

**SCHEME CHANGES LEAFLET - JUNE 2013**

# The LGPS is changing from 1 April 2014

If you are paying into the Local Government Pension Scheme (LGPS), you'll automatically be in the **new scheme from 1 April 2014**. If you've retired or left before then, there's no change to your pension.

## Here is how the new scheme works

**There's increased flexibility around when you can leave and take your pension**

From April 2014 you can choose to leave and draw your pension anytime from **age 55** – but the **longer** you work the **more** your pension will be.

Your pension will be **reduced** if you choose to retire **before your normal pension age** and **increased** if you retire **later**.

Normal pension age for your new scheme pension won't be fixed at 65 as in the current scheme, it will be the same as your state pension age – with 65 as the earliest age.

As **your** state pension age increases, so will **your** LGPS pension age. To find out **your** state pension age – have a look at [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)

## Your pension builds up in a new way from April 2014

For each year in the new scheme you build up a pension based on your **pay in that year**.

**Every year** you get a **pension that's equal to a 49th** of your **pay** added into your **pension account**

+

**Inflation increases**, so your pension account **keeps up with the cost of living**.



### And it won't cost more for most people

Whilst the average cost for employees will still be 6.5% of pay, from April 2014 the highest paid will pay more. If you are part time it could cost you less - your contribution rate will be based on your part time pay instead of, as now, the full time equivalent.

### If you're worried you can't afford it – think again

If you pay tax you get **tax relief on your contributions**.

And the new scheme gives you more **flexibility** – it has a new **50/50 option**.

For times when things are difficult, you can choose to pay half contributions and, during that time, add half pension into your account. But you still keep the full value of your life and ill health cover.

### Remember

A pension isn't only about your future.

As a member of the LGPS you still get **valuable life cover**, with a lump sum of 3 years pay if you die in service, **cover for your family**, with pensions for your dependents if you die, and **ill health cover for you**.

And you can still pay more to **buy extra pension**.



It's important you know that all of your benefits built up in the scheme to 31 March 2014 are protected. They will still be based on your final salary on leaving and the normal pension age in the current scheme.

Your pension is **changing**, becoming more **flexible** & offering you more **choice**.

### To find out more

More information on the changes, a short video and examples can be found on [www.lgps2014.org](http://www.lgps2014.org)

More detailed information will become available in the run up to April 2014.

This is a brief leaflet about the changes to the Local Government Pension Scheme for employees in England or Wales from 1 April 2014 and reflects the proposed changes at the time of publication in June 2013. In the event of any dispute over your pension benefits the appropriate legislation will prevail. This leaflet does not provide any contractual or statutory rights and does not override any existing legislation.

For further information see [www.yourpension.org.uk](http://www.yourpension.org.uk)

Published by LPFA, 2<sup>nd</sup> Floor, 169 Union Street, London, SE1 0LL