

## The LGPS – Is it for me?

The Local Government Pension Scheme (LGPS) allows you to save while you are working in order to enjoy a pension when you retire. What's more, the LGPS is provided by your employer who pays part of the cost of providing the excellent range of benefits, so it's an extremely valuable part of your employment package.

To be able to be a member of the LGPS you need to be under age 75.

As a member, the LGPS will provide you with a secure future retirement income, independent of share prices and stock market fluctuations. The benefits of joining the LGPS also include life cover and family benefits in the event of your death. There's cover in the event of your early retirement on the grounds of permanent ill-health, redundancy or business efficiency and at retirement you have the option to exchange part of your pension for some tax-free cash on retirement.

You also have valuable life cover and family benefits from the moment you become a member of the LGPS. There's a lump sum of 3 years pay if you die in service. There's cover for your family, with a pension for your husband, wife, registered civil partner or nominated co-habiting partner and for eligible children if you die in service or die after leaving with a pension entitlement.

If these things are of value to you, it's worth considering paying into the LGPS. As a member of the LGPS you have the security of these benefits at a relatively low cost.

### The Cost of membership

How much it costs you depends on how much you are paid. Here are the pay bands and rates that apply from April 2016:

<b>Contribution table 2016/17</b>	
<b>If your actual pensionable pay is:</b>	<b>You pay a contribution rate of:</b>
Up to £13,600	5.5%
£13,601 to £21,200	5.8%
£21,201 to £34,400	6.5%
£34,401 to £43,500	6.8%
£43,501 to £60,700	8.5%
£60,701 to £86,000	9.9%
£86,001 to £101,200	10.5%
£101,201 to £151,800	11.4%
£151,801 or more	12.5%

The cost of being a member of the LGPS is less than you might think. If you pay tax you get tax relief on your contributions.

If you still think the cost of joining is too high you can, once you are a member of the scheme, elect in writing, at any time, to move to the 50/50 section if you wish.

The 50/50 section gives you the ability to pay half your normal contributions. This flexibility may be useful during times of financial hardship as it allows you to remain in the scheme, building up valuable pension benefits, as an alternative to opting out of the scheme.

Your benefits will build up half your normal pension during the time you are in that section. Full details of the affect on your benefits will be provided at the time you elect to join the 50/50 section.

### **The benefits at a glance**

- A secure pension
- The option to exchange part of my pension for a tax free lump sum at retirement
- A death in service lump sum of three years pay
- Voluntary retirement from age 55
- A tiered ill health pension from any age
- Redundancy cover from age 55
- Protection for my family including dependants pensions
- Contribution Flexibility

Full details of all these benefits and how they are calculated can be found [here](#).

### **No matter how young you are - it's never too early to plan for your retirement.**

- You may think that retirement is a long way off and so isn't something to worry about in the short term. However, it's never too early to plan for your retirement - contributions you pay now go towards your retirement benefits for your future. If you put off making a decision, it may be difficult to catch up later.
- The LGPS is a good form of long term saving as your contributions are deducted from your gross pay before the deduction of tax.

### **And finally**

- Remember, your employer pays into the LGPS too – so if you decide not to be a member you are, in effect, voluntarily giving up part of your pay package.
- You are fortunate enough to have access to the LGPS, a good quality pension scheme that will provide you with a guaranteed level of income when you retire that's not linked in any way to the stock market. Surely it is worthwhile considering being a member of the LGPS.

### **Contact Us**

If you want to know more about the Local Government Pension Scheme and how to join, you can contact us at:

**East Riding Pension Fund**  
**PO Box 118**  
**Council Offices**  
**Church Street**  
**Goole**  
**East Riding of Yorkshire**  
**DN14 5BG**

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