

Update - Local Government Pension Scheme (LGPS) JSCC 27th June 2012

7th June 2012 - LGPS deal announced

The Local Government Association and the unions have announced the outcome of their negotiations on the shape of the LGPS for England and Wales from 2014. These proposals will now be subject to consultation with LGPS employers and union members. Should the proposals be acceptable the Government has confirmed that it will look to implement the proposals.

The main provisions of the 2014 LGPS are as follows:

- Career Average Revalued Earnings Scheme with an accrual rate of 1/49th and revaluation using CPI;
- Normal retirement date will be the member's State pension age;
- Average contribution rate to remain at 6.5% with contributions for the lowest paid remaining substantially unchanged but with the highest paid contributing more;
- Members who have already (or who are considering) opting-out may elect to pay half contributions for half the pension while retaining the full value of other benefits – the 50/50 option;
- Benefits accrued prior to 1 April 2014 will be protected;
- Members who are outsourced will be able to stay in the LGPS on both first and subsequent transfers

Further details on the announcement can be found at www.lgps.org.uk

Public Service Pensions Bill – what does it mean for LGPS members?

The announcements made in the Queen's Speech apply in main to the three largest schemes, the Teachers', NHS and Civil Service schemes. Aspects of the Bill – including proposals for better governance – will apply to the LGPS. The LGPS Project Team made a joint statement which is on the LGPS web site at www.lgps.org.uk.