

## The Local Government Pension Scheme (LGPS)

There have been changes made to the Local Government Pension Scheme (LGPS) for employees in England and Wales by the Local Government Pension Scheme (Miscellaneous) Regulations 2010. This leaflet summarises the main changes to the scheme. The changes are effective from 30 September 2010 unless stated otherwise.

For more detailed information see the Local Government Pension Scheme Update October 2010 leaflet on Harinet or the Haringey Pensions Page (see **More Information** on page 4)

### Transferring Previous LGPS Membership.

Before 30 September 2010 there were some restrictions on transferring previous LGPS membership. The rules have now been amended. If you have previous LGPS pension membership as an employee in England or Wales which is currently held in the scheme as a deferred benefit and you have re-joined the LGPS, you can choose whether to:

- join your previous LGPS membership to your current membership, enabling you to enjoy one set of benefits based on your entire membership and linked to your final pay in your new job, or
- keep them separate.

Unless you make a positive option to join your LGPS benefits together, your earlier benefits will remain as separate deferred benefits. There are a lot of things to think about when deciding whether or not to join your benefits together. See the Leaflet **Options to consider when joining together earlier LGPS membership** on Harinet or the Pensions web page (see **More Information** on page 4).

**However, there are some deadlines you need to be aware of.** If you wish to join your membership together you can only opt to do so **within 12 months of re-joining the LGPS or before 2 October 2011, whichever is later.**

If you want to apply to transfer earlier LGPS membership, please write to the Pensions Team (details on page 4) or email **pensions.mailbox@haringey.gov.uk** and request an Interfund-Transfer Application Form.

This change only applies to transfers between Local Government Pension Funds or joining separate employments within Haringey. Transfer from other Public Sector Pension Schemes from Private Pension Schemes are not covered by this extension of time limits. Full details of your membership is shown on your Annual Benefit Statement. Please check this before contacting the Pensions Team.

***Please note that the council's policy on extending time limits is only considered if a member could not have known of the requirement to make an election at the proper time.***

### Ill Health Retirement

If you have to leave work at any age due to permanent ill health, the scheme provides a 3 tiered ill health retirement package. It was graded levels of benefit based on how likely you are to be capable of gainful employment after you leave.

If you are to be retired on medical grounds and already have an ill-health pension from a previous employer with enhanced membership, any entitlement to enhanced membership from your current employer will be restricted.

Please see the Ill Health Retirement Leaflet which has been updated to include changes made by the latest amendment regulations. More detailed information is provided in the Leaflet Local Government Pension Scheme Update Oct 2010. These leaflets can be viewed on Harinet or the Pensions Web Page (see **More Information** on page 4)

## Joining the LGPS

If you have a contract of employment that's for less than three months which is extended so that it's for a total period of three months or more, you will (provided you are otherwise eligible to join the scheme) be able to join the LGPS on the extension of your contract. You can backdate your membership to your first day of employment and pay the relevant contributions but, you have to apply to your employer to do so within three months of becoming eligible to join the scheme. Your employer can allow you longer. If you are an employee of an admission body (a contractor admitted to the LGPS) or a designated body (a school which can designate non-teaching staff for membership of the LGPS), you cannot backdate your membership in this way.

Employees of federated schools can now be designated for membership of the scheme.

**The LGPS now includes** employees of the Greater London Authority and non-teaching employees of an Academy.

## Death in service benefits

The new regulations change the death benefits payable in respect of part-time employees who die in service and who had reduced their contractual hours as a result of a condition or illness that, in the opinion of an independent occupational health physician, caused or contributed to their death.

In these cases, the reduction in hours is disregarded both in calculating the pay to be used for the **lump sum death grant** and in calculating the membership.

## Payment of Pension Share benefits

If your LGPS benefits are subject to a Pension Sharing Order, or a qualifying agreement in Scotland, your ex-spouse or ex-civil partner may have been given a share of your pension rights payable at age 65. The new regulations will allow him / her to opt to receive payment of his / her share on or after age 60 and before age 65 with a reduction for early payment.

This change to the date the ex-spouse or ex-civil partner can opt to receive payment of their pension share is effective from 6 April 2009 and does not affect the reduction to your own benefits.

## Payment of benefits if you are incapable of managing your affairs

If in retirement you are incapable of managing your own affairs, the council as the Administrating Authority can pay your pension to someone else for your benefit.

## Pay for pension purposes (Equal Pay Settlements)

It has been clarified that pension contributions are not payable on any award of compensation (other than payment representing arrears of pay) which is made for the purpose of achieving equal pay; and the compensation is not included in pay upon which pension benefits are calculated.

## Two or more LGPS jobs

If you have two or more jobs where you pay into the LGPS at the same time and you leave one (or more) but not all of them, you cannot have a refund of your contributions from the job (or jobs) you have left. Instead, you will be able to transfer your benefits to the job you are continuing in. The amount of membership you will be granted in the continuing job will be adjusted to reflect any difference in the whole-time rates of pay between the jobs.

## Paying extra to buy additional survivor's pension for your nominated co-habiting partner

If you have:

- nominated a co-habiting partner to receive a survivor's pension, and
- elected to pay extra contributions so some or all of your pre 6 April 1988 membership will count when calculating a co-habiting survivor's pension, and
- after 30 September 2010 you revoke your nomination of a co-habiting partner (for example, if you are no longer living together)

The new regulations say there will be no survivor's pension payable to a nominated co-habiting partner on your death and you will receive no extra benefit from those extra contributions. If you paid extra contributions and revoked your nomination before 30 September 2010 the extra contributions already paid will be used to buy extra pension for yourself.

For more information on paying extra to buy additional survivor's pension for your nominated co-habiting partner, contact the Pensions Team (see **More Information** on page 4).

## Pensions Increase Change

From April 2011, increases in public sector pensions will be based on increases in the Consumer Price Index (CPI) as opposed to the Retail Price Index (RPI) which is currently in use.

There are differences in the RPI and CPI both in the method of calculation and importance placed on the various goods and services offered. For example, the CPI excludes most owner-occupier housing costs.

Although CPI can be higher than RPI, normally this is not the case with CPI providing a lower rate of increase.

## Hutton Report

Lord Hutton was appointed to chair the Independent Public Service Commission. The commission was asked to carry out "a fundamental structural review of public service pension provision". The review covers all of the major public sector pension schemes including the Local Government Pension Scheme.

The final report is expected to be published in Spring 2011 in time for the Budget and will address the following key issues:

- Increasing retirement age
- Replacing the final salary structure of the schemes
- The structure and number of Local Government Pension Scheme funds

Lord Hutton's interim report published on 20 June 2010 says reform to public service pension schemes is necessary and it sets out the following principles which will guide the work towards the recommendations in the final report:

- Affordable & sustainable
- Adequate & fair
- Support productivity
- Transparent & simple

The only recommendation for cost saving in the short term is for an increase in employee contributions. The report does not specify how much the increase should be and leaves this for government to decide. However, the report recommends the implementation of any increase has regard for the low paid and the risk of increasing numbers of opt-outs, particularly at a time of a pay freeze.

The interim report concludes final salary schemes are not appropriate for the future. The report states a number of alternative schemes are being investigated in order to reach a recommendation for the final report. These include Career Average Schemes, Notional Defined Contribution Schemes and Hybrid Schemes.

The final report will also consider the administration of public service pension schemes to ensure they are as cost effective as possible.

Further information will be provided in future Pension Bulletins and on Harinet.

## Appointments System

Due to the high demand on Pension Officer time, appointments are limited to Tuesday and Thursday mornings from 9:30 to 11:45 and Wednesday from 14:00 to 16:30. Please ring 020 8489 5916 to make an appointment.

---

## Upated salary bands

The salary band which determine the rate of contributions members pay are increased annually to take account of cost of living increases. The new bands that apply from 1st April 2011 are as follows:-

<b>Whole time equivalent pay range*</b>	<b>Employee contribution rate</b>
£0 - £12,900	5.5%
£12,901 - £15,100	5.8%
£15,101 - £19,400	5.9%
£19,401 - £32,400	6.5%
£32,401 - £43,300	6.8%
£43,301 - £81,100	7.2%
More than £81,100	7.5%

\* Part-time members are banded by reference to equivalent whole-time pay but only have contributions from actual part-time pay.

## More Information

<b>Guides and Policy Statements see Harinet</b>	Personnel > Pay and Pensions > Pensions
<b>If you do not have access to Harinet at work, log onto the Pensions Web Page</b>	<a href="http://www.haringey.gov.uk/pensionfund">www.haringey.gov.uk/pensionfund</a>
<b>Online guide to the Local Government Pension Scheme</b>	<a href="http://www.lgps.org.uk">www.lgps.org.uk</a>
<b>Email</b>	Pensions.Mailbox@haringey.gov.uk
<b>Write</b>	The Pensions Team, Alexandra House, 10 Station Road N22 7TR
<b>Telephone</b>	020 8489 5916
<b>Fax</b>	020 8489 3986

## Pensions Page on Harinet

### What is available?

From the Home Page Click PERSONNEL > PAYand PENSIONS > Pensions

### Useful External Links

Online guide

Local Government Pensions Committee

Timeline Regulations

Get a State Pension Forecast online

### Starting with Haringey

Brief guide to the LGPS

### Working with Haringey

If you want to increase your retirement benefits please refer to the Buying Extra Pension page.

This page has a link to the Council's flexible retirement policy.

### Buying Extra Pension

You can increase your retirement pension by paying Additional Regular Contributions (ARCs) or paying into

the council's Additional Voluntary Contributions (AVCs). This page has a calculator which allows you to work out the cost of buying extra pension by paying ARCs

### Flexible Retirement

The policy adopted by the council will allow employees' in the Local Government Pension Scheme aged 55 years and over to apply to their Line Manager to reduce their working hours or engage in less demanding work on a lower grade. From this page you can print off an Application Form and find a link to the Council's Flexible Retirement Policy Statement.

### Pension Sharing on Divorce (See Employee Guides)

From the link to the Employee Guides you can see the leaflet Guide to Pensions and Divorce.

### Annual Reports

This is where you will find copies of the Annual Pension Fund Report and Fund Valuation Report

### Policy Statements

You will find details of the Council's policy statements that relate to the pension scheme

### Age Retirement processes

Information about what happens as you approach 65.

## Employee Guides

A series of short guides about the LGPS.

IF YOU CANNOT ACCESS HARINET FROM A PC AT WORK, YOU CAN LOG ONTO THE PENSIONS WEB PAGE on [www.haringey.gov.uk/pensionfund](http://www.haringey.gov.uk/pensionfund) IF THE INFORMATION YOU WANT IS NOT POSTED, PLEASE CONTACT THE PENSIONS TEAM FOR A HARD COPY.

### Disclaimer:

This Bulletin is a brief guide on the changes to the LGPS for employees in England and Wales from 30 September 2010. It was up-to-date at the time of publication in February 2011 and reflects the current provisions of the LGPS. Changes to the scheme can be made by the government in the future after consultation with interested parties. The Bulletin is for general use only and does not cover every personal circumstance. It does not cover councillor members of the LGPS. In the event of any dispute as to benefits due under the LGPS the appropriate legislation will prevail. This Bulletin does not confer any contractual or statutory rights and is provided for information purposes only.