

# ABS 2009 Important Information for LGPS Members



For all new entrants to the LGPS from 1 April 2008, the earliest retirement age (other than for ill-health retirement) is age 55. For anyone who joined the LGPS before 1 April 2008, they are subject to an earliest retirement age of 50.

Members should be aware that with effect from 1 April 2010, the earliest retirement age (other than for ill-health cases) will change from 50 to 55 for all Scheme members.

The implications of this change are:

- If you are being considered for flexible or voluntary retirement at your employer's discretion, from 1 April 2010, you will only be eligible to apply for payment of your benefits if you are age 55 or over.
- If you retire, aged under 55, due to efficiency or redundancy, payment of your benefits will be deferred until you reach age 60.

So an employee who is made redundant on or after 1 April 2010, is aged between 50 and 55 at the date of leaving LGPS membership would not be entitled to receive any pension benefits before age 60 (at the earliest), unless the employer agreed to pay benefits from age 55 onwards. Benefits paid prior to age 65 may be subject to actuarial reduction for early payment, unless the member's employer agrees to waive a reduction.

## Will my pension and lump-sum be reduced if I voluntarily retire early?

If you choose to retire before age 65 your benefits will be reduced (members of the Scheme on 30 September 2006 may have some protection) to take account of being paid for longer. Your benefits are initially calculated and are then reduced. How much your benefits are reduced by depends on how early you draw them.

## Your state retirement pension

In addition to your LGPS benefits, you may also qualify for a state retirement pension paid by the Government from state pension age. The basic state pension is based on the national insurance contributions you pay, or which are given as credits, during your working life.

State pension age is 65 for men and 60 for women. However, from the year 2020, the Government will have equalised the state pension age for both men and women at 65. The increase in the state pension age for women will be phased in gradually from the year 2010 as shown here:

Date of birth	State pension age
Before 6 April 1950	60
6 April 1950 - 5 April 1951	Between 60 & 61
6 April 1951 - 5 April 1952	Between 61 & 62
6 April 1952 - 5 April 1953	Between 62 & 63
6 April 1953 - 5 April 1954	Between 63 & 64
6 April 1954 - 5 April 1955	Between 64 & 65
After 5 April 1955	65

The state pension age will be increased further from 65 to 68 between 2024 and 2046.

The additional state pension, also known as the state earnings-related pension scheme (SERPS) or state second pension (S2P), is the part of your state pension that depends on your earnings since April 1978. LGPS members are contracted out of the additional state pension and most pay lower national insurance contributions as a result.

## Pensionable pay

The LGPS is a final salary scheme, which means that your pension benefits are usually based upon your length of membership in the Scheme and your final pay during the last 12 months before retirement. For part-time workers, the final pay is the equivalent for a full-time employee, however, membership is reduced to reflect the part-time hours.

If you disagree with your pensionable pay figure, you should contact your employer in the first instance.

There are circumstances in which, because someone suffers a reduction in their pay, that an earlier pay figure may be used:

### Best of the last three years

You can choose to have your benefits based upon your final pay for any of the last three years ending with the anniversary of your retirement, if that is higher than your final year's pay.

### Best three-year average in the last ten years

You may also choose to have your pension benefits calculated on an average of your annual pensionable pay in any three consecutive years ending on 31 March, within the last ten years before retirement. The reduction in pay must

take place on or after 1 April 2008. The protection does not apply if the reduction is because a temporary increase in pay ceases to be paid. This protection only applies if you have been continuously employed by the same employer who you worked for when the reduction happened, or you have been involved in a TUPE transfer of employment to another employer.

### Certificate of protection

A member whose employer imposed a compulsory reduction or restriction in pay prior to 1 April 2008 will have been issued with a certificate of protection, these certificates can no longer be issued if the reduction took place after the 31 March 2008.

With a certificate of protection, if a member retires within ten years of the date of the certificate, the final pay used in the calculation of your retirement benefits can be:

- If you retire within five years of the reduction, any of the previous five years ending on the anniversary of leaving; or
- The average of three consecutive years in the previous 13 years ending on the anniversary of leaving.

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## Completing a nomination form

You are strongly advised to complete this form if you haven't done so previously, in order that, in the event of your death, the Fund can make a payment to your nominated person(s) as quickly as possible. **Even if you have previously completed a form, it may have been some time ago and your circumstances may have changed, you can therefore complete a further form to leave no doubt as to your intentions.**

Upon receipt of a valid nomination form, we will disregard any previous form. Without a nomination form, your wishes (that may have been expressed in the form of a will) will take time to process, particularly if instructions that have been left require probate or other formal processes. Completing a nomination form avoids any unnecessary delays at what can be a stressful time for your dependants. An amount equal to three times your actual pay is payable if you die. We decide who to pay this amount to, but we will always take your notified wishes into account. Remember to let us know of a change in your circumstances which could affect the nomination, or if you wish to cancel it.

### Nominated cohabiting partner

To nominate a cohabiting partner, your relationship has to meet certain conditions laid down by the LGPS. You can find information on these conditions on the Fund's website where you can also download the form you need to complete.

In summary, these conditions are:

To be able to nominate a cohabiting partner (of either opposite or same sex) to receive a survivor's pension on your death, all of the following conditions must have applied to both you and your nominated cohabiting partner for a continuous period of at least two years on the date you both sign the nomination form:

- both you and your nominated cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- you and your nominated cohabiting partner have been living together as if you were husband and wife, or civil partners, and
- neither you or your nominated cohabiting partner have been living with someone else as if you/they were husband and wife or civil partners, and
- either your nominated cohabiting partner is financially dependent on you or you are 'financially interdependent' on each other.

Your partner is financially dependent on you if you have the highest income. 'Financially interdependent' means that you rely on your joint finances to support your standard of living. It doesn't mean that you need to be contributing equally. For example, if your partner's income is a lot more than yours, he or she may pay the mortgage and most of the bills, and you may pay for the weekly shopping.

A nomination is only valid if all of the above conditions have been met for a continuous period of at least two years on the date you both sign the form.

## Are you having difficulty contacting the Fund?

Immediately following the issue of annual benefits statements, we receive a significantly increased volume of telephone calls. We have a number of lines available to take your calls, but if you cannot get through first time, please try again later. You can also contact us in a number of other ways which are shown below:

e: PensionFundEnquiries@wolverhampton.gov.uk

t: 0300 111 1665

f: 0845 230 1565

w: wmpfonline.com

txt: WMPF + your message to 60066

Standard short code network charges apply

West Midlands Pension Fund

PO Box 3948

Wolverhampton

WV1 1XP

Minicom/Typetalk: 01902 554607

## Pre-retirement seminars

The Fund has recently introduced a series of pre-retirement seminars which are held throughout the year. These sessions are aimed at Scheme members who are 45+ and want to find out more about the issues they face as they approach retirement.

Held in conjunction with our AVC partner Prudential, details are available on the Fund's website:

[www.wmpfonline.com/seminars](http://www.wmpfonline.com/seminars)



## Hours worked

If you do not agree with the hours of work shown, please contact your employer (we are unable to change our records, unless instructed to do so by your employer).

## Membership

Your total period of membership is used in the calculation of your benefits. All periods of membership including any membership credited following the receipt of a transfer value payment from another fund or scheme, and any additional membership purchased will be used. If you work part-time, the total length of each period of membership is first calculated. This is then adjusted by multiplying the hours worked as a fraction of the full-time proportion.



**Please remember  
we've moved!**

Visits can be made to the Fund's offices on the 5th Floor, Mander House, Wolverhampton  
8.30am to 5.00pm Monday - Thursday  
8.30am to 4.30pm Friday