

LGPS 2015 ALMOST HERE

WHAT'S NOT CHANGING

Benefits earned up to 31 March 2015	will still be based on your final pay when you retire and have a normal pension age of 65
Rule of 85 protection	remains in place for those who already qualify
Protection for those nearest retirement	an "underpin" ensures that members who were within 10 years of age 65 on 1 April 2012 will not be any worse off
Retirement at 60	the option to retire from age 60 without your employer's permission remains
Certificates of protection	remain available, with existing certificates continuing
Death in service	lump sum of 3 times pay and partner / dependant pensions are payable
Ill health retirement	remains available after 2 years service
Annual pensions increases	continue based on the Consumer Prices Index

WHAT'S CHANGING

Normal pension age	will be your state pension age (or age 65 if higher) for benefits you build up from 1 April 2015
How your pension is worked out	we will use your actual pay each year rather than your final pay for benefits you build up from 1 April 2015 and ensure each year's pension keeps pace with inflation until you retire
Rate your pension builds up	rises from 1/60th to 1/49th
What you pay	unchanged but if you are part time your contributions will be based on your actual not your full time equivalent pay
50/50	there will be a new short-term option: paying 50% contributions for 50% pension
Pensionable pay	unchanged but if you are part time this can include your pay from extra hours up to the full time hours for your post

The LGPS 2015 website has the latest about the changes and FAQs
www.scotlgps2015.org



HOW IT WORKS

LGPS 2015 IS A CAREER AVERAGE REVALUED EARNINGS (CARE) SCHEME THAT WORKS LIKE THIS

- From 1 April 2015, you will have a Pension Account in LGPS 2015 for each pensionable employment you hold.
- Your Pension Account will hold the pensions you have earned in that employment for each year of pensionable service after 31 March 2015.
- For each year in LGPS 2015, you will earn a pension equal to a 49th of your pay.

- We will add inflation increases to all the pensions in your Pension Account at the end of each year.
- At retirement, your Pension Account will be paid at the same time as any benefits you earned up to 31 March 2015 in that job.

PENSIONABLE PAY

Your pensionable pay is the amount of pay on which you pay contributions. It includes your normal pay, shift allowances and child related leave pay.

For part time members, your pensionable pay will be your actual earnings including any additional hours up to your post's full time hours.

EXAMPLE

To help make the example simple, we have assumed a starting pay of £10,000 with increases of £500 but varied the rate of inflation.

In Year 01, the pay of £10,000 is divided by 49, so a pension of £204.08 is earned. Inflation of 2% is added to that year's pension giving a Pension Account of £208.16 after the first year. This sum is carried forward to the second year.

In Year 02, the pay of £10,500 is divided by 49, so a pension of £214.29 is earned. Inflation of 3% is added to Year 01 and Year 02's pension giving a Pension Account of £435.12 after the second year.

By the end of year 5, there is an annual pension of £1,185.65 in the Pension Account.

YOUR PENSION ACCOUNT

