

# Did you know that the Local Government Pension Scheme (LGPS) is changing from 1 April 2014?

## “How much will it cost me?”

The scheme will not cost any more for the majority of members and, for part-time members, it could cost less, as the contribution rate is assessed on part-time pay, rather than full-time equivalent. Higher paid members will see contribution rate increases from April 2014. The Local Government Association have created an interactive contribution calculator which is available from [lgps2014.org](http://lgps2014.org)



## “I’ve heard something about going 50/50. What does that mean?”

The 50/50 section is a new option and you’ll be able to move into this section if you wish. If you do so, you’ll pay half contributions – but you will only be building up half the normal pension. Regardless of what section you are in, you will still get full live assurance cover.

The 50/50 section is designed to be a short-term option, for when times are financially tough, and your employer is required to re-enroll you in the main section every three years. However, there is no limit to the amount of times you can elect in writing to your employer to join the 50/50 section.



## “I’ve heard that a career average scheme isn’t as good as a final salary scheme?”

“For some members, the benefits built up from April 2014 in the career average scheme will be better than those they would have built up if they remained in the final salary scheme.”

A career average scheme is often a better fit for those members whose opportunity for promotion is limited, or who have a short period of service in the scheme. Each individual will have their own circumstances, but it is incorrect to state that a career average scheme is not as good as a final salary scheme.



## Won't people have to work longer before drawing their pension?"

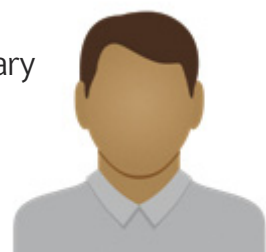
"The normal pension age is linked to a member's state pension age for benefits built up from 1 April 2014 (but with a minimum of age 65). Normal pension age is simply the age that members can take their pension without it being reduced or increased.



In the new scheme, all members will have the ability to retire between the ages of 55 and 75."

## "What about my years in the scheme before April 2014?"

"All pension built up before 1 April 2014 is fully protected. This means that all membership up to 31 March 2014 will still be worked out using your final salary when you leave.



Only the membership built up from 1 April 2014 will be calculated under the career average scheme rules."

## If you're worried you can't afford it – think again!

Pay bands	Contribution rates
Up to £13,500	5.5%
£13,501 - £21,000	5.8%
£21,001 - £34,000	6.5%
£34,001 - £43,000	6.8%
£43,001 - £60,000	8.5%
£60,001 - £85,000	9.9%
£85,001 - £100,000	10.5%
£100,001 - £150,000	11.4%
Over £150,000	12.5%

If you pay tax, you get **tax relief on your contributions**. And the new scheme gives you more **flexibility** – it has a new **50/50** option.

For times when things are difficult, you can choose to pay half contributions and, during that time, add half pension into your account. But you still keep the full value of your life and ill-health cover.

The Local Government Association have also released an interactive contribution calculator which is available from [lgps2014.org](http://lgps2014.org).

For more information about LGPS 2014, please visit [wmpfonline.com](http://wmpfonline.com)