



# nest egg

A newsletter for members of the Local Government Pension Scheme participating in the Staffordshire Pension Fund



As this issue is being sent out with the Annual Benefit Statements we have dedicated pages 2 and 3 to answering some of the questions that regularly crop up once members have received their statements.

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Pensions Manager



## Early Retirement age increases to 55 – April 2010

Don't forget that the age at which early retirement can take place for redundancy, efficiency, flexible retirement or early retirement with employer consent will increase to age 55 for all scheme members with effect from April 2010.

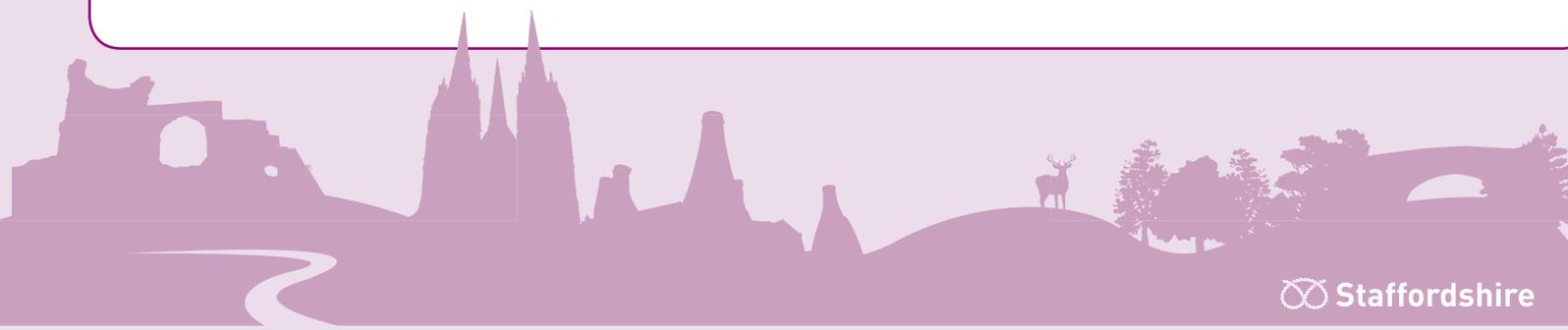
Before April 2010 some scheme members are still entitled to immediate payment of benefits on taking early retirement, provided that they:

- have been scheme members since 31 March 2008, and
- are age 50 or more as at 30 March 2010, and
- leave on or before 30 March 2010.

**Anyone leaving on early retirement from 31 March 2010 onwards will have to be age 55 or over to be entitled to immediate payment of benefits.**

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## Frequently asked questions (with answers)

**Q1 I am a part-time employee and have worked for my employer for 6 years. Why is my membership shown as only 3 years?**

**A1** If you work part-time, your membership builds up according to the number of contractual hours you work each week as a proportion of what you would work if a whole-time employee. For example, if you have worked half-time since you commenced your employment 6 calendar years ago, your total membership credit is 50% of 6 years, i.e. 3 years.

**Q2 I am a term-time employee. How does this affect my membership?**

**A2** If you work term-time, your membership is reduced in accordance with the number of paid term-time weeks for which you are employed. For example, if a person works half-time – 18 1/2 hours a week out of a standard 37 hours – for 45.22 paid weeks a year, their percentage of whole-time membership would be calculated as follows:

**Firstly**, reduce contractual hours by paid term-time weeks:  $18.50 \times 45.22/52.14 = 16.04$

**Secondly**, work out percentage of whole-time membership:  $16.04/37 \times 100 = 43.35\%$

**Q3 I joined whole-time local government employment straight from school but my total membership does not seem to reflect this. Why?**

**A3** Were you under 18 when you took up your job? Until 1 April 1990 you could not join the LGPS unless you were age 18 or over. Then the admission age was reduced to 16. (There is no minimum admission age at all now.)

**Q4 I started working in local government in a whole-time post 28 years ago but the Statement shows total membership as 27 years. Why?**

**A4** If your membership is exactly one year less than your period of employment, the most likely reason is that you were appointed as a manual worker. Before 1 April 1990, anyone appointed as a manual worker was required to serve a 12-month qualifying period before being admitted to the LGPS.

**Q5 Why is my total period of membership a longer period than my employment?**

**A5** This could be because you requested a transfer of pension rights into the LGPS or because you have "purchased" extra membership.

**Q6 The pensionable pay figure on my Statement looks far too high. Is it correct?**

**A6** Do you work part-time? If you do, remember that when your benefits are assessed, although service reflects the hours you work (see Q1), the pay used in the benefit formula is that which you would receive if the post was whole-time.

**Q7 I am married – why isn't a spouse's pension shown on my Statement?**

**A7** This will be because your pension record shows you as single. Ask Pension Services to change this.

**Q8 I am not married but have a partner. Would he/she be entitled to the spouse's pension?**

**A8** The LGPS makes provision for surviving spouses and civil partners. There is also provision for nominated co-habiting partners – please see the back page.

**Q9 There is no mention of death benefit cover for children on my Statement.**

**A9** This is because the amount of child's benefit varies according to the number of eligible children and whether or not a survivor's pension is paid. There would be too many alternatives to include in a brief Statement. Get in touch with Pension Services if you would like more information about children's benefits.

**Q10 Why have my benefits been split at 1.4.2008?**

**A10** This is because a new LGPS, with a new method of benefit assessment, was introduced on 1.4.2008. Benefits based on membership built up before 1 April 2008 are different to benefits built up after.

**Q11 How are benefits assessed?**

**A11** Each reckonable year of membership before 1.4.2008 provides –

- a pension of 1/80 of final pay.
- a lump sum of 3/80ths of final pay.

Each reckonable year of membership from 1.4.2008 provides –

- a pension of 1/60 of final pay.

When the benefits become payable you will be given the option to convert part of the pension to (more) lump sum. Each £1 of pension converted would provide £12 lump sum.

**Q12 When can I draw my benefits?**

**A12** Normal retirement age is 65. This is the age at which benefits can be paid without any reduction. If you draw them after age 65, those benefits earned before this age will be increased in line with guidance issued by the Government Actuary. Under tax rules, benefits must be paid before age 75.

You can request earlier payment – from age 55 (or 50 if you were a member of the LGPS on 31.3.2008 and you retire before 31 March 2010). But if you are below age 60, you will need your employer's consent. Benefits paid before age 65 may be reduced (some longer-serving members have protection against this reduction).

The LGPS contains special provisions for early retirement without reduction on grounds of ill-health or redundancy/efficiency.

**Q13 I pay additional contributions to improve my retirement benefits. Are the additional benefits shown in the Statement?**

**A13** If, under the previous LGPS, you elected to pay additional contributions to purchase a period of membership, the amount purchased to date will be credited as membership before 1.4.2008 in the benefit assessment. If, under the new LGPS, you have elected to pay additional regular contributions (ARCs) in order to purchase additional pension the amount of additional pension purchased to date will be included in your benefits shown. If, under the previous or new LGPS, you elected to pay additional voluntary contributions (AVCs) to a life assurance company linked with the Staffordshire Pension Fund, you will receive a separate statement relating to the AVCs.

**Q14 How do I find out more about paying additional contributions?**

**A14** Please see our web site or contact Pension Services Section – for more information on your options.

**Q15 Why is there a delay between the date to which benefits are calculated, and the date at which the Statement was issued?**

**A15** This is because the calculations are based on pay figures provided by your employer and there is often a delay between the end of the financial year to which the figures relate and the provision of this information.

**Q16 Why have I received a Statement, but relatives/friends who are also LGPS members have not?**

**A16** As there are a great many members in the Pension Fund, the Statements are not produced and sent out at the same time for everyone.

**Q17 I shall be age 60 this year and am thinking of retirement. Can I get more up-to-date figures?**

**A17** Yes, contact the Pension Services Section of Staffordshire County Council – (contact details on back page).

**Q18 I've got questions about the LGPS that aren't included in this list. Can you help?**

**A18** Please check our website where further information should be available. Alternatively you can contact Pensions Services (see contact details on back page).



## Nominate a partner to receive a survivor's pension

**Do you live with your partner?**

**Have you lived with them for at least 2 years?**

**Are you both free to marry or enter into a civil (same sex) partnership?**

**Are you financially dependent on each other?**

As you will have seen in the Frequently Asked Questions the LGPS only makes an automatic provision for surviving spouses and civil partners. If you can answer "Yes" to all the questions above the Scheme can, however, provide similar benefits for your partner if you make a nomination. For more information and a copy of the nomination form, please see our web site. Alternatively please contact Pension Services directly.

## Website re-launched

We have recently re-launched our website and hope that you will find that it is clearer and easier to navigate. As before there is a "Self Service Calculator" and once you have applied for a password to access this facility, you can view (and in some cases amend) the information we hold in our records and perform your own benefit estimates.

Your password will enable you to access;

- Personal Details - including your home address, which you can amend if necessary.
- Membership Details - showing your service, including any changes to your hours of work.
- Financial Details - showing your contribution rate and the latest pay details known to us.
- AVCS and Added Years Details (if applicable).
- Options - allows you send a new or revised Nomination Form as well as amend your password or lifestyle questions.

To request a password visit the "Self Service Calculator" section of our website (web address shown below) and follow the instructions given there.

## Contact us

**by writing to:** Pensions Services Section, Staffordshire County Council,  
Wedgwood Building, Tipping Street,  
Stafford ST16 2DH

**or by telephoning:** 01785 278222

**or by fax:** 01785 276489

**or by e-mailing:** [pensions.enquiries@staffordshire.gov.uk](mailto:pensions.enquiries@staffordshire.gov.uk)

**We also have a website at:** [www.staffspf.org.uk](http://www.staffspf.org.uk)

If a copy of the information in this Newsletter is needed in large print, Braille, another language or on cassette, please get in touch with us.

**The articles in this newsletter are a condensation and generalisation of the relevant legislation. Nothing contained in this newsletter overrides the provisions of the Local Government Pension Scheme Regulations and other pensions legislation.**