

# Local Government Pension Scheme Update

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## Update on the 2014 New Local Government Pension Scheme Joint Statement

Recent Consultations result in overwhelming support for new LGPS Proposals



Consultations undertaken by the Local Government Association (LGA), UNISON, GMB and Unite have overwhelmingly approved the proposals for a reformed LGPS that were published at the end of May. Ongoing consultations took place between the beginning of June and the end of August 2012 and included individual ballots for union members and a process enabling scheme employers to both express support (or not) and make comments on the proposals.

The employer and Trade Union votes taken together gave a clear mandate to accept the proposals.

A statutory consultation process will now be undertaken by government in order to implement these proposals. At the time of going to print this consultation had not started but please keep an eye on the Staffordshire Pension Fund website [www.staffspf.org.uk](http://www.staffspf.org.uk) for further updates.

Running up to and during this period of consultation, Staffordshire Pension Fund will be holding a number of Presentations around the county, to which all scheme members are welcome to attend. For further information of the dates and times, please check our website or contact your Human Resources Pension Section directly.

## Work Place Pensions

Many of you will have seen the recent publicity campaign with well-known names such as Nick Hewer from The Apprentice and Dragon's Den star Theo Phaphitis saying "I'm in."

### What's this all about?

For those employees who are not currently members of the Local Government Pension Scheme (LGPS), their employer will have to start deducting pension contributions from a specified date known as the staging date. On this date each employer is required to apply Automatic Enrolment.

No action is required in respect of current members as the LGPS is considered to be a qualifying scheme under the new Automatic Enrolment Regulations.

If you have any queries or concerns you should contact Staffordshire County Pension Fund, but for you it is business as usual.

# Miscellaneous Regulations 2012

The Local Government Pension Scheme (LGPS) (Miscellaneous) Regulations 2012 have just come into effect and there are a number of issues that you need to be aware of:

With effect from 1 October 2012 membership of the scheme has been opened up to those employees with contracts of less than 3 months, i.e. casual and temporary staff, they can elect to join the Scheme, from the first day of their appointment.

For those members who have nominated a cohabiting partner for whom they wish to provide a survivor's pension in relation to service prior to 6 April 1988, there has been a change in the Regulations.

The current time limit for an election to pay Additional Survivor Benefits Contributions ("ASBCs") to provide enhanced service benefits for co-habiting partners under the Regulations has been removed and replaced by a period of 12 months from the date a new nomination is made and has been extended to 31 March 2013 for all cases where a nomination already exists.

The Miscellaneous Regulations make it clear that individuals taking flexible retirement (drawing their pension benefits while continuing to work for their current employer) will be obliged to draw benefits based on membership before 1 April 2008 (if any) but will not be obliged to draw part or all of their post 31 March 2008 benefits.

Where an individual requests early release of their deferred pension and their former employer is no longer a 'scheme employer' the Regulations make it clear that it will be up to the Administering Authority (Staffordshire County Council) to make a decision on the early release of pension benefits.

When an individual is awarded a third-tier (temporary) ill-health pension and this pension is stopped, when the member reaches retirement age and wants to bring their benefits back into payment they currently have full early retirement reductions even if they have enough pensionable service to meet the 'Rule of 85'. The Regulations correct this unintended unfairness.

**'Rule of 85' applies to some Scheme members who joined the LGPS before 1 October 2006. If they choose early retirement at a date when the total of their age plus their period of membership equals 85 or more, they may avoid a reduction to all or part of their retirement benefits.**

## Contact Us

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