

---

# Pension Scheme Policy

---

South Oxfordshire and Vale of White Horse District Councils





## Change Record

Change Record	
Policy Title	Pension Scheme Policy
Version Number	2
Owner(s)	Strategic HR Team
Author(s)	Strategic HR Team
Change details	Updated to include latest guidance and information
Approved by	Strategic HR Team, UNISON & SMT
Approved date	TBC
Effective date	TBC
Renewal date	TBC



## Table of Contents

Change Record .....	1
1 Introduction .....	4
1.1 Purpose .....	4
1.2 Scope .....	4
1.3 Contractual status .....	4
1.4 Relevant legislation .....	4
For further information regarding this pension policy, you may wish to refer to the following regulatory bodies: .....	4
1.5 Alternative formats .....	4
2 Policy – Introduction to the scheme .....	5
2.1 Introduction to the scheme .....	5
2.2 This policy covers the following .....	5
2.3 Eligibility to join the scheme and opting-out .....	6
2.4 Transferring from previous pension funds .....	7
2.5 Contribution rates and how they are calculated .....	7
2.6 Tax relief .....	9
2.7 How your pension is worked out .....	9
2.8 When you can start drawing your pension .....	10
2.9 Redundancy and efficiency retirement .....	10
2.10 Ill health retirement .....	11
2.11 Flexible retirement .....	12
2.12 Contributions while on child related leave .....	12
2.13 Contributions while on unpaid leave or other absences .....	13
2.14 Discretionary payments .....	13
2.15 Life cover .....	14
2.16 Rules for benefits prior to April 2014 .....	14



2.17 Additional payments to your pension fund (ARCs and AVCs)..... 15

2.18 Annual Pension Benefit Statements ..... 15

APPENDIX 1 – EMPLOYEE CONTRIBUTION RATES 2022-23..... 17



## 1 Introduction

---

### 1.1 Purpose

Our Pension Scheme Policy outlines the councils' approach to the provision of a pension scheme for employees of the council.

### 1.2 Scope

This policy applies to all permanent and temporary employees of the councils, excluding contractors/agency workers, who are the employees of third parties.

The councils reserve the right to revise, withdraw or replace policies at any time and to introduce new policies from time to time to reflect the changing needs of the organisations.

This policy document supersedes any previously existing or alternative policies, agreements or arrangements relating to the pension scheme at the councils.

### 1.3 Contractual status

This is a contractual policy. The councils are entitled to introduce minor and non-fundamental changes to this policy by notifying you of these changes in writing. The council will consult on any major changes to the policy.

### 1.4 Relevant legislation

For further information regarding this pension policy, you may wish to refer to the following regulatory bodies:

- The pension services team at Oxfordshire County Council – telephone: 03300 241 359
- [Oxfordshire County Council's website](#)
- [National LGPS Website](#)
- [Pru](#) – for information on Additional Voluntary Contributions (AVCs)
- [The Government website](#) for information on the tax implications of pension schemes

### 1.5 Alternative formats

Please do not hesitate to contact a member of the Strategic HR Team if you would like this policy in an alternative format. Email: [hadminandpayroll@southandvale.gov.uk](mailto:hadminandpayroll@southandvale.gov.uk).



## 2 Policy – Introduction to the scheme

---

### 2.1 Introduction to the scheme

The councils offer the local government pension scheme (LGPS) to all employees. This is a contributory scheme which means that you as an individual will contribute some of your monthly salary towards your pension fund and the council as your employer also makes a contribution. The combined contributions make this a particularly generous scheme and an important benefit for you as an employee.

Membership of the scheme is voluntary, although you will generally be deemed a member on joining the councils and are encouraged to remain in the scheme as this will help you have a sufficient income once you have retired from work. The scheme also includes death-in-service cover which enables you to nominate someone (or more than one person) to receive a lump sum in the unlikely event of your death while you are employed by the council.

The pension scheme is administered on the councils' behalf by Oxfordshire County Council (OCC). This policy provides a framework to the scheme, although for further information, you should read the information published by OCC's pension services on their [website](#).

You will probably be reading this policy as a current member of the pension scheme, although it is also intended to provide information if you are thinking of joining the scheme or if you were formerly paying into the scheme (possibly a former employee who no longer works for a council). The information provided generally applies to the current scheme although there have been changes to the regulations (most significantly in April 2014 and April 2008) which may mean that there are variations to the scheme rules between current and former members. These previous regulations are noted where applicable.

### 2.2 Content of this policy

This policy covers the following:

- Eligibility to join the scheme and opting out
- Transferring from previous pension funds
- Contribution rates and how they are calculated
- Tax relief
- How your pension is worked out
- When you can start drawing your pension
- Redundancy and efficiency retirement
- Ill-health retirement
- Flexible retirement
- Contributions while on child related leave



- Contributions while on unpaid leave or other absences
- Life cover
- Death-in-service benefit
- Rules for benefits prior to April 2014
- Additional payments to your pension fund (ARCs and AVCs)

### 2.3 Eligibility to join the scheme and opting out

You may join the LGPS if you are aged between 16 and 75 and have a contract directly with the councils (i.e. not including people working at the councils on a self-employed basis or through an agency). If you have a permanent contract or a temporary contract of at least three months, you will be brought into the LGPS automatically from your first day of employment. This is known as auto-enrolment and will also apply if you work for the councils regularly on a casual basis and your income averages more than £833 per month. The Strategic HR team will advise you if you do become eligible for auto-enrolment.

If you have a contract of less than three months or you are a casual worker with income below the threshold you may still join the pension scheme but will not be auto-enrolled. It is possible that you will subsequently be auto-enrolled, for example by having a contract extension which takes you beyond three months' employment or if you are a casual worker who begins to earn above the threshold. If you have a contract of less than three months which is then extended beyond this period and are consequently auto-enrolled you will have the option of back-paying your pension contributions for the previous three months, with the councils also adding the employer contributions. You are not able to back-pay pension contributions except in this circumstance. If you voluntarily join the scheme having initially opted-out or become auto-enrolled as a casual worker, you will not be able to back-date contributions.

If you are auto-enrolled into the scheme and do not wish to remain a member you may complete an opt-out form to leave. This form can be found on the OCC website and needs to be returned to the Strategic HR team (at South Oxfordshire and Vale of White Horse). You are not permitted to complete and return an opt-out form until after you have commenced employment.

If you do complete an opt-out form this will be valid until 1 February 2023, at which point you would need to complete another form if you wish to remain out of the scheme. The auto enrolment process is undertaken on a three-year cycle. The Strategic HR team will advise you if this is the case. Each subsequent opt-out form you complete will have a validity of three years. If you have opted out, you can change your mind and opt-in at any point in your employment – you do not have to wait until the end of the three-year period. Please note, that you will not be able to back-date contributions from the date you opt-in.



If you opt-out of the pension scheme you may or may not have your first month's pension contribution taken from your pay. This will depend on when the Strategic HR team receives your opt-out form, taking into account the requirement to finalise payroll details by a particular deadline each month. If you have missed the deadline, your contribution will be refunded the following month.

To obtain a full refund in your monthly pay of any LGPS contributions taken in your monthly salary, you will need to complete an opt-out form within three months of commencing your employment. If you opt-out from three months onwards, but before two years of membership, you may claim a refund through the pension fund and would need to contact OCC to arrange this, subject to certain conditions. For example, you may not be able to obtain a refund if you have previously had a local government pension. If you opt-out after two years, you will not be able to claim a monetary refund, but your pension membership will be held in the scheme as a deferred benefit i.e. it will be frozen and will be paid to you in the form of a pension when you retire.

Auto-enrolment was implemented at South Oxfordshire and Vale of White Horse on 1 February 2014. Prior to this date employees were required to opt-into the scheme rather than opt-out.

## 2.4 Transferring from previous pension funds

You have the option of transferring any previous private pension fund into the LGPS scheme. The pensions team at OCC will be able to advise you of the transfer value of your previous pension. You have one year from when you first join the South Oxfordshire and Vale of White Horse scheme to make this transfer. You will not be able to transfer funds after this period.

If you have re-joined local government, any previous LGPS pension contributions will usually automatically transfer into your new scheme, although you have a year to notify the pensions' team at OCC if you wish to keep the two schemes separate.

## 2.5 Contribution rates and how they are calculated

How much you contribute to your pension fund will vary according to your salary. The pension contribution rates for employees are shown in Appendix 1 of this policy and also available to view on Jarvis. However, you should remember that, as your employer, the councils will also be paying into your fund and will be contributing a higher percentage than you, making the pension scheme a particularly valuable benefit. The councils' contribution is currently set for three years until 31 March 2023 and is currently over 16 per cent of your salary.

The salary that determines your contribution rate is your basic annual pay (your actual pay if you are part-time, not your full-time equivalent salary), plus supplementary payments such as overtime, standby payments, first aid payments and honorariums. Some other benefits are also classed as pensionable, for example the amount you contribute in a salary sacrifice scheme towards child-care





vouchers or a bike loan will be a pensionable figure. Your contribution rate could therefore vary from year to year depending on your salary and supplementary payments.

There are a number of payments that are not pensionable. These include expenses, payment for loss of holidays (usually if you are leaving and have not used all your pro-rated annual leave), any payment in lieu of notice, any salary sacrifice schemes relating to cars or a redundancy payment.

Your contribution rate will be reviewed automatically via the HR/Payroll system on a monthly basis based on your monthly earnings to ensure that you are contributing the correct amount.

If your basic annual salary increases during the year, because you move to a higher grade or higher incremental spinal column point within your grade, this will increase your pension contribution rate if it takes you into a higher pension band in the current year.

If you do not think that you are in the correct pension band, please contact the Strategic HR team. If the Strategic HR team are unable to resolve your query you may appeal in writing to the Head of Corporate Services (an email is acceptable).

If you have more than one job at the councils at the same time, you will have separate pension records for each job. This is regardless of whether you are employed by South Oxfordshire for one job and Vale of White Horse for the other or whether both jobs are with the same employer. The contribution rate for each job will be assessed separately depending on how much you earn, therefore you could be paying a higher contribution rate in one job than the other. If one job finishes, you should talk to the Pensions team at OCC to get information about whether you can merge both records into one or will need to keep them separate.

Instead of the standard contribution rates, you may also elect to pay half of your contribution rate. If you take up this 50/50 option, you will build up only half the standard pension value during this period as your contributions levels will be halved, however the councils' contributions will remain at the full contribution level, therefore you should consider your long term interests carefully before opting for it. This is viewed as a temporary arrangement and you will be moved back to full payment after a maximum period of three years in line with the councils' auto-enrolment dates as outlined in 2.3 above. There is not a limit on the amount of times you can move between full contributions and 50/50 contributions. If you take up the 50/50 option, you will still retain the full death-in-service benefits.

Please note that the calculation of contribution rates was revised from 1 April 2014. Prior to this date, additional payments such as overtime and standby were not included as pensionable pay, this was based purely on your basic annual pay. The earnings threshold for each contribution band also changed at this time, changing from seven to nine bands. Therefore, please be aware that historical calculations will differ from the current methods. The 50/50 option was also introduced from 1 April 2014 and was not available before this date.



## 2.6 Tax relief

As a member of the LGPS, your contributions will attract tax relief at the time they are deducted from your pay. This means that your salary will have your pension contributions deducted before your tax (but not national insurance) is deducted. You only pay tax on what is left, so whether you pay tax at a basic or higher rate you get the full relief straight away.

There is an annual allowance and a lifetime allowance which have tax implications. You may pay as much as you wish into your pension but if your annual contribution exceeds £40,000 you will not qualify for tax relief on the amount you contribute above this figure. Similarly, if your lifetime contributions exceed £1,073,100 million you will not receive tax relief on any amount you pay in above this. Normally, this will only affect you if you are at a senior level and have paid into the scheme for most of your working years.

## 2.7 How your pension is worked out

The LGPS is a defined benefits scheme. This means that the amount you pay in is guaranteed to produce a particular pension pot, unlike a money purchase scheme normally provided by private sector employers, where the final amount in your pension pot is subject to how the investments made by the pension fund performed.

Under the current LGPS scheme from April 2014, you will build up your pension fund each year at the rate of  $1/49^{\text{th}}$  of the amount of pensionable pay you received in that year (or half this rate if you elected to take up the 50/50 option). This figure is subsequently revalued at the end of each year to take into account changes to the cost of living. For example, if your pensionable earnings are £24,500, you will accrue a benefit of £500 per year ( $£24,500 / 49$ ). This could potentially be increased to £515 at the end of the year if it was assumed that the cost of living had increased by three per cent. If you retire at your normal retirement age, you would therefore receive £515 per annum as a pension payment (plus future cost of living increases) x years membership. This figure would then be added to after each year of employment. If you leave council employment, your pension account will be frozen, but will still be subject to cost of living increases. This type of scheme is called a career average scheme.

On your retirement, as an alternative to taking the full amount in your pension fund as a pension, you may exchange part of it for a tax-free lump sum when you first take your pension benefits.

If you were a member of the pension scheme before 1 April 2014, different rules applied for working out your pension.

For any pension scheme membership you have from 1 April 2008 to 31 March 2014 inclusive, you will receive a pension of  $1/60^{\text{th}}$  of your final pay per year of service and you have the option of exchanging some of your pension for a tax free lump sum. Your *final* salary may be the highest



salary of your last three years of employment. If you had an enforced drop in salary in the final ten years of your employment (for example a drop in grade), you can choose your *final* pay to be the average pensionable pay for any three consecutive years ending 31 March in the last 13 years.

For any pension scheme membership you have prior to 1 April 2008, you will receive a pension of 1/80<sup>th</sup> of your final pay per year of service plus an automatic tax free lump sum of three times your pension.

The [OCC website](#) contains more details of how your pension is calculated and the options available to you.

## 2.8 When you can start drawing your pension

Your normal retirement age in the LGPS, is the same as your state pension age (SPA) subject to a minimum age of 66. You may choose to retire and start drawing your pension anytime between the ages of 55 and 75, usually providing you have been in the scheme for two years. Your normal retirement age is simply the date you can retire and take the pension you have built up in full.

If you choose to take your pension before your normal retirement age it will be reduced as it is being paid earlier. The [LGPS website](#) includes information showing how much any reduction would be. The councils will not make up this reduction unless this is due to an exceptional circumstance listed below such as ill-health. If you request to take your pension early due to compassionate grounds this will be considered by the Head of Paid Services (Chief Executive) in conjunction with members of SMT, but will not normally be agreed unless it is on the basis of ill-health retirement.

If you choose to begin drawing your pension after your normal retirement age, it will be increased as it is being paid later. You should give the pension services team at OCC three months' notice if you wish to draw your pension at a time which is not your normal retirement age.

You should ensure you have looked at both the immediate and longer-term financial implications before you make a final decision of when to draw your pension and we strongly advise you to take independent financial advice.

## 2.9 Redundancy and efficiency retirement

If you have at least two years' membership of the LGPS and leave the council due to redundancy or to improve the efficiency of the service and are aged 55 and above but below your normal retirement age, you will receive your pension benefits immediately and without reduction for retirement before your normal retirement age.

If you leave to improve the efficiency of the service, this means that the councils will agree to you receiving your pension even if it is not a redundancy situation. This could be because there would be a cost saving for the councils if you leave or potentially depart due to ill-health that doesn't fall



into the category of ill-health retirement (see below). The receipt of pension payments due to redundancy or efficiency excludes additional pension bought through Additional Voluntary Contributions (AVCs). Any decision to confirm redundancy or a departure due to efficiency will be taken by the Head of Paid Services (Chief Executive).

If you were to leave the council due to redundancy you will receive a redundancy payment at a rate agreed through a collective agreement with the union recognised by the councils, UNISON. This is an enhancement of statutory redundancy pay and applies whether you were to leave due to compulsory or voluntary redundancy. You will receive redundancy pay regardless of whether you are a member of the pension scheme or not.

## 2.10 Ill-health retirement

If you are unable to continue working and therefore need to leave your employment due to ongoing ill-health, you may be able to take ill-health retirement subject to meeting a number of requirements. This means you would be able to receive your pension immediately without a reduction to it.

You may request ill-health retirement or the councils may suggest it as an option if you appear unable to work in the longer term. To be awarded ill-health retirement, you need to have at least two years' membership in the LGPS. You would need to be assessed by an independent registered medical practitioner (IRMP) who is registered with the General Medical Council and who is a recognised occupational health practitioner. This will normally be arranged through the councils' occupational health provider. The IRMP will produce a report for you and for the councils in which they will offer an opinion on whether you meet the ill-health retirement criteria set out in the regulations. This report will be forwarded to the South and Vale Strategic HR team who will forward it with any other relevant information to the councils' Head of Paid Service/Joint Audit & Governance Committee who will take the final decision on whether ill-health retirement will be awarded and which level, or tier, of benefit will apply to you.

There are three tiers of ill-health retirement which may be awarded. Tier one is awarded if you are unlikely to be capable of employment before your normal pensionable age and is based on the pension built up at the date of leaving plus pension you would have built up until your normal pension age. Tier two is awarded if you are unlikely to be able to work within 3 years of leaving but able to undertake some employment before your normal pension age and the pension would be based on pension built up to date of leaving plus 25% of the pension you would have built up to normal pension age. Tier three works on the basis that you may be able to return to employment in the longer term and therefore allows for a review of your health and your receipt of your pension after 18 months. Details are available on the OCC website.

Ill-health early retirement benefits cannot be awarded if you have already resigned from work.



If you are a former employee who wishes to take ill-health retirement in relation to your deferred benefit, the retirement options will be based on the date you stopped contributing to the pension scheme. You may find that the options may be different as the rules may have changed since the date you finished paying into the scheme. Applications for former employees can be considered on a case-by-case basis by the Head of Paid Service (Chief Executive).

### 2.11 Flexible retirement

Please note there is no entitlement to flexible retirement. However, if you are aged between 55 and 75, you may request flexible retirement under the LGPS regulations. This involves drawing your pension benefits while continuing to work, through having reduced your hours of work and / or accepting a lower paid job within the councils. With flexible retirement, your benefits may be reduced (because you are taking your pension before your normal retirement age) or unreduced because you have protection of your pension due to pre 2014 regulations.

If you take flexible retirement with reduced benefits, your manager will need to agree any change in hours. The LGPS website gives details of the reduction to your benefits that would apply if you took flexible retirement with reduced benefits.

If you put in a flexible retirement request with unreduced benefits it will need to be agreed by SMT or by a member of SMT on its behalf. The decision is discretionary and any flexible retirement arrangements will need to include the following:

- your line manager and head of service will need to confirm that the change in hours and / or grade can be accommodated
- the arrangement is expected to continue for a minimum of a year and a maximum period of 2 years (subject to review again)
- your basic annual pay will have to reduce by at least 20 per cent.
- The final decision is considered by the People & Culture Manager, Head of Corporate Services, Head of Finance and Head of Paid Services (Chief Executive)

Even if these factors are met, the Head of Paid Service (Chief Executive) may still decline your request due to cost to the councils or other factors. Each case will be considered on its own merits and the employee will be advised of the outcome. The councils reserve the right to refuse applications for flexible retirement.

### 2.12 Contributions while on child-related leave

If you are on maternity leave or are taking some other form of child-related leave, such as paternity leave or adoption leave, your pay will be pensionable. If you are on maternity leave, you will pay contributions (and accrue pension) on the specific amount of pay that you receive while you are on leave, not your normal salary while you are at work. However, the contribution rate for both you and



the councils will be based on your *assumed pensionable pay*. In other words, the percentage you contribute will be based on your salary at work (based on an average of your last three month's salary before your child related leave began if your salary is variable). For example, if your contribution rate is 6.5 per cent when you are working, you will also contribute 6.5 per cent of your maternity pay.

For any period of unpaid maternity or other child-related leave, you will be able to buy back your lost pension. The amount you pay will be in-line with guidance from the Government Actuary's Department (GAD), a body that provides advice to the government on the public sector. Further information on the cost to you can be found on the [LGPS website](#). If you confirm you will buy back your pension within 30 days of returning to work, the councils will also contribute, with the split being you paying one third and the councils paying two thirds of the cost. This is called a Shared Cost Additional Pension Contribution. You may still buy back your pension after 30 days, but you would then need to pay the whole cost without the council contributing. This is termed an Additional Pension Contribution (APC).

### 2.13 Contributions while on unpaid leave or other absences

If you take unpaid leave such as a sabbatical you will have the option to buy back lost pension as with maternity leave. You will need to pay an Additional Pension Contribution (APC) which will be calculated in accordance with guidance from GAD. Further information on the cost to you can be found on the [LGPS website](#). If you confirm you will buy back your pension within 30 days of returning to work, the councils will also contribute, with the split being you paying one third and the councils paying two thirds of the cost. You may still buy back your pension after 30 days, but you would then need to pay the whole cost. This is referred to as a Shared Cost Additional Pension Contribution (SCAPC).

If your absence is due to strike action, the councils will not contribute to your pension cost, although you may still buy back your lost pension.

If you are on reserve forces leave, any actual pay paid to you by the councils is not pensionable although the councils and the Ministry of Defence are likely to make separate contributions to your pension fund.

### 2.14 Discretionary payments

The councils are required to consider how to exercise their discretion and in respect of some (but not all) of these discretionary provisions and to have a written policy on how they will apply their discretion. For example, the council will state whether they will:

- Allow flexible retirement
- Award or pay towards the cost of additional pension



- Waive any reduction to your pension if it is paid early (except for ill health, redundancy and business efficiency retirements where the council is obliged to meet the cost of paying your pension)
- Grant early payment of deferred benefits and whether the council will waive any reductions

In some cases, councils can increase an employee's pension fund if they are an active member of the pension scheme by awarding additional years or making an additional payment into their fund. South Oxfordshire and Vale of White Horse will not add to your membership or pension fund unless required to by the LGPS regulations, however the circumstances in which the council will exercise their discretion is contained within the Discretionary Pension Policy.

### 2.15 Life cover

If you are a pension scheme member you are also eligible for life cover. If you were to die while you are an employee of the councils and are aged under 75 at the time of death, your nominated dependent will receive a lump sum of three times your salary, tax free. Your spouse or civil partner, or subject to certain conditions your co-habiting partner, will also receive a survivor's pension. For more details, please see the OCC website.

### 2.16 Rules for benefits prior to April 2014

There were various changes to the LGPS scheme from April 2014. If you built up benefits prior to this date, they will be calculated using the regulations in place at the point you contributed to the scheme prior to April 2014. Some of these differences are listed below:

- Your accrued pension will be based on your final salary (at the point you left the councils or at 31 March 2014 if you are still employed) rather than a career-average salary.
- Certificates of protection giving you the option to select your final salary from your final three years employment (or across ten years if you had an enforced salary reduction) remain in place.
- Your normal pension age is likely to be 66 rather than the state retirement age.
- The 'rule of 85' will still apply if you were a member of the LGPS on 30 September 2006. This applies if your age in years and your length of LGPS membership add up to 85 or more (for example, if you are 55 with 30 years membership). The rule protects some or all of your benefits and remains applicable if you voluntarily draw your pension between age 60 and 65. The councils will not pay any costs if you are voluntarily ending employment using the 'rule of 85' if you are aged 55 – 59.
- Your pension will be based on 1/60<sup>th</sup> of your final salary rather than 1/49<sup>th</sup> of your career average salary.



- Additional Pension Contribution (APC) and Additional Voluntary Contribution (AVC) contracts in force will continue on the terms of the contract when they were originally taken out (see the following information on APCs and AVCs).
- If you leave the LGPS and were to later rejoin, certain regulations from your earlier membership will remain in place. These will vary depending on whether the break is more or fewer than five years.

For more information on these and other differences, please see the LGPS and OCC websites or call the OCC pensions team (0330 0241 359).

### 2.17 Additional payments to your pension fund (ARCs and AVCs)

You may make Additional Regular Contributions (ARCs) to your pension fund. These will be an additional one-off payment or ongoing payments to your fund to purchase additional pension. You may make a one-off contribution or regular payments (normally paid monthly). The councils will not contribute to the cost of your ARCs.

You may also make Additional Voluntary Contributions (AVCs). These are not paid into your LGPS fund, but are instead made to an additional pension plan to run alongside the LGPS. The councils' AVC provider is Prudential and you can contact them directly or see their [website](#) for more information. As with ARCs, the councils will not contribute to the cost of your AVCs

### 2.18 Annual Pension Benefit Statements

You will receive an annual personal benefit statement each year which provides a summary of the estimated value of your pension at 31<sup>st</sup> March which is the end of the scheme year. From this information you are required to check Pension Services hold the correct information about you and your employment at 31 March each year, namely employer, payroll number and section of scheme you are in at 31<sup>st</sup> March (LGPS main section or 50/50 section). The next paragraph on the benefit statement provides details of your benefits as if at 31 March, based on benefits built up to 31 March 2014 and any benefits building up since 1 April 2014.

You will receive a reduced pension if you leave and choose to take your benefits after age 55 but before your normal pension age. Please refer to for details.

<https://www.lgpsmember.org/more/reductions.php.php>

Depending on how long you have been in the scheme, there may be several sets of figures contained within the section "Summary of total benefits". The standard benefit option shows current value of current pension for life as well as any one-off lump sum. Lump sum features automatically if you have membership before 1 April 2008. Also shown is the maximum lump sum option which shows you the option you may have at retirement to convert a standard benefit option into a smaller





pension for life but with a larger one-off lump sum.

The maximum lump sum option, subject to HMRC limits, is worked out by increasing your lump sum by £12 for each £1 you give up from your annual pension. The maximum lump sum you receive cannot be more than a quarter of the overall value of all your pension benefits, including any in-house additional voluntary contributions (AVC).

For the death in service lump sum, you can nominate whoever you wish to receive this. Please note, your nomination is an expression of wish – the Pension Fund will take your wishes into account, but payment is made at the Fund's discretion.

For the career average revalued earnings pension benefits as at 31 March (payable from normal pension date), these figures denote estimated values at the end of the scheme year if you could leave and take unreduced benefits at that date.



## APPENDIX 1 – EMPLOYEE CONTRIBUTION RATES 2022-23

The rates you will contribute to your pension as an employee vary according to your salary and are shown in the table below:

Band	Annual pensionable pay range per employment	Contribution rate for that employment	50/50 section contribution rates for that employment
1	Up to £15,000	5.5%	2.75%
2	£15,001 to £23,600	5.8%	2.90%
3	£23,601 to £38,300	6.5%	3.25%
4	£38,301 to £48,500	6.8%	3.40%
5	£48,501 to £67,900	8.5%	4.25%
6	£67,901 to £96,200	9.9%	4.95%
7	£96,201 to £113,400	10.5%	5.25%
8	£113,401 to £170,100	11.4%	5.7%
9	£170,001 or more	12.5%	6.25%

Your contribution rate depends on how much you are paid. For example, if you work full-time at a pay rate of £16,000, you would pay a contribution of 5.8%. Your contribution band is based on your actual annual pensionable pay, including overtime and other pensionable payments.

If you work part-time, your contribution rate is based on your actual pay for your job and you pay contributions on the pay you actually earn, including any additional hours worked and paid. For example, if you work half-time (18.5 hours per week compared with a full-time working week of 37 hours) and your actual pay is £10,000 a year (with a full-time salary of £20,000), you will pay a contribution rate of 5.5%.