

Workplace pension - Local Government Pension Scheme

As a new member of staff, if you are under age 75 you can join the Local Government Pension Scheme (LGPS). The scheme is a nationwide statutory funded scheme for local government employees and is very safe and secure. The Scheme is administered locally by Lothian Pension Fund.

Permanent or over three month contract - You will be contractually enrolled into the LGPS on appointment.

Temporary contracts less than three months - If you have a contract for less than 3 months you can **apply to join** the scheme (form available at www.lpf.org.uk/forms or call 0131 529 4638).

The main benefits of the Scheme include:

- pension when you retire
- choice of lump sum on retirement
- option to retire at 60 (benefits will be reduced)
- life cover in form of a death grant 3 x actual pay
- pension for your close dependents
- employer pays around £2 for every £1 paid you pay
- refund option if you leave before 2 years membership with no transfers or other LGPS benefits (*see back page for further details)

More information

This quick guide to the LGPS gives an overview of the Scheme. For more information visit www.lpf.org.uk then choose the current members tab then new member information or call the Fund on **0131 529 4638**.

What happens next?

- Your details will automatically be forwarded to Lothian Pension Fund **after** your first pay deduction is made. The Fund will confirm your membership within 20 working days of receiving your details from us. They will also send you a welcome pack with more information on the scheme and details on transferring in previous pension.
- Your pension contributions will be worked out by payroll and will start to be taken off from your first pay date. Your deductions from pay are the trigger to inform the Fund of your membership therefore your contribution will be taken **before** you receive your welcome pack from the Fund.

Opting out of the Pension Fund?

You can opt out at any time. If you opt out within three months of being brought into the scheme, your employer will refund any contributions paid through your pay. If you opt out after three months, the Fund will make any refunds taking into account the Scheme Regulations.

If you **wish to opt out**, download a form at www.lpf.org.uk/forms or call the Fund on 0131 529 4638 to get a form sent to you. Once complete, return the form to the payroll section so contributions can be stopped. **Please note:** you can only opt out once you have been enrolled in the Scheme.

QUICK GUIDE TO THE LGPS*

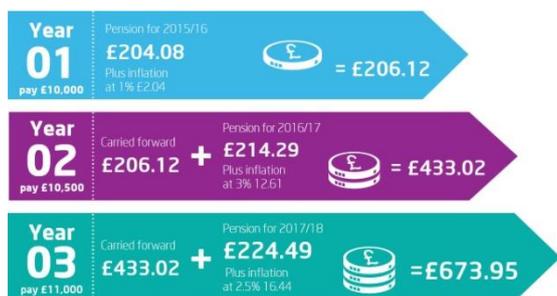
The Local Government Pension Scheme (LGPS) is a Career Average scheme guaranteed by law. The benefits you will get when you retire are worked out using your pay each scheme year. It is not linked to the stocks and shares of the Fund. Saving with the LGPS is completely safe.

What will my pension be?

The LGPS contains two sections – the main or 100/100 section and the 50/50 section. The amount of pension you build up in a scheme year is 1/49th of the pay you receive during the year. 50/50 allows you to pay half your contributions and get half of your normal pension. You get full life assurance and ill-health cover even though you are paying half contributions.

Your pension earned each scheme year is added to your pension account and inflation is then added to the pension you have built up in your account so it keeps its value. You will be given the choice to swap some of your pension up to certain limits for a one-off tax free lump sum. Normal Pension Age is linked to a member's State Pension Age. Your State Pension Age may also change in the future and this would also change your Normal Retirement Age in the LGPS. To find out your State Pension Age visit: <https://www.gov.uk/calculate-state-pension>

Examples of pensions



How much will I pay?

The amount you pay depends on how much you are paid in your job. The rates vary and your contribution rate depends on the band you fall into. More information is available on our website: www.lpf.org.uk. Remember, when you pay in your employer also pays in at around £2 for every £1 you pay. The average cost for members is 6.5% however; higher paid scheme members are likely to pay more. If you elect to join the 50/50 section you will pay half the contributions you would pay in the main section of the scheme.

Example

John earns £10,000 and pays 5.5% contributions	
John pays	£44 a month
His employer puts in	£125 a month
The UK government adds	£9* a month
(*tax relief assuming John pays 20% tax)	
Total paid into John's pension every month for his £44 contribution	£178 a month

What other benefits are there?

Life cover: a lump sum of three times the pay you pay contributions on - your assumed pensionable pay

Survivor's pensions: Your husband, wife, civil partner eligible dependent children or eligible cohabiting partner may receive a pension if you die.

Ill-health: You may get a pension if you have to retire due to ill health subject to an independent medical examination.

What if I leave the Scheme?

If you have more than two years, or transfer in other pension benefits you can:

- preserve your benefits until retirement
- transfer benefits to an approved pension scheme
- Link former membership if you rejoin the scheme later on

If you have less than two years, and have no other LGPS pension in Scotland, you can:

- Get a refund of contributions less tax and national insurance
- Transfer preserved benefits out of the Scheme at any time before you retire.

Want to increase your pensions?

You can pay extra each month to increase your pension when you retire. You can buy extra annual pension up to a maximum of £6,500, using an Additional Pension Contract (APC).

The second choice is to make Additional Voluntary Contributions (AVCs) to a separate investment pot out with Lothian Pension Fund. When you retire, your AVCs can be taken in a number of ways including as part of your lump sum. More information on our website at www.lpf.org.uk/extrapension

Lothian Pension Fund contact details

Website: www.lpf.org.uk Email: pensions@lpf.org.uk Pensions helpline: 0131 529 4638

Information is for guidance only and Scheme Regulations take precedence in any disputes.