



Your pension scheme is changing from 1 April 2015

From 1st April 2015 the Local Government Pension Scheme (LGPS) is changing. The bulletin gives you details on the changes which include: -

- Your pension built up to 31st March 2015 is **protected** and keeps the final salary link
- Your pension built up from 1st April 2015 will be worked out differently
- Your contributions, life and health cover will remain the same
- The scheme remains the same great deal, with your employer paying in around twice what you pay.

Main provisions of the LGPS from 2015

The table below shows the main provisions of the new LGPS for membership from 1st April 2015 compared to those of the current final salary scheme.

When you are paying into the scheme			
	Changing?	LGPS 2015	LGPS 2009
How your pension is worked out	Yes	Career Average Revalued Earnings (CARE) Pension from 1 st April 2015	Final Salary – all benefits built up to 31 st March 2015 worked out on final salary when you leave
Rate your pension builds up	Yes	Higher Rate of 1/49 th = yearly pension slice – see overleaf	1/60 th
Revaluation Rate	Yes	Consumer Price Index (CPI) – each annual pension is revalued to keep up with inflation	N/A
Pensionable Pay	Yes	Pay excluding non-contractual overtime, with additional hours included for part time staff	Pay excluding non-contractual overtime and non-pensionable additional hours
What you pay	In Part	Contribution rates based on actual pay, therefore, part time staff will pay a lower contribution rate	Contributions rates are based on your full time equivalent pay
Contribution Flexibility	Yes	Yes, with the option to pay 50% contributions for 50% pension benefit	Not available
Certificate of Protection	To be confirmed	Will continue, no details on how this will operate have been received	Yes
Retirement			
	Changing?	LGPS 2015	LGPS 2009
Normal Pension Age (when you can take your pension without reduction for early payment)	Yes	Equal to individual member's State Pension Age. To find out your State Pension Age have a look at www.gov.uk/calculate-state-pension	65
Retirement from Age 60	No Change	Retirement from age 60 onwards, but with reduction for early payment before Scheme Normal Pension Age	
Rule of 85 protection	No Change	Protection for some members against reduction for early payment	
Lump sum swap	No Change	Swap £1 of annual pension for £12 tax free cash lump sum	

Other Scheme Benefits		
	Changing?	LGPS 2015 LGPS 2009
Death in Service Lump Sum	No Change	3 times Pensionable Pay
Death in Service Survivor Benefits	No Change	Pension paid to husband/wife, civil or nominated cohabiting partner and eligible children
Ill Health Provision	No Change	Tier 1 – Immediate payment with service enhanced to age 65 Tier 2 – immediate payment with 25% service enhancement to age 65
Annual Increase of pension being paid	No Change	Consumer Price Index
Period you need to be in Scheme before a pension is payable	No Change	2 years

What about the pension I have already built up?

If you are paying into the LGPS on 31st March 2015, you will automatically join the new CARE scheme. The entire pension you have built up in the LGPS before this date will be **fully protected**.

All benefits built up before April 2015 will continue to be based on your final year's pay when you leave the scheme. The membership you built up to 31st March 2015 will be used to calculate your final salary benefits when you leave.

Your Normal Pension Age is also protected. This means that the benefits you build up before April 2015 retain their Normal Pension Age under final salary scheme rules, which for almost all members is age 65.

Protection for those nearing retirement

There is protection for those nearing retirement who were paying into the Scheme on 31st March 2012 and remained in it on 31st March 2015. If you were born before 1st April 1957 and meet the qualifying conditions, your pension will be at least the same as you would have been paid under LGPS 2009.

How will your pension be worked out?

From 1st April 2015, your pension will be built up in separate annual 'slices' and every year the annual 'slices' will have inflation added. When you retire all these 'slices' are added together along with the pension built up to 31st March 2015 (which remains worked out on final salary) to give you a total pension payable.

More information

Visit www.scotlgps2015.org for more scheme information, pension examples, videos, calculators and the latest news. A new scheme booklet will be issued in advance of 1st April 2015.

Contacting us

You will be asked security questions when you contact us, including your full name, date of birth and national insurance number.

Email: - pensions@scotborders.gov.uk

Telephone: - 01835 825052 (Lync HR Shared Services Helpline 1 or 2) and ask for the Pensions Team

Disclaimer

This bulletin is based on our understanding of the Regulations proposed at this time. Some scheme Regulations are still to be approved by the Scottish Parliament and therefore changes may still apply.