

At a glance

Changes apply from April 2014

All pensions in payment or built up before April 2014 will be protected. If you are currently in receipt of a pension or have left with a deferred pension, these changes do not affect you. If you are currently a contributing Scheme member your pre-April 2014 pension will still be based on final salary at retirement and the current normal pension age.

Main provisions of LGPS 2014

The table below shows the main provisions of the proposed new Local Government Pension Scheme (LGPS 2014) for membership from 1 April 2014 compared with those of the current scheme (LGPS 2008).

If any LEA or academy wishes to explore the impact of full pooling on contribution rates, they will need to fund the actuarial costs involved in undertaking the work.

	LGPS 2014	LGPS 2008				
Basis of pension	Career average revalued earnings (CARE)	Final salary (FS)				
Accrual rate	1/49th	1/60th				
Revaluation rate	Consumer prices index (CPI)	Based on final salary				
Pensionable pay	Pay including non-contractual overtime and additional hours for part-time staff	Pay excluding non-contractual overtime and non-pensionable additional hours				
Employee contribution rate – average 6.5% in both LGPS 2008 and LGPS 2014*	From	To	Gross rate	From	To	Gross rate
	Up to £13,500		5.5%	Up to £13,500		5.5%
	£13,501	£21,000	5.8%	£13,501	£15,800	5.8%
	£21,001	£34,000	6.5%	£15,801	£20,400	5.9%
	£34,001	£43,000	6.8%	£20,401	£34,000	6.5%
	£43,001	£60,000	8.5%	£34,001	£45,500	6.8%
	£60,001	£85,000	9.9%	£45,501	£85,300	7.2%
	£85,001	£100,000	10.5%	More than £85,300		7.5%
	£100,001	£150,000	11.4%			
	More than £150,000	12.5%				
	LGPS 2014 - contributions v 5.0 - 31 May 2012					
Contribution flexibility	Yes, members can pay 50% contributions for 50% of the pension benefit	No				
Normal pension age	Equal to the individual member's state pension age (minimum 65)	65				
Lump-sum trade off	Trade £1 of pension for £12 lump-sum	Trade £1 of pension for £12 lump-sum				
Death-in-service lump-sum	3 x pensionable pay	3 x pensionable pay				
Death-in-service survivor benefits	1/160th accrual based on Tier 1 ill-health pension enhancement	1/160th accrual based on Tier 1 ill-health pension enhancement				
Ill-health provision	Tier 1 immediate payment with service enhanced to normal pension age	Tier 1 immediate payment with service enhanced to normal pension age (65)				
	Tier 2 immediate payment of pension with 25% service enhancement to normal pension age	Tier 2 immediate payment of pension with 25% service enhancement to normal pension age (65)				
	Tier 3 temporary payment of pension for up to three years	Tier 3 temporary payment of pension for up to three years				
Indexation of pension in payment	CPI	CPI (RPI for pre-2011 increases)				
Vesting period	2 years	3 months				