

If available to be included in verbal report