

TITLE OF REPORT : PENSIONS UPDATE

REPORT OF THE CORPORATE HUMAN RESOURCES MANAGER

Pensions

For this pension update, just a reminder that the LGPS scheme will change in April 2014.

The table below shows the main provisions of the new Local Government Pension Scheme (LGPS 2014) for membership from 1st April 2014 compared with those of the current scheme (LGPS 2008)

The provisions of the 2008 scheme will be persevered. So if for example a member joined the LGPS on 2009 and took their pension in 2017, they would have 5 years of 2009 benefits and 3 years of 2017 benefits.

	LGPS 2008	LGPS 2014
Basis of Pension	Final salary	Career average revaluated earnings CARE
Revaluation Rate	CPI	Based on final salary
Accrual Rate	1/60 th	1/49 th
Pensionable Pay	Pay excluding non contractual overtime and non pensionable additional hours	Pay including non contractual overtime and additional hours for part time staff
Employee contribution Rates	Up to £13,500 5.5% £13,501 £15,800 5.8% £15,801 £20,400 5.9% £20,401 £34,000 6.5% £34,001 £45,500 6.8% £45,501 £85,300 7.2% More than £85,300 7.5%	Up to £13,500 5.5% £13,501 £21,000 5.8% £21,001 £34,000 6.5% £34,001 £43,000 6.8% £43,001 £60,000 8.5% £60,001 £85,000 9.9% £85,001 £100,000 10.5% £100,001 £150,000 11.4% More than £150,000 12.5%
Contribution flexibility	No	Yes, members can pay 50% contributions for 50% of the pension benefit
Normal Pension Age	65	Members state pension age minimum 65
Lump Sum Trade Off	Trade £1 Pension for £12 lump sum	Trade £1 Pension for £12 lump sum
Death in Service Lump Sum	1/160 th accrual based on tier 1 Ill Health Provision	1/160 th accrual based on tier 1 Ill Health Provision
Death in Service Survivor Benefits	3 x pensionable pay	3 x pensionable pay

Ill Health Provision	Tier 1 - Immediate payment with service enhanced to Normal pension age Tier 2 - Immediate payment of pension with 25% service enhancement to Normal pension age Tier 3 - Temporary payment of pension for up to 3 years	Tier 1 - Immediate payment with service enhanced to Normal pension age Tier 2 - Immediate payment of pension with 25% service enhancement to Normal pension age Tier 3 - Temporary payment of pension for up to 3 years
Indexation of Pension in Payment	CPI	CPI (RPI for pre 2011 increases)