

## DRAFT 5.2.07

**SCOPE OF THE DRAFT REGULATIONS FOR THE NEW-LOOK  
LGPS BENEFIT STRUCTURE**

1. Access to the Scheme for employees of bodies listed in the Administration Regulations
2. Members in post on 31 March 2008 who continue in membership will automatically have benefits accruing under the 2007 Regulations from 1 April 2008.
3. Definition of pensionable pay from which contributions are deducted (brought forward from the 1997 Regulations)
4. Setting of employee contribution rates at 5.5% on first £12,000 and 7.5% of excess over £12,000. (illustrations of how this impacts on different pay bands are as estimated below)
5. Pension accruing at 1/60<sup>th</sup> payable when retiring from active membership at
  - (i) normal retirement age – with uplift of rights if not taken at 65 – but no later than day before 75<sup>th</sup> birthday
  - (ii) an earlier age either through individual choice or with agreement of employer, which includes facility flexible retirement
  - (iii) age 55 or later as a result of redundancy – with protection of age 50 for current members until 2010
  - (iv) departure on grounds of ill health, and
    - for those Scheme members judged to be unable to perform local government employment duties but able immediately to undertake gainful employment – accrued rights only;
    - for those unable to undertake gainful employment on cessation, but likely to be able to do so before normal retirement age – accrued rights and augmentation of 25% of prospective service to normal retirement age; and
    - for those unable to undertake gainful employment before normal retirement age – accrued rights and augmentation of 50% of prospective service to normal retirement age

Such enhancements on grounds of ill-health are to be no less favourable than under the 1997 Regulations.
6. These benefits under (5) will be calculated on a new definition of pensionable pay to be used in calculation of benefits permitting an average of three consecutive years in the last ten years of membership
7. Facility to take up to 25% of the capital value of pension rights at the point of a benefit crystallisation event
8. Lump sum death benefit of three times actual salary if active member dies
9. Survivor benefits, accruing at 1/160<sup>th</sup> for spouses, civil register partners, co-habiting partners and children
10. Provision for calculating pre 2008 rights by reference to actual salary at date of leaving or retirement whichever is later

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11. Provision to add benefits as calculated under 5 and 9, to be paid as one pension at the point of a benefit crystallisation event.
12. Rights relating to deferred members in terms of access to benefits as under 4(i), (ii) and (iv) above
13. Right to death benefit relating to both pre and post 2008 membership
14. Rights of pensioners to receive index linked pensions
15. The facility to pay post retirement death benefits
16. The capacity for employers to augment membership or annual pension
17. The facility for members to purchase extra Scheme pension in steps of £250 per year up to a maximum of £5,000
18. The continuing facility to have Scheme AVC providers
19. Cost sharing mechanism to be established by 31 March 2009.