

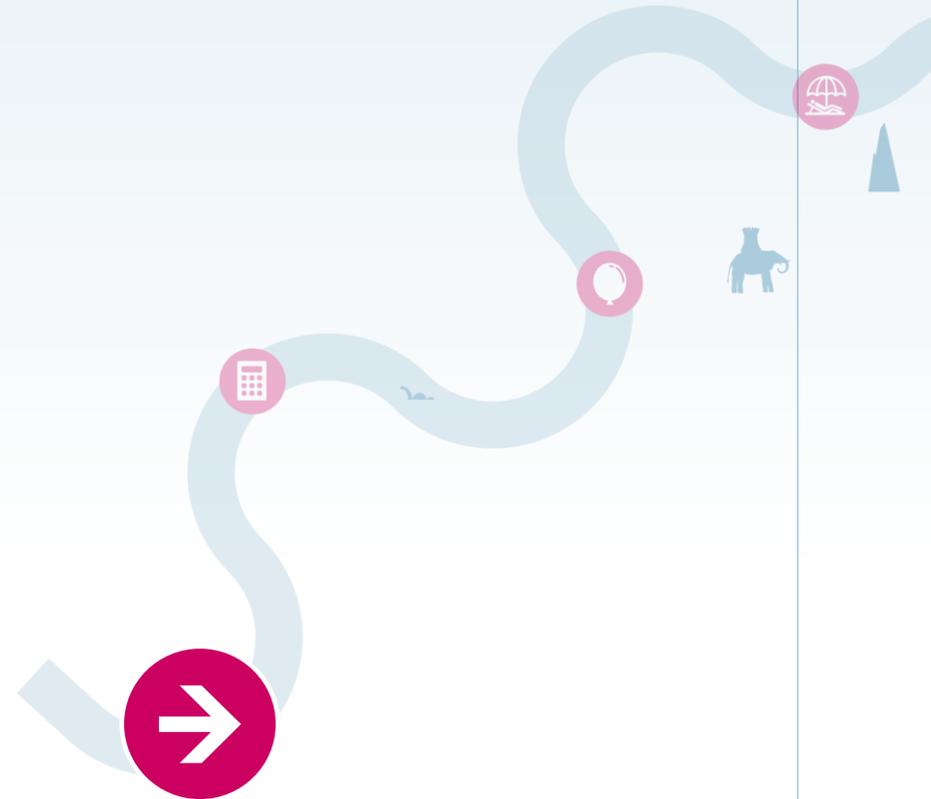




# INTRODUCTION

We will be covering:

- ➔ Benefits of the LGPS
- 📊 Pension calculations
- 🎈 Retirement ages
- ☂️ Types of retirement
- 🏦 Contributing more
- 50/50 50/50 section
- 🖥️ Member self-service
- 📞 Help or advice





## BENEFITS OF THE LGPS



Retirement pension and lump sum



You can be in the pension scheme until your 75<sup>th</sup> birthday



Death grant of x3 your pay (if you die whilst in service)



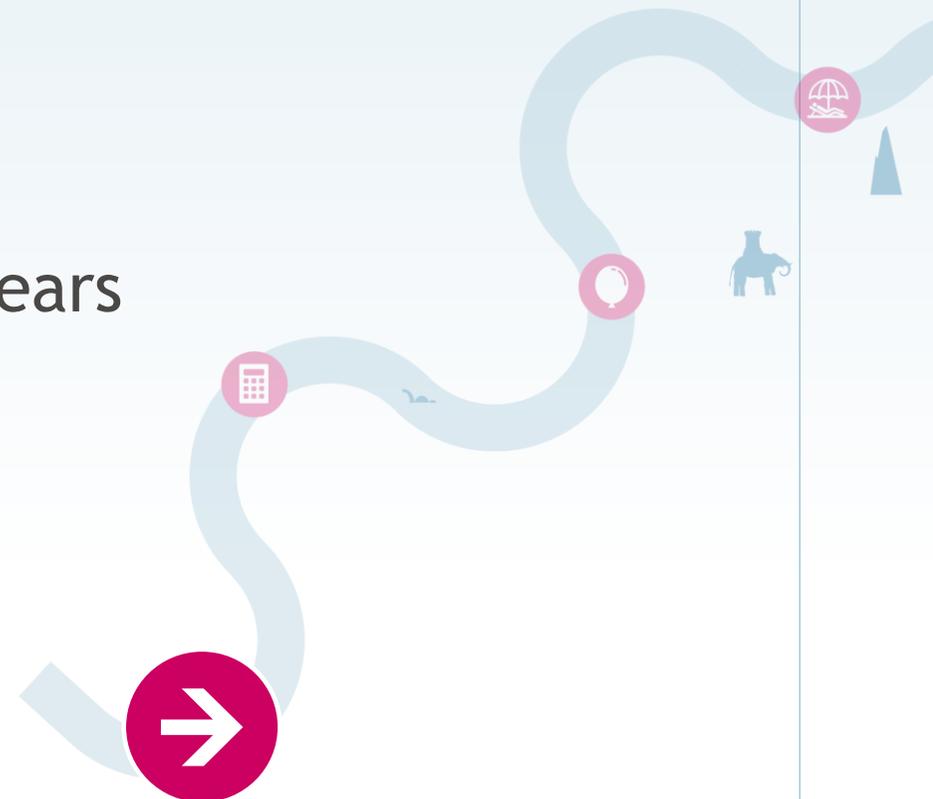
Pension is guaranteed for 10 years



Survivors benefits available



Flexible retirement offered





# HOW IS YOUR PENSION CALCULATED?

- Calculating pension benefits has got slightly more complicated!
- There were Scheme changes in April 2008
- Most people need three calculations



Pre 1 April 2008 - 80<sup>th</sup> Scheme



Post 1 April 2008 - 60<sup>th</sup> Scheme



Post 1 April 2014 - CARE Scheme



# LET'S LOOK AT A PREVIOUS EXAMPLE...

- **Meet Jim...** he started working for the council on 1 April 1990
- He retired on 31 March 2010 on his 65<sup>th</sup> birthday and had a Pensionable Pay of £20,000
- He will need two pension calculations



Jim



Pre 1 April 2008 - 80<sup>th</sup> Scheme



Jim



Post 1 April 2008 - 60<sup>th</sup> Scheme



# HOW THE 80<sup>TH</sup> SCHEME IS CALCULATED

- Service 1 April 1990 to 31 March 2008 = 18 years
- 18 years / 80 x £20,000 = £4,500
- And a lump sum of £13,500





# HOW THE 60<sup>TH</sup> SCHEME IS CALCULATED

- Service 1 April 2008 to 31 March 2010  
= 2 years
- $2/60 \times \text{£}20,000 = \text{£}666$
- There is no automatic lump sum



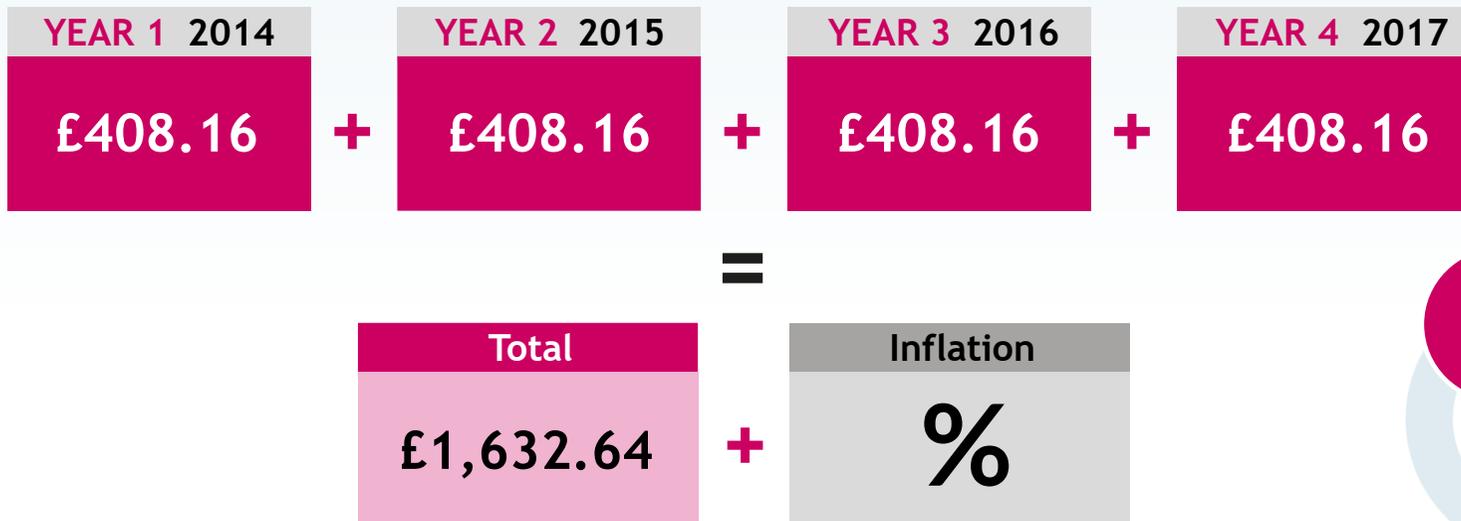
$$\frac{2 \text{ years service to 31 March 2010}}{60} \times \text{£}20,000 = \text{£}666$$





# CARE CALCULATION

- For each year that Jim has worked, he has accrued £20,000/49 = £408.16 of pension
- From April 2014 to March 2017, £1,632.64 of pension
- More complicated than that as each year, the pension amount increases by the Consumer Price Index





## CONVERTING TO A LUMP SUM

- Jim has the option to convert some of his pension to a lump sum
- For every £1 per year of pension he would get, he gets an additional £12 lump sum





# NORMAL RETIREMENT AGE (NRA)

- The Scheme NRA is linked to the State Pension Age

# NRA



# SPA





- The earliest age that you can have your LGPS pension paid (except in ill-health) is currently 55 years, although your benefits will be reduced to take into account early payment. Protections may apply to some members
- The Government confirmed early September 2020 that this will rise to age 57 from 2028





## LATEST RETIREMENT AGE

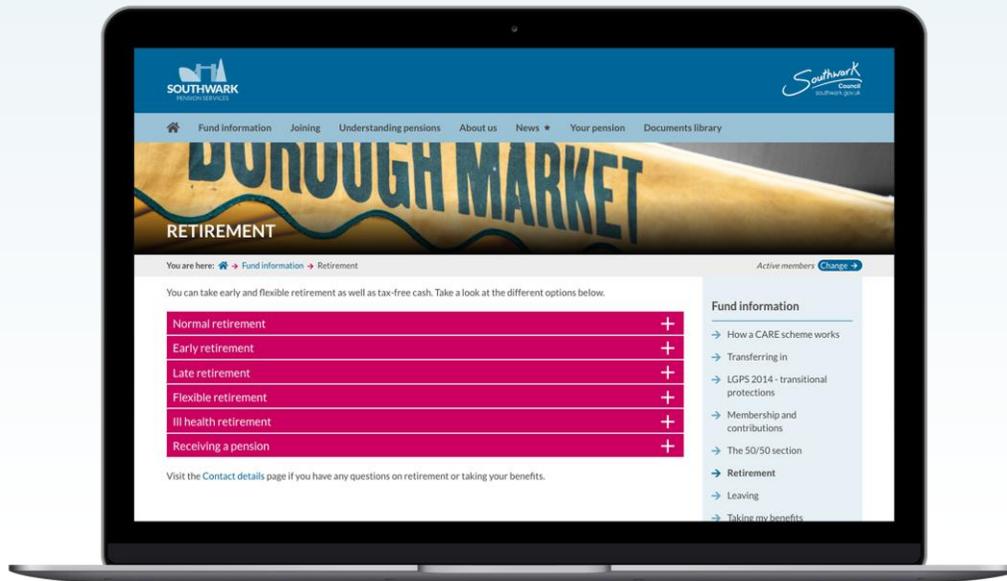
- You have to take your pension benefits by age 75
- There is an additional 'uplift' for benefits that aren't taken by State Pension Age for each day the benefits aren't taken





# TYPES OF RETIREMENT

- ➔ Voluntary retirement
- ➔ Redundancy/severance
- ➔ Ill-health
- ➔ Flexible retirement



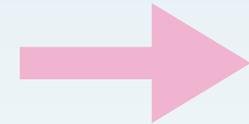
For more information visit:

[www.southwarkpensions.co.uk/fund-information/retirement](http://www.southwarkpensions.co.uk/fund-information/retirement)



# VOLUNTARY RETIREMENT

- Any member over the age of 55 can retire
- If a member has service after 1 April 2014 and has left employment, they can take their pension at any time from aged 55 years





## REDUNDANCY/SEVERANCE

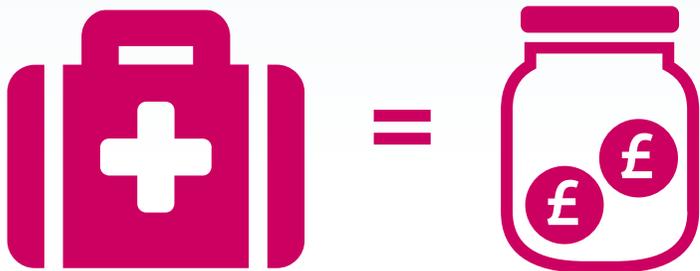
- If you're made redundant and are over age 55, you will receive an immediate payment of your pension benefits without a reduction





# ILL-HEALTH RETIREMENT

- Occupational health needs to certify that you're permanently unfit
- You'll receive immediate payment of your benefits (with a potential enhancement to your service)





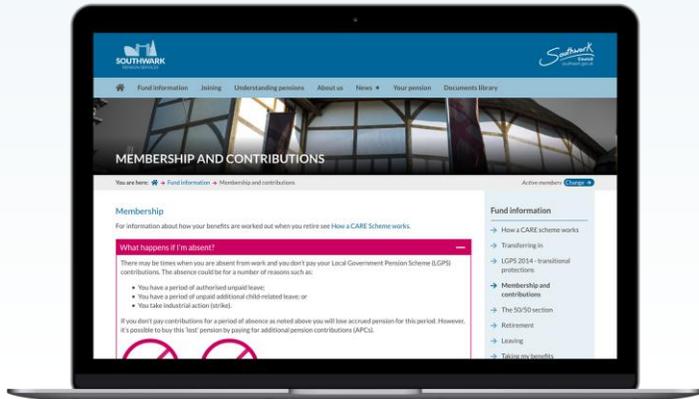
# FLEXIBLE RETIREMENT

- You need consent from your employer to apply for flexible retirement if you're over age 55
- If you do this, you either step down in grade or reduce your pay e.g. reducing work hours
- You're then paid your pension benefits in addition to your pay
- You can re-join the Scheme to build up a second pension if you want to



# ADDITIONAL PENSION CONTRACT (APC)

- You can ‘buy’ an amount of pension (up to £7,194 per year)
- The purchased amount is index-linked
- Can be paid for over varying periods of time

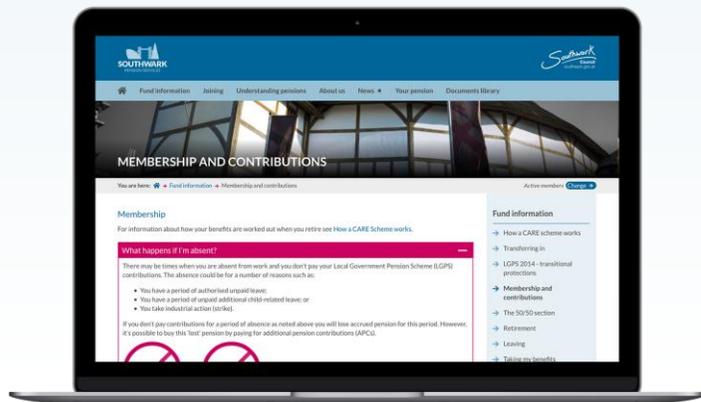


For more information visit:

[www.southwarkpensions.co.uk/fund-information/membership-and-contributions](http://www.southwarkpensions.co.uk/fund-information/membership-and-contributions)



- ➔ Southwark Council's AVC provider is AEGON Scottish Equitable
- ➔ AVCs work in a similar way to a personal pension
- ➔ Very flexible form of investment that provides multiple retirement options



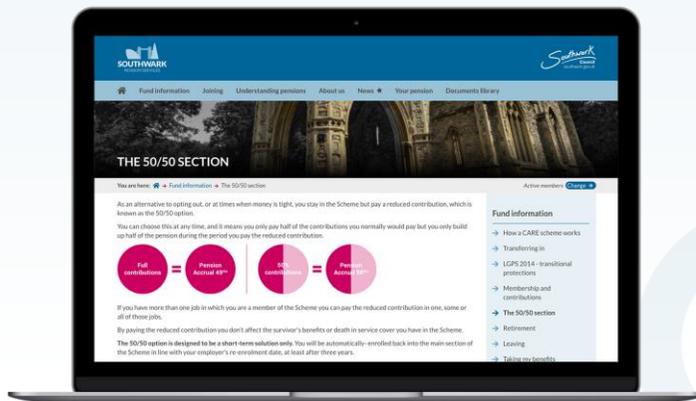
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# 50/50 SECTION

- ➔ Member pays a 50% contribution
- ➔ Receive 50% of the benefit

- ➔ Option to move between this section and the main section whenever you want
- ➔ Stops member from opting out completely
- ➔ Retain full death benefits

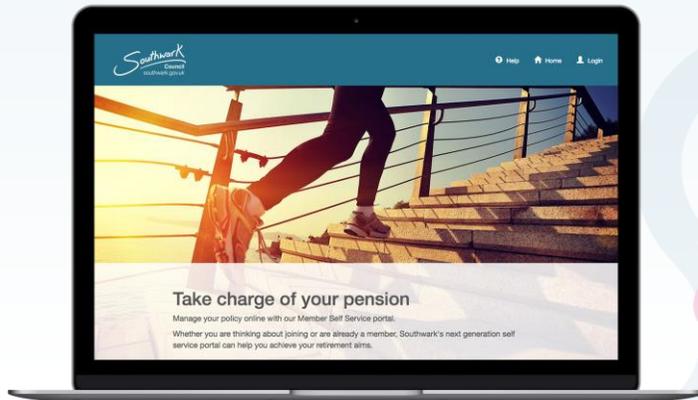


For more information visit:  
[www.southwarkpensions.co.uk/  
fund-information/the-50-50-section](http://www.southwarkpensions.co.uk/fund-information/the-50-50-section)



# MEMBER SELF-SERVICE

- ➔ See your pension record(s) in real time
- ➔ Change or add nominations
- ➔ Look at current value of pension
- ➔ Calculate pension estimates in the future
- ➔ Retain full death benefits



For more information visit  
<https://pensions.southwark.gov.uk>



# THANKS FOR WATCHING



For a helping hand, please contact us via:

@ [lbspensions@southwark.gov.uk](mailto:lbspensions@southwark.gov.uk)

📞 0207 525 4924



Don't forget to visit your new website at:



[www.southwarkpensions.co.uk](http://www.southwarkpensions.co.uk)



For the national Local Government Pension Scheme website, it's:

[www.lgpsmember.org](http://www.lgpsmember.org)

