

Local Government Pension Scheme Notes on your pension

These notes are provided along with your notification of benefits to help answer some of the questions most frequently asked and to cover matters likely to affect the pension you will be paid.

Your contact in Strathclyde Pension Fund Office (SPFO)

The table below tells you who to get in touch with if you have a question about your pension, quoting your pension reference number which is **xxxxxxx**.

Issue	Contact	Telephone	Email
How pension benefits are calculated	Our Pensions Operation team	0845 213 0202	spfo@glasgow.gov.uk
A change in your circumstances – for example to notify a change of address	Our Pensions Payroll team	0845 213 0202	spfo@glasgow.gov.uk or contact us onsite
Your tax code, what appears on your payslip	Inland Revenue Centre 1 East Kilbride Glasgow G79 1AA	0845 0703703	
The National Fraud Initiative	Tom Hammond	0141 287 7432	tom.hammond@glasgow.gov.uk

Address:

Strathclyde Pension Fund Office
Charlotte House, 2nd Floor
78 Queen Street
Glasgow City Council
G1 3DN

Website: www.spfo.org.uk.

How pensions are paid

Pensions are paid by bank credit transfer on the 15th of each month. Where the 15th of the month falls on a Saturday or a Sunday your pension will be credited to your bank account on the preceding Friday i.e. either the 13th or 14th of the month. Please inform me promptly in writing should your account details change.

The pension paid to you on the 15th day of each month covers the calendar month in which payment is made. Therefore your pension is effectively paid “two weeks in arrears and two weeks in advance”

Your first payment of pension will cover either the period beginning with the day after your last day at work to the last day of that month (or the succeeding month if retired in a previous month).

A pension advice slip will be issued for your first payment of pension. Unless a change occurs of more than £5 per month to your net, that is after tax, pension no further notice will be issued until the following April when your pension may be increased by inflation.

Should you go abroad in circumstances in which you no longer wish your pension to be paid into your United Kingdom bank account; your pension can normally be paid directly to your bank account overseas. If direct payment is not possible, a sterling cheque will be sent to your address abroad.

Tax and your pension

Your pension is regarded as earned income and is assessed under the PAYE tax system. We are obliged by law to comply with coding notices issued by Inland Revenue and such notices are based on your overall income position. The income tax codes which are notified from Inland Revenue will take account of income from sources of which we have no knowledge. It is for this reason that you must direct all income tax queries to the Inland Revenue.

Please remember to quote your National Insurance Number when contacting Centre 1.

Changes to your tax code will be shown on your pay advice slip.

Your lump sum retiring allowance is completely tax free as a result of tax concession which the LGPS, in line with other occupational pension schemes, enjoys. The exception to this occurs where you have been awarded Compensatory Added Years (CAY) on redundancy or efficiency of service grounds. CAY will be taxable if, when added to Payment in Lieu and/or Statutory Redundancy Payment or any other termination payment, it exceeds £30000.

When your pension first comes into payment we will normally apply the PAYE code which last applied in your employment. However, to avoid giving you an income tax rebate to which you would not be entitled, the code will be applied on a Month 1 basis and Centre 1 will be asked to confirm the exact code to be used. If your employment code is not known the “emergency” code will be applied and Centre 1 will be asked to supply the appropriate code.

Pension Increases

Pensions are linked to rises in the retail price index and will be increased in April of each year. If you retire before age 55 other than on the grounds of ill-health your increase will not be paid until your 55th birthday.

Pensions for most pensioners over state pension age include a Guaranteed Minimum Pension (GMP). The GMP replaces rights to part of your state pension which you would have received had you not joined the Local Government Pension Scheme.

Your GMP is sometimes called the 'contracted-out deduction'. It is for membership of the Local Government Pension Scheme between 6 April 1978 and 5 April 1997.

If your pension includes a GMP, your pension increase is paid as follows:

Type of pension	Who pays the yearly increases?
GMP earned up to 5 April 1988	The Department for Work and Pensions (DWP) – with your state pension
GMP earned from 6 April 1988 (this is shown on your payslip as 'GMP2 Increase')	Increases up to 3% are paid by us, with your monthly pension If the increase is over 3%, the excess over 3% is paid by the Department of Work and Pensions with your state pension
Non-GMP pension	All increases are paid by us with your monthly pension

Details of the increase will be provided each year.

National Fraud Initiative

We are required by law to protect the public funds we administer. We participate in a national data match exercise known as the National Fraud Initiative. For this initiative we provide details of our pensioners to Audit Scotland so that they can be compared with information provided by other public bodies. This ensures that no pensions are being paid to pensioners who are deceased or no longer entitled, and that local government pensions are being declared when benefits e.g. housing benefit are applied for. The processing of data for NFI purposes by Audit Scotland is carried out with statutory authority. It does not require the consent of the individuals concerned under the Data Protection Act 1998.

Going back to work

Your pension is payable for your lifetime but, any pension awarded in respect of *Compensatory Added Years* may be reduced or suspended if you go back to work with any employer who participates in the Local Government Pension Scheme. Any pension in respect of *Compensatory Added Years* may also be subject to a permanent reduction when the employment ends. This is a particularly complex area where you should contact our pension's payroll team in writing for advice.

Taking financial advice: your options

We are not regulated to provide financial advice under the Financial Services Act.

We can only provide pensions facts and explanations about the Local Government Pension Scheme (LGPS). We are able to explain what the figures on our various calculations mean, explain the terminology we use, explain what rights and options are provided by the LGPS and outline some general areas for our members to consider when reaching an individual decision that is right for them.

If you need financial advice, we suggest that you approach:

- a government body like the Financial Services Authority.
- a charity offering advice.
- an adviser from your bank.
- a regulated adviser of your choice (your phone books and local directories list these under Financial Advisers).

Before taking financial advice we would suggest that you read up in advance. There is a wide variety of personal financial publications and many websites including impartial ones set up by the Government to deliver financial education on a variety of topics such as pensions.