

For an explanation of the terms underlined see the **LGPS 2014- Glossary**

These documents describe proposals and do not override any existing legislation. Any examples given are for illustration only, not as an estimate of the benefits you may receive

LGPS 2014 - 'AT A GLANCE'

CHANGES APPLY FROM APRIL 2014

All pensions in payment or built up before April 2014 will be protected. If you are currently in receipt of a pension or have left with a deferred pension these changes do not affect you. If you are currently a contributing scheme member your pre April 2014 pension will still be based on final salary at retirement and the current Normal Pension Age.

MAIN PROVISIONS OF LGPS 2014

The table below shows the main provisions of the proposed new Local Government Pension Scheme (LGPS 2014) for membership from 1st April 2014 compared with those of the current scheme (LGPS 2008). These changes apply only in England and Wales (not Scotland or Northern Ireland). See the glossary for definition of terms in the table below.

	LGPS 2014			LGPS 2008		
Basis of Pension	Career Average Revalued Earnings (CARE)			Final Salary (FS)		
Accrual Rate	1/49 th			1/60 th		
Revaluation Rate	Consumer Price Index (CPI)			Based on final salary		
Pensionable Pay	Pay including non-contractual overtime and additional hours for part time staff			Pay excluding non-contractual overtime and non-pensionable additional hours		
Employee Contribution Rate – Average 6.5% in both LGPS 2008 and LGPS 2014	From	To	Gross Rate	From	To	Gross Rate
	Up to £13,500		5.5%	Up to £13,500		5.5%
	£13,501	£21,000	5.8%	£13,501	£15,800	5.8%
	£21,001	£34,000	6.5%	£15,801	£20,400	5.9%
	£34,001	£43,000	6.8%	£20,401	£34,000	6.5%
	£43,001	£60,000	8.5%	£34,001	£45,500	6.8%
	£60,001	£85,000	9.9%	£45,501	£85,300	7.2%
	£85,001	£100,000	10.5%	More than £85,300		7.5%
	£100,001	£150,000	11.4%			
	More than £150,000		12.5%			

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	LGPS 2014	LGPS 2008
Contribution Flexibility	Yes, members can pay 50% contributions for 50% of the pension benefit	No
Normal Pension Age	Equal to the individual member's State Pension Age (minimum 65)	65
Lump Sum Trade Off	Trade £1 of pension for £12 lump sum	Trade £1 of pension for £12 lump sum
Death in Service Lump Sum	3 x pensionable pay	3 x pensionable pay
Death in Service Survivor Benefits	1/160 th accrual based on Tier 1 ill health pension enhancement	1/160 th accrual based on Tier 1 ill health pension enhancement
Ill Health Provision	<p>Tier 1 - immediate payment with service enhanced to Normal Pension Age</p> <p>Tier 2 - immediate payment of pension with 25% service enhancement to Normal Pension Age</p> <p>Tier 3 - temporary payment of pension for up to 3 years</p>	<p>Tier 1 - immediate payment with service enhanced to Normal Pension Age (65)</p> <p>Tier 2 - immediate payment of pension with 25% service enhancement to Normal Pension Age (65)</p> <p>Tier 3 - temporary payment of pension for up to 3 years</p>
Indexation of Pension in Payment	CPI	CPI (RPI for pre 2011 increases)
Vesting Period	2 years	3 months

FUTURE SCHEME COST MANAGEMENT

If the costs of the LGPS change beyond certain limits still to be agreed, there will be negotiations between unions, employers and government about how to meet those cost changes.

PENSION PROTECTION ON TRANSFER

LGPS members who are compulsorily transferred will be able to retain membership of the scheme.

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