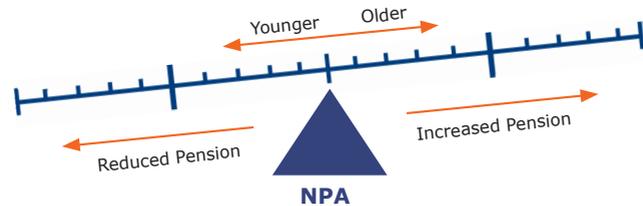


When can I retire and take my pension?

From 1 April 2014 the Normal Pension Age (NPA) for scheme members will no longer be age 65 – instead it will be linked to your State Pension Age. As your State Pension Age increases, so will your Normal Pension Age. To find out your State Pension Age, have a look at: www.gov.uk/calculate-state-pension

From 1 April 2014 there will be more flexibility around when you can choose to take your pension. You will be able to choose to retire and take your pension at any time between age 55 and 75.

Your pension may be reduced if you choose to retire before your Normal Pension Age or increased if you retire later than your Normal Pension Age.



Remember, there are additional protections in place if you were within 10 years of age 65 at 31 March 2012.

More information

For more information on the changes, along with videos and calculation examples, please visit www.lgps2014.org

You can also see how pension benefits will be worked out in the new scheme by trying the LGPS 2014 calculator

Disclaimer This is a notification newsletter explaining the changes to the LGPS from 1 April 2014 for employees in the LGPS in England or Wales. It reflects the known changes at the time of publication in February 2014. In the event of any dispute over your pension benefits the appropriate legislation will prevail. This notification leaflet does not provide any contractual or statutory rights and does not override any existing legislation.

Contact Information:

<<ContactEmail>>

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<<Title>> <<Initials>> <<Surname>>
<<Address1>>
<<Address2>>
<<Address3>>
<<Address4>>
<<Address5>>
<<Postcode>>

Dear <<Title>> <<Surname>>

The Local Government Pension Scheme (LGPS) is changing

On 1 April 2014 the Local Government Pension Scheme (LGPS) will change. As you are paying into the LGPS you will be in the new scheme from April 2014. This will happen automatically, so you don't need to do anything. In this leaflet we hope to answer some of the questions you might have about the changes.

Yours sincerely,

Janice Watts - Director of Operations, London Pensions Fund Authority
Working in partnership with your employer

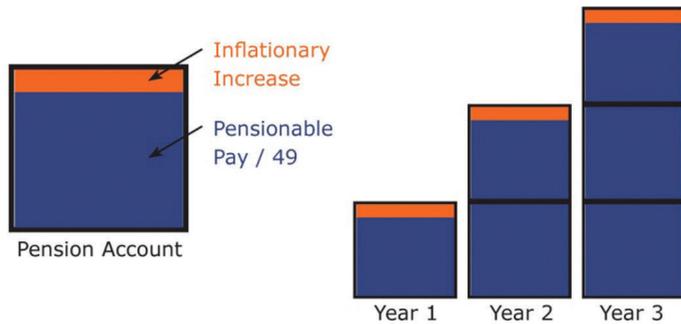


Produced in collaboration with Bedfordshire, Essex, Kent and LPFA

How will my pension benefits be worked out in the new scheme?

The pension benefits you build up from 1 April 2014 onwards will be calculated in a new way. The scheme will be what is known as a 'career average revalued earnings' (CARE) scheme, because the pension is worked out using the pay received in each year rather than the pay received in the final year as it is currently.

The LGPS will still be a defined benefit scheme and will not be affected by stock market changes or performance of investments. Instead the pension benefits will be calculated using a set formula. For each year that you are a member from April 2014, you will get a pension amount equal to a 1/49th of your pensionable pay in that year. The pension amount for each scheme year is added to your Pension Account and inflation increases are also added so your pension keeps up with the cost of living.



What about my pension benefits built up before 1 April 2014?



All pension benefits built up before 1 April 2014 will be protected and calculated using the scheme rules which were in place before April 2014.

When you retire the total amount of your pension benefits will be the value of the pension benefits you built up in

the scheme before April 2014, based on your final pay at leaving, added to the pension benefits you built up from 1 April 2014 onwards, in the CARE scheme. These will be paid to you as one pension.

There are also additional protections in place if you were within 10 years of age 65 at 31 March 2012. These are known as "the underpin" and more information can be found at www.lgps2014.org

How much do I have to pay?

The amount you will pay is based on how much you earn. Your employer will look at your actual pensionable pay and will decide which contribution rate is right for you by referring to this contribution rate table:

Pay range	Contribution Rate
Up to £13,500	5.5%
£13,501 to £21,000	5.8%
£21,001 to £34,000	6.5%
£34,001 to £43,000	6.8%
£43,001 to £60,000	8.5%
£60,001 to £85,000	9.9%
£85,001 to £100,000	10.5%
£100,001 to £150,000	11.4%
over £150,000	12.5%

From 1 April 2014 your actual pensionable pay will include most types of pay including all overtime and additional hours, but does not include certain things, like expenses. Depending on how much you earn you will not necessarily have to pay more from April 2014 and you could end up paying less than you do at the moment.

Is there a choice about how much to pay?

For the first time, the LGPS will offer scheme members the option of a reduced rate of contribution. It is called the 50/50 section and is designed to help you when times are difficult financially. The 50/50 section allows you to pay half your normal contribution rate and build up half the normal pension amount. You can stay in the 50/50 section of the scheme for as long as you choose but your employer, because of automatic enrolment rules, will have to bring you back into the main section of the scheme from time to time, usually every three years.



If you choose the 50/50 section, you will still keep the full value of your life cover, which is 3 times your actual pay, and you will still qualify for ill health benefits should you ever need them.

Members will also be able to choose to pay more in order to increase pension benefits.