
Are you saving enough for your future?

Can you afford to live on your basic state pension?
The maximum basic state pension is £113.10 per week

You could start saving for your future now with the LGPS



Did you know:

- Your pension is an **important** part of your employment package and provides an excellent range of benefits.
- You pay your contributions and **your employer pays too**.
- The scheme is **flexible**, you can choose to pay less or more, and you can take your benefits anytime from the age of 55 to 75.
- The **benefits** you get include a pension when you retire as well as immediate life cover and ill-health protection.
- There are also benefits for your **loved ones** with pensions for dependants if you die.

Let's look at the detail:

Cost

The amount you contribute depends on how much you are paid in your job. The rates vary from **5.5%** to **12.5%** and your contribution rate depends on the pay band you fall into in the table below.

Contribution Table 2014/15

Your pay	Your contribution rate
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%
Over £150,000	12.5%

When you join the fund your employer will decide your contribution rate from the contribution table. This is also reviewed each April. If your pay changes throughout the year your employer may review your contribution rate. The pay bands and contribution rates will be reviewed from time to time.

Example

Nita is a part-time receptionist



Nita

Actual Pensionable Pay	£18,000
Contribution rate	5.8%
Her contribution each month?	£87 (before tax relief and national insurance reduction)

And remember you get **tax relief on your pension contributions**, as your contributions are deducted from your pay before you pay tax. You also pay reduced national insurance contributions up to your State Pension Age. This reduction is expected to be removed from April 2016 though the full details have yet to be finalised. Currently, your **employer automatically pays the balance** of the cost of providing your pension benefits.

You have the flexibility to pay more - you can increase your pension by paying more through contributions. You would also get tax relief on these. Your options include Additional Pension Contributions (APCs) and Additional Voluntary Contributions (AVCs).

You also have flexibility to pay less - with the option to pay half your normal contributions in return for half your normal pension. This is known as **50:50**. 50:50 is designed to help you stay in the scheme should your financial situation change.

Benefits at retirement

The LGPS is a great way to save for your future. You build up a pension from the day you join the scheme and once you've been paying in for 2 years you receive extra benefits. These include:

A secure pension – each scheme year, which runs from 1 April to 31 March, an amount equal to a 49th of your pay that year is added to your pension account. At the end of every scheme year the total pension in your account is adjusted to take into account the cost of living. This is currently measured using the Consumer Prices Index (CPI).

Tax-free cash – when you come to draw your pension you have the option to exchange part of it for some tax-free cash.

The freedom to choose when to take your pension - your Normal Pension Age is linked to your State Pension Age but you do not need to have reached this in order to take your pension. You can choose to retire and draw your pension at any time between the age of 55 and 75. Your Normal Pension Age is simply the age you can retire and take the pension you've built up in full. If you choose to take your pension before then it will normally be reduced, as it's being paid earlier. If you take it later, it's increased because it's being paid later.

To find out your State Pension Age please visit www.gov.uk/state-pension-age.

A tiered ill-health retirement package - if you have to leave work at any age due to permanent ill health, the scheme provides you with a pension that is paid straight away. This could be paid at an increased rate if you are unlikely to be capable of gainful employment within 3 years of leaving.

Early payment of your benefits - if you are made redundant or retired on business efficiency grounds and you are aged 55 or over.

Flexible retirement - is available from the age of 55 if you reduce your hours, or move to a less senior position. If your employer agrees, you can draw some or all of your benefits, helping ease you into retirement.

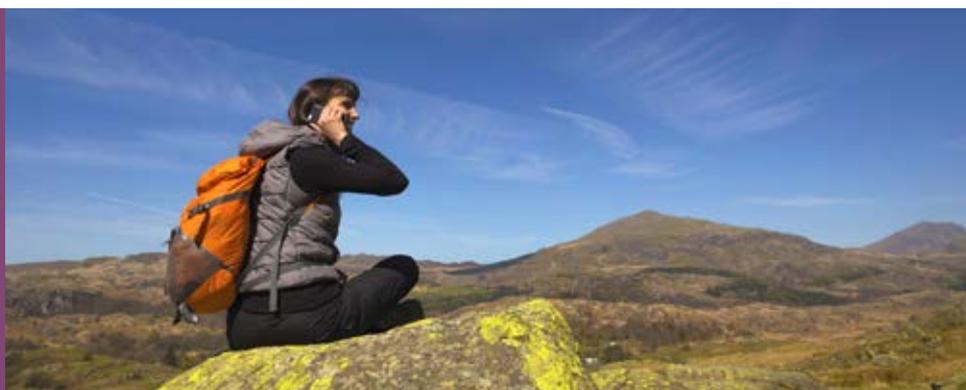
Protection against inflation when you've drawn your pension - you can look forward to a pension for life that increases with the cost of living.

And you get peace of mind for you and your family with:

Life cover - from the moment you join the scheme. If you die in service a lump sum of 3 years your pensionable pay is paid.

Cover for your family - if you die in service or die after leaving with a pension entitlement then a pension is provided for your spouse, registered civil partner or cohabiting partner and for your eligible children





Transferring into the LGPS

You can transfer previous pension rights into the scheme. Any deferred benefits that you hold in the LGPS in England and Wales are normally automatically transferred, unless you decide within 12 months of joining the LGPS to keep them separate. You may also be able to transfer benefits from other pension schemes and you normally have 12 months from joining to decide to transfer these into the LGPS.

Opting out

Once you are a member you can leave the LGPS at any time by giving your employer notice in writing. You might, however, want to take independent financial advice before making the final decision to opt out. Don't forget you can also choose to move to the 50:50 section. This lets you stay in the scheme and build up your pension rights by paying half your normal contributions for half your normal pension.

If you opt out before completing 3 months membership you will be treated as never having been a member. Your employer will refund through your pay any contributions you have paid during that time.

If you opt out with between 3 months and 2 years membership you can take a refund of your contributions (less any statutory deductions) or transfer out your pension to another scheme.

If you opt out after 2 years you will have deferred benefits in the scheme which you have the option to transfer out to another scheme. If you opt-out, you can opt back into the scheme at any time before the age of 75 (if you are eligible to join).

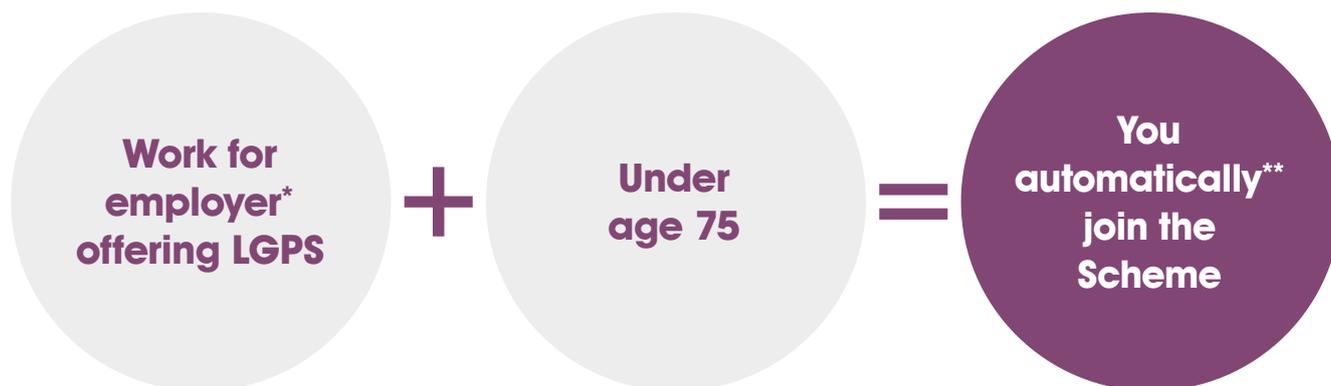
If you opt out of the LGPS your employer may automatically enrol you into the LGPS at certain times. This is because of the automatic enrolment provisions under the Pensions Act 2008. Your employer must notify you if this happens. You would then have the right to opt out of the LGPS.

To recap:

- You have access to a scheme offering secure benefits.
- You pay pension contributions and your employer pays too.
- Your pension is worked out each year with inflation added so it keeps up with the cost of living.
- You have the freedom to choose when to take your pension between age 55 and 75.
- You can exchange part of your pension on retirement for a tax-free lump sum.
- You have peace of mind for you and your family with immediate life cover and pensions for dependants.

You can look forward to the future with confidence with the LGPS because the benefits you build up in the scheme are secure and set out in law.

How do you join the LGPS?



*If you are employed by a designating body, such as a town or parish council, or an admission body, then you can only join if your employer nominates you for membership of the scheme. An admission body is an employer that chooses to participate in the scheme under an admission agreement. These tend to be employers such as charities and contractors.

**If you start a job where you are eligible for membership of the LGPS and your contract of employment is for 3 months or more you will be brought into the scheme.. If your contract is for less than 3 months you would only be brought into the scheme if;

- Your employer has to bring you in because of the automatic enrolment provisions under the Pensions Act 2008.
- Your contract is extended to be for 3 months or more.
- You opt to join by completing a Pen 1 form which can be obtained from your employer.

Check your payslip deductions to make sure you are in the scheme.

Want to know more?

This leaflet gives a brief outline of the scheme that applies from 1 April 2014. If you want to know more about the scheme, or if you have membership in the scheme before 1 April 2014 and want to know how benefits built up before then are worked out, you can get more information and a full scheme guide at www.eapf.org.uk.

This leaflet is for employees in England or Wales and reflects the provisions of the LGPS and overriding legislation at the time of publication in April 2014. The Government may make changes to overriding legislation and, after consultation with interested parties, may make changes in the future to the LGPS.

This leaflet is a brief guide to the scheme and cannot cover every personal circumstance. In the event of any dispute over your pension benefits, the appropriate legislation will prevail. This leaflet does not confer any contractual or statutory rights and is provided for information purposes only.

The LGPS for you, for now, for the future.

