

Pensions Update

December 2010

The Local Government Pension Scheme

Latest News!



LIBERATA

Working in Partnership

LATEST CHANGES TO THE PENSION SCHEME

New Regulations came into force on 30 September 2010, and although most of these make minor technical corrections to the Scheme, there are some important changes which could affect you:

Ill Health Benefits:

A new tiered system of ill-health retirement benefits was introduced with the Scheme changes in April 2008. The latest Regulations now provide that a member who has been retired with a Tier 3 benefit, which stops after three years (or earlier if employment is obtained) can now claim their 'suspended' pension from age 55, **but only with the consent of their former employer.**

If the pension is paid before age 65, it will be reduced, but your former employer can decide to waive the reduction on compassionate grounds. If a death grant becomes payable during the period when the pension is suspended, it will be calculated as five times the pension less the pension and lump sum already paid.

Previously, Tier 3 ill-health pensioners could have their level of benefit increased to a Tier 2 benefit following a medical review at any time. This has now changed, and the review is now time-limited to no more than three years from the date the Tier 3 benefit stopped, or before the member reaches age 65 if that is earlier. Also, members who reach age 65 during the first eighteen months no longer need to undergo any review, and members who reach age 65 during the first three years will no longer suffer a benefits suspension.

In rare cases where members return to local government employment following receipt of an ill health award, any subsequent award of ill health benefits will be restricted to the total benefits that would have been awarded if a Tier 1 benefit had been paid at the first retirement.

Death in service Benefits:

If you should die in service, your death grant and survivor benefits are now protected if you have reduced your hours as a result of an ill health condition that leads to your death. The death grant payable is calculated as if the reduction in hours had not taken place.

Retiring later:

Anyone retiring after age 65, including new members who only join the Scheme after that age, will get an increase on their benefits for late payment. This now includes members retiring flexibly and also anyone with a deferred benefit who delays receipt of it until after age 65.

LINKING LGPS SCHEME MEMBERSHIP

If you have any previous LGPS membership which has not been linked with your current membership, read on...

Normally, Scheme members must choose to combine any previous periods of LGPS membership within 12 months of rejoining.

If you did not make a request to combine in your first 12 months, or were unable to because of other circumstances, but would like to now, **you can.**

The Scheme Regulations have been amended to allow previous periods of LGPS membership to be combined with ongoing membership, provided a request is received by the Pensions Team by 1 October 2011.

A reply form is enclosed. If you wish to consider combining any previous LGPS membership with your current membership, please complete and return the form to the Pensions Team at Liberata as soon as possible.

LINKING LGPS SCHEME MEMBERSHIP

REPLY FORM

I have previous pension rights in the LGPS with _____ which remain separate from my current membership with the London Borough of Bromley Pension Fund. I am interested in linking the periods together.

Please send me further details to enable me to make a decision within the timescale.

This request is my authority to release all information relating to my pension rights with the above fund to Liberata UK Ltd on behalf of the London Borough of Bromley.

Signature

Date

Please return the completed form to **Liberata UK Ltd, P O Box 1598, Croydon CR0 0ZW.**

If you have possible membership to combine from more than one Pension Fund, please photocopy this reply form and submit one form for each Fund.