

MEMBERSHIP OF THE LOCAL GOVERNMENT PENSION SCHEME

The pension scheme

The Council provides automatic membership of the Local Government Pension Scheme (LGPS) to employees aged under 75 who have a contract of employment that is for at least 3 months. As this applies to you, you will automatically be entered into membership of the LGPS when you start work under this contract.

A copy of the employees' guide to the LGPS is enclosed. Further information on the LGPS can be accessed at www.bromley.gov.uk/lgps and on the national site at www.lgpsmember.org/. The Local Government Pension Scheme in which you participate is provided by the London Borough of Bromley. It is a qualifying scheme, which means that it meets or exceeds the Governments standards.

A commitment from us

We must continue to maintain your membership of the LGPS (unless you personally choose to opt out of the scheme or cease to be eligible for membership). We must ensure the scheme continues to meet certain government standards.

If we were ever to cease to offer you membership of the scheme, or you cease to be eligible for membership of it whilst in the Council's employment, or we change the scheme in such a way that it no longer meets the government standards, we would, if you are under age 75 and earn more than £6240.00 (current figure) or pro rata per pay period, immediately have to put you into another pension scheme that meets those government standards.

Contribution rates

As a member of the LGPS you will be required to contribute a percentage of your salary to the Scheme as set out in the table below; these contributions will automatically be deducted from your salary:

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £14,600	5.50%	2.75%
2	£14,601 to £22,800	5.80%	2.90%
3	£22,801 to £37,100	6.50%	3.25%
4	£37,101 to £46,900	6.80%	3.40%
5	£46,901 to £65,600	8.50%	4.25%
6	£65,601 to £93,000	9.90%	4.95%
7	£93,001 to £109,500	10.50%	5.25%
8	£109,501 to £164,200	11.40%	5.70%
9	£164,201 or more	12.50%	6.25%

Please note:

- Contribution rates and / or pay bands will be reviewed by the Government on a regular basis and may change in the future. It is the Council's policy to set contribution rates based on pensionable pay as at 1 April each year, and to review this monthly thereafter in the event of any of your contractual pensionable payments changing.
- There is an option within the Scheme known as 50/50 which provides members with the facility to pay half the normal contributions and to build up half the normal pension during the time the reduced contributions are being paid. If you elect for the 50/50 section of the Scheme you will pay half the rates listed above. Further details about this are given in the pension scheme booklet.
- Your pension contribution rate and amount of your pension deduction will be identified on your payslip each month.

The LGPS is fully approved by HM Revenue and Customs, which means that you receive tax relief on your contributions. To achieve this, your contributions are deducted from your salary before you pay tax. So, for example, if you pay tax at the rate of 20%, every £1 that you contribute to the scheme only costs you 80p net.

Can I opt out of the LGPS?

If you do not wish to be a member of the LGPS (or decide at some later date that you wish to opt out of the scheme), you can obtain an opting out form from Liberata Pensions. Please note however, that under the LGPS Regulations your opt out will only be valid if you sign and date the opting out form **no earlier than** your first day of membership of the scheme – this means that you cannot sign and date the form until your first day of employment under this contract at the earliest.

If you decide to opt out of the scheme and make a valid opt-out election **within** 3 months of being enrolled in the scheme you will be treated for all purposes as not having become an active member of the LGPS and any contributions you have paid will be refunded to you.

If you opt out **after** you have completed 3 months' membership in the LGPS and before completing the two years vesting period you may be able to take a refund of your contributions (less any statutory deductions) if you meet certain criteria on the disclaimer form or transfer your pension out to another scheme.

If I opt out can I rejoin the LGPS at a later date?

Yes. Should you decide at any time to opt out, you have the right to opt to rejoin the LGPS from the beginning of the next available pay period after you elect to re-join (subject of course to meeting the normal requirements for being eligible for membership of the scheme and being under age 75 at that time). If you decide to re-join please contact Liberata Pensions and obtain an opt in form for completion.

Pension Re-enrolment under the Pensions Act 2008

If you do decide to opt out of the LGPS at any time during your employment, or elect to join the 50/50 section, then you should be aware that under the Pensions Act 2008 the Council is required automatically to re-enrol you into the main section of the LGPS periodically if you meet certain criteria on a date known as the "re-enrolment date". The

“re-enrolment date” will occur every 3 years and will be within a period of 3 months either side of every third anniversary of 1 March 2013. The criteria for re-enrolment currently are:

- you are aged 22 or more and under State Pension Age; and
- you are earning more than £10,000 (current figure) or pro rata per annum; and
- you have not opted out of the LGPS within 12 months prior to the “re-enrolment date”.

If the re-enrolment requirements apply to you we will contact you on or around the re-enrolment date to confirm that the Council is required to re-enrol you into the main section of the LGPS. You may, however, decide to opt out of the LGPS at that time if you decide that membership of the Scheme is still not right for you, or to join the 50/50 section..

Where to go for further information

Details of the LGPS can be accessed at www.bromley.gov.uk/lgps and on the national site at www.lgpsmember.org/

Queries about the pension scheme including your contribution rate may also be made direct to Liberata Pensions, who carry out the administration of the Bromley Pension Fund on behalf of the Council. Liberata can be contacted by telephone on 020 8603 3429 or by email pensions@Liberata.gov.uk.

For more general information about pensions and saving for retirement please visit www.gov.uk/workplace-pensions.