

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.

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 300 0627	
The National Fraud Initiative	Audrey Boyce	0141 287 7389	audrey.boyce@fs.glasgow.gov.uk

Address:

Strathclyde Pension Fund Office
P.O. Box 27001
Glasgow
G2 9EW

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 that the LGPS, in line with other occupational pension schemes, enjoys.

Any Compensatory Added Years (CAY) lump sum on redundancy or efficiency of service grounds **paid to you by your employer** will be taxable if, when added to Payment in Lieu and/or Statutory Redundancy Payment or any other termination payment, it exceeds £30,000. Only the excess over £30,000 is taxable.

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 inflation 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	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

You must contact our Pensions Payroll team in writing if you are thinking of returning to local government work, as this may have significant implications for you.

Firstly, retirement benefits already paid to you will become subject to “unauthorised payment” tax charges if:

- You are under 55; and
- You retired on redundancy or efficiency of service grounds; and
- You become re employed within 6 months of your retirement with an employer who participates in the LGPS.

Secondly, any pension resulting from additional service granted by your employer may be reduced or suspended if you go back to work with any employer who participates in the LGPS.

Thirdly, any pension resulting from additional service granted by your employer may be extinguished or subject to a permanent reduction when the new employment ends if you go back to work with any employer who participates in the LGPS

You must notify us immediately in writing if you become re-employed within local government or another organisation that participates in the LGPS and are in receipt of a pension from the LGPS.

This is a particularly complex area where you should contact our pension's payroll team in writing for advice.

Complaints and enquiries

If you are not satisfied with our decisions, you should write in the first instance to:

Mr Andrew Knox
Chief Pensions Officer (Operations)
Strathclyde Pension Fund
P.O. Box 27001
GLASGOW
G2 9EW

e-mail: spfo@glasgow.gov.uk.

Any complaint must be made within six months of receiving written notification of your benefits. If a complaint cannot be resolved to your satisfaction we will give you details on how you may take the matter through a two-stage Internal Dispute Resolution Procedure (IDRP).

TPAS

TPAS, the Pensions Advisory Service, is also available to give advice to members who have a problem which they have not been able to resolve. You may contact them at any time for advice. You can contact TPAS as follows:

TPAS, Tel No: 0845 6012923
11 Belgrave Road,
LONDON, SW1V 1RB

e-mail: enquiries@pensionsadvisoryservice.org.uk.

The Pensions Ombudsman

The Pensions Ombudsman can investigate complaints of maladministration as well as disputes about decisions which have been made about your pension rights. However, the Ombudsman cannot begin an investigation unless you have first gone through the two-stage Internal Disputes Resolution Procedure. If you wish the Ombudsman to consider a complaint you should normally contact TPAS first, and, if they cannot sort out your complaint, they will refer you to the Ombudsman who can be contacted as follows;

The Pensions Ombudsman,
11 Belgrave Road,
LONDON, SW1V 1RB

Tel No: 0207 630 2200

e-mail: enquiries@pensions-ombudsman.org.uk.

Taking financial advice

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

We can only provide pensions facts and explanations about the pension schemes we manage: the Local Government Pension Scheme (LGPS), the Police Pension Scheme and the Firefighters Pension Scheme.

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.
- Outline some general areas for our members to consider when reaching an individual decision that is right for them.

We are not able to provide advice on financial decisions. If you need financial advice, we would direct you to the Financial Services Authority (FSA).

They have a very helpful website at:

<http://www.fsa.gov.uk/> or
<http://www.moneyadvice.service.org.uk/>

The FSA also maintain a list of regulated financial advisers and produce a wide variety of personal financial information sheets on topics that include pensions.

The FSA can be contacted as follows:

Web: <http://www.fsa.gov.uk/>
Phone: 0300 500 5000
Post: 25 The North Colonnade, Canary Wharf, London E14 5HS

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