

# Pensions Update

Summer 2009



## The Local Government Pension Scheme



Working in Partnership

## NOMINATING A COHABITING PARTNER

**B**enefits payable on the death of a member of the Local Government Pension Scheme (LGPS) include pensions for children, for a surviving spouse or registered civil partner and, since 1 April 2008, Scheme members (excluding Councillor members) can nominate a cohabiting partner of either the opposite or the same sex to receive a survivor's pension on their death.

### **Have all the following applied to you continuously for the last 2 years?**

- You have been cohabiting partners
- Both you and your partner are, and have been, free to marry each other or enter into a civil partnership with each other
- Neither you nor your partner has been living with someone else as if you/they were husband and wife or civil partner
- Either your partner has been financially dependent on you or you have been financially interdependent on each other.

If **yes**, you can now nominate your partner to receive a Survivor's Pension by completing a Nomination of Cohabiting Partner form, which is available from Liberata at the address on page 6 of this Newsletter.

Completing and returning a form is important as we cannot pay a pension to a cohabiting partner unless we have a valid nomination form.

**If you are married, or are in a registered civil partnership, you do not need to complete a survivor's pension nomination form for your husband, wife or registered civil partner – they are automatically covered for a survivor benefit in the event of your death.**

## CHANGES TO THE STATE PENSION AGE

**T**he State Pension is payable from your State Pension Age (SPA). Currently, the SPA for men is 65 and for women is 60, but the government has introduced changes to SPAs from 1 April 2010:

- Between 2010 and 2020, the SPA for women will increase to 65 to ensure equality. Women born between 6 April 1950 and 5 April 1955 are affected by this change.
- Between 2024 and 2026, 2034 and 2036 and 2044 and 2046, the SPA for both men and women will rise to 66, 67 and 68, respectively. Those born after 6 April 1959 are affected by these changes.

To find out the SPA that applies to you, there is a useful calculator on the following website:

[www.thepensionservice.gov.uk/age-changes](http://www.thepensionservice.gov.uk/age-changes)



## NOT A MEMBER OF THE PENSION SCHEME?

You may wonder why we send this newsletter to non-members. We send it because we have a responsibility to inform both members and potential members of changes to the Scheme.

### What are the benefits of paying into the Scheme?

- A pension payable for life
- A tax free lump sum on retirement if you so choose
- Immediate life cover of 3 years' pensionable pay
- Dependant pension for widows/widowers, civil or nominated partners and children
- Ill health benefits, sometimes with an added period of membership
- Early payment of benefits if made redundant over age 55  
(Benefits payable subject to qualifying conditions)

Benefits for Councillor members differ in some respects from those shown above.

If you are not a member, and wish to consider joining, please contact Liberata for more information and an option form. You can normally join at any time up to age 75, but do not leave it too late!

## NEW EARNINGS BANDS FOR PENSION CONTRIBUTIONS

For the year 1 April 2009 to 31 March 2010 the earnings bands for the assessment of pension contributions have been increased. The new bands are shown below:

Full-time equivalent salary	Contribution rate per year
£0—£12,600.00	5.5%
£12,600.01—£14,700.00	5.8%
£14,700.01—£18,900.00	5.9%
£18,900.01—£31,500.00	6.5%
£31,500.01—£42,000.00	6.8%
£42,000.01—£78,700.00	7.2%
Over £78,700.00	7.5%

Members who used to pay a protected rate of 5% have a phased increase in their contribution rate. Their contribution rates are shown below:

Councillor members are not affected by the rate changes above, and continue to pay 6%.

## THE BROMLEY PENSION FUND

Bromley's Pension fund is administered by the London Borough of Bromley's Investment Sub-Committee, whose primary role is to oversee the investment of the fund and monitor the fund's financial position.

The Council currently employs two investment managers: Fidelity Pensions Management and Baillie Gifford & Co.

The net assets of Bromley's Pension Fund totalled £299.3m as at 31st March 2009 and comprised:

<i>UK Equities</i>	<i>£74.6m</i>	<i>Overseas Equities</i>	<i>£155.9m</i>
<i>Corporate Bonds</i>	<i>£19.7m</i>	<i>Fixed interest govt stock</i>	<i>£43.7m</i>
<i>Cash</i>	<i>£5.4m</i>		

Income and Expenditure for the year ended 31st March 2009	
Income	Expenditure
Employer contributions £21.0m	Pensions £16.8m
Employee contributions £5.9m	Lump sum benefits £4.8m
Transfer Values received £3.2m	Transfer Values paid £1.5m
Investment income £7.2m	Administration £0.8m
	Fund management expenses £1.5m
	Net loss on investments £74.3m

Pension Regulations require an actuarial valuation of the fund's assets and liabilities every three years to ensure that the Fund is able to meet all its present and future commitments.

The last full valuation as at 31st March 2007 found that the value of the fund's assets represented 81% of the value of its liabilities, up from 66% in 2004, mainly due to better than predicted investment returns. That valuation set employer contribution rates for the following three years aimed at increasing the fund's solvency level to 100% over a period of 12 years.



## SELF-SERVICE PENSIONS?

Over the course of the next year, a new Member Self-Service provision will become available through the Internet, which will enable Scheme members to do their own on-line pensions benefit calculations.

Further details of this exciting new development will be sent out later in the year.

## PENSIONS KEY PERFORMANCE STANDARDS

Liberata UK Ltd manage the general administration of the Local Government Pension Scheme for London Borough of Bromley. Performance standards are used to monitor and improve performance. Performance is reported regularly to the Council and will be published annually for the information of members of the Scheme.

Liberata's commitment to Scheme members is:

As Administrators of the Local Government Pension Scheme we aim to provide you with good quality service and to communicate effectively. We will:

- respond to e-mails and written enquiries within 10 working days of receipt -  
We have responded to 593 pieces of correspondence in the last year, of which 99.33% were within the performance standard
- process each stage of a transfer of pension rights (to or from the Scheme) within 10 days of receiving the required information -  
We have issued 82.58% of 100 transfer-in quotations and 91.42% of 43 transfer-out quotations within the performance standard
- process retirement grants (lump sums) within 10 working days of retirement, provided that we have all the necessary information -  
We have paid 98.08% of 261 retirement grants within the performance standard
- issue a benefit statement annually to all active and deferred members -  
We will be issuing 5043 active statements and 3242 deferred statements
- advise pensioners, each April, of the annual increase to their local government pension -  
We have issued 4344 pensions increase letters to the Council's pensioners.

## NATIONAL FRAUD INITIATIVE

The London Borough of Bromley is taking part in the National Fraud Initiative organised by the Audit Commission and being carried out under Section 6 of the Audit Commission Act 1998. Under this initiative, the Council provides details from its Payroll system which will be used for cross-system and cross-authority comparison purposes using information from other public sector bodies for the prevention and detection of fraud.



[Please be assured that both the Council and Liberata respect your right to privacy, and comply fully with Data Protection legislation at all times.](#)

**NOTHING IN THIS NEWSLETTER CAN OVERRIDE THE PROVISIONS OF THE LOCAL GOVERNMENT PENSION SCHEME REGULATIONS OR RELATED LEGISLATION**



## ENQUIRIES AND COMPLAINTS

**If you are not sure which benefits you are entitled to, or if you have a question concerning your benefits, please contact the Liberata Pensions Team. They will try to deal with your query as quickly and efficiently as possible, and it may be possible to arrange a meeting in order to resolve any issues.**

In order to protect your interests the Council is required under the Scheme Regulations to set up a two-stage appeal procedure. Full details of these can be obtained from the Liberata Pensions Team. Their full address and telephone details are shown below. In addition to the internal dispute processes you also have access to a number of external advisors or regulators who are there to assist you with any issues you may have relating to your pension. Further details of these organisations are given below.

**Liberata UK Ltd, P O Box 1598, Croydon, Surrey CR0 0ZW**

**Telephone** 020 8666 9919

**E-mail** [pensions@bromley.gov.uk](mailto:pensions@bromley.gov.uk)

**Website** [www.liberata.com](http://www.liberata.com)

## USEFUL CONTACTS

### **London Borough of Bromley**

Resources Directorate  
Civic Centre  
Stockwell Close  
Bromley  
BR1 3UH

**Telephone** 020 8464 3333

**Website** [www.bromley.gov.uk](http://www.bromley.gov.uk)

### **Pension Tracing Service**

**This is a tracing service for ex-members of schemes with pension entitlements, who have lost touch with their previous employers.**

The Pension Service  
Tyneview Park  
Whitley Road  
Newcastle upon Tyne  
NE98 1BA

**Telephone** 0845 600 2537

### **The Pensions Advisory Service (TPAS)**

**This service is available to assist members with any difficulties that they cannot resolve with their pension schemes.**

11 Belgrave Road  
London  
SW1V 1RB

**Telephone** 0845 601 2923

**Website** [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

### **For the Pensions Ombudsman**

**Telephone** 020 7834 9144 **at the above address**

**Website** [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

**The Ombudsman can investigate and determine any complaint or dispute involving maladministration of the Scheme, or matters of fact or law.**

## LARGE PRINT VERSION AVAILABLE

The text of this newsletter is available in a large print format from Liberata Pensions on 020 8666 9919.

**Further information is available on [www.lgps.org.uk](http://www.lgps.org.uk)**