

Information for New LGPS Members

A positive step towards your future

If retirement seems like a long way away, you might not have thought about how much you'll need to live on when you stop working. But the sooner you start saving, the more you'll have when you retire.

Did you know that the current rate of full state pension is £221.20 per week? Would that be enough to cover your expenses when you retire?

Being a member of the [Local Government Pension Scheme \(LGPS\)](#) means you're saving for your retirement goals while working. If you were to pass away before your retirement; there would be money for your family and loved ones. After paying in for two years, you'll also be covered if you were too ill to work.

This short leaflet provides an overview of the scheme, including important things you need to know when you first join and where you can find more information and help if you need it.

On behalf of all the team, welcome to the LGPS!



“The sooner you start saving, the more you'll have when you retire.”

A Secure pension based on your salary, not the stock market.

The LGPS is a defined benefit scheme. That means, how much you'll receive at retirement depends on your salary and how long you have paid in and not on the performance of any stock market investment. You can pay in with confidence knowing that you'll receive the pension the scheme promised to pay to you.

Life cover while you're paying in

If you pass away before taking your pension, your nominated person(s) or charity will receive 3x your pensionable pay. For example, if you receive £20,000 per year, that will be £60,000. If you haven't done so already, make sure we have your nomination(s). You can do this by logging into your '[my pension online](#)' account, or by completing an 'expression of wish' form, available on [our website](#). There are also pensions available for children and an eligible partner.

Cover if you become too ill to work

If your pay is reduced because you're sick, you will continue to build up pension as if you had received full pay. If you get very ill and can no longer work, you could take your pension early [due to ill health](#), and may even qualify to receive an enhancement on the pension you've built up.

Generous employer contributions.

The minimum contribution a UK employer must make to a pension scheme is 3%. In the LGPS, the average employer contribution rate is 19%. Being a member of the LGPS is therefore a very important part of your employment package. Your employer's contributions are paid to the fund, so that we can pay you the pension promised to you under the scheme rules.

Tax relief on your contributions.

Your pension contributions come straight out of your wages before tax, so you won't pay tax on your contributions. If you're a basic rate taxpayer, for example, and you pay £100 to your pension, you'll pay £20 less tax. The LGPS makes your pension saving tax efficient.

“When you retire, you can choose to take 25% of your pension pot as a tax-free cash lump sum”

Take a tax-free lump sum when you retire

When you retire and take your LGPS pension, you will be given the option to take 25% of your pension pot as a [tax-free cash lump sum](#).

Retire earlier, or keep working until age 75

Your pension will be [payable without reductions](#) on the same day as your state pension age, but if you want to retire before that, you can [take your pension early](#), from age 55 (rising to 57 on 6 April 2028) with reductions. You could also choose to keep working. You can build up your pension until age 75, and will [receive late retirement increases](#) after state pension age.

The annual pension is payable for life

Some schemes have limits on how long a pension is paid. Not the LGPS. Once your pension is in payment, it is payable for life

You can opt to pay more into your pension.

If you want to save more towards your retirement, you can choose to pay more to increase your pension at retirement. Explore the options available on [our website](#).

You can also pay less

If you want to pay less, but still want to save for retirement and enjoy the other scheme benefits, you could consider joining the 50/50 section. You'll pay half of the usual contributions for half of the pension build up. You can opt back into the main scheme at any time. See the 'contribution flexibility form' on [our website](#) for more information.



A Pension that keeps up with the cost of living

Your LGPS pension keeps its value over time as it's adjusted every year in line with the Consumer Price Index (CPI).

You can manage your pension online

'My pension online' is Buckinghamshire Pension Fund's online self-service portal that allows you to access your pension account anytime you want. You can update your address, view your statements and run retirement estimates. Find out how to [register today](#).

How much will it cost

How much you pay to be a member depends on your salary. When you first join, you will be enrolled into the main scheme. The contribution rate varies between 5.5% and 12.5% of your pensionable pay. If you decide to enrol in the [50/50 scheme](#), contributions range from 2.75% to 6.25% as you will pay half of the contributions, for half the pension build-up. The rates are set out in the [contribution table](#) available on our website. It is up to your employer to determine your contribution band and notify you of this. They will review it at least annually.

Annual benefit statement

Every year you will be issued with an annual benefit statement by 31 August so you can see how your pension is growing. If you join before 31 March, you will receive an annual benefit statement in the same year you join. If you join the scheme after 31 March, you will receive your first annual benefit statement the following year.

Pension taxation

Most people will be able to save as much as they like in their pension. But the government does place some limits on how much tax relief you can receive from pension savings. There are also limits on how much your pension can increase annually (annual allowance), and in total (lifetime allowance) before you will be required to pay additional tax. If you think this may affect you, or you want to find out more, [please visit our website](#).

If you leave the scheme before you retire

If you leave the scheme before you retire, you can either leave the pension you've built-up with us until you are of pensionable age and ready to take your pension or you can transfer your pension to your new pension provider. To be entitled to an LGPS pension, you must have paid in for at least 2 years. If you have less than two years' total service, when you leave the scheme, you will have the option of receiving a refund, or transferring the pension to another fund. Please see the section on [total service](#) later in this guide.



Transferring in other pensions

From your first day of employment, you have 12 months to transfer in any other pensions you have. To begin the process, you should request a Cash Equivalent Transfer Value statement on headed paper from your previous pension provider and send this to us. If you want to investigate a transfer after the 12-month window closes, you will need your employer's permission. More information about transferring can be found on our [website](#).

“You have 12 months to transfer in any previous pensions, after that you'll need your employer's permission.”

If you have previous LGPS service

You must tell us about any previous LGPS service. To do this, you can complete an LGPS membership form available on our [website](#) as soon as possible after joining. The rules around transferring previous LGPS service vary depending on the dates of your previous membership. Most of the time, your earlier LGPS pension will not automatically transfer without us writing to you first. It is not always beneficial to transfer, and there are things you need to be aware of before making your decision. If your other LGPS pension(s) ended before 1st April 2014, and you want to investigate a transfer after 12 months of starting your LGPS employment, you will need your employer's permission. For more information, visit our [‘combining LGPS accounts’ webpage](#).

You have the option to opt out

If you don't want to be in the scheme, you can choose to opt out. You can do this by completing an [opt out form](#) and sending it to your payroll department. Before you decide to opt out, we recommend you get independent financial advice and read the guidance notes carefully. If you want to reduce your pension contributions, you might consider joining the [50/50 scheme](#) instead. If you opt out, or join the 50/50 scheme, you can opt back into the main scheme at any time.

If you opt out within three months, you will be treated as having never joined and your employer will refund your contributions. If you opt out after three months and your total service is under two years you will receive a refund from us. If you opt out and your total service is over two years, you will be entitled to a deferred pension. Please see the section below on total service.

Total service

Be aware that total service is the total of all service you have in the LGPS. This includes any other LGPS service with other funds. If you do not inform us of previous service and we pay you a refund that you weren't entitled to, you will be required to pay this back.



“Pensions can be complicated, so it's important you get the right support.”

Financial advice

Before you make any decisions about your pension, you should always get advice from an Independent Financial Advisor (IFA). Although we are always here to answer your questions, we're unable to give you advice about your pension. Visit the [Money Helper](#) website for their guide on how to find an IFA. Pensions can be complicated and it's important you get the right support.

Visit our website to find out more

Our website contains lots more useful information about the LGPS, including how your pension builds up, what happens at retirement and the latest LGPS news. Find out more now at: lgps.buckinghamshire.gov.uk

We're here to help you

If you have any questions you can't find the answer to, or you need to talk to us about your pension, please get in touch. We provide a range of services to assist you. In addition to 'my pension online', you can email us, or call our member helpline. For more complex queries, you can book a one to one appointment with a pension officer.

Member helpline: 01296 383755
Open 9am-5.30pm and Friday 9am-5pm

Register for 'my pension online' now at:
www.ms.buckinghamshire.gov.uk

For any technical support with 'my pension online', please contact
mypensiononline@buckinghamshire.gov.uk

The Pensions and Investments Team

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