

Old Scheme v New Scheme Comparison

	LGPS Regulations 1997 (Old Scheme)	LGPS (Benefits, Membership & Contributions) Regulations 2007 (New Scheme)
Type of Scheme	Final salary	Final salary
Relationship with S2P	Contracted-out	Contracted-out
Admission Requirement	Automatic entry for all employees in Local Government providing you are under the age of 75. Admission for employees that work for other organisations that choose to participate in the LGPS is subject to Employer discretion.	Entry is subject to having a contract of employment 3 months or more and be under the age of 75. Admission for employees that work for other organisations that choose to participate in the LGPS is subject to Employer discretion.
Retirement Ages	Normal Scheme Retirement age 65 Voluntary Retirement from age 60 (Benefits subject to full actuarial reduction if member is not protected by the removal of the 85 year rule) Minimum Scheme Retirement age 50 (Employer Consent)	Normal Scheme Retirement age 65 Voluntary Retirement from age 60 (Benefits subject to full actuarial reduction unless a protected member under the removal of the 85 year rule) Minimum Scheme Retirement age 55 (Employer Consent) (Member's on 31/03/2008, the earliest will remain to be age 50 until 31/03/2010)
Final Pay Calculation	Full time equivalent average of the Pensionable Pay received in last year of employment. Ability to base calculation on one of the previous 2 years if higher.	Full-time equivalent average of the Pensionable Pay received in last year of employment. Ability to base calculation on one of the previous 2 years if higher. Or if downgraded in last 10 years of employment, option to base benefits on the re-valued average of best 3 consecutive years pay within last 10 (ending 31 March)
Member Contributions	Statutory rate: 6% Protected manual worker rate: 5%	Contribution Banding. Rate dependant on full-time equivalent pay, with the exception of term- timers whose rate is based on their term-time whole time pay. Protected manual worker rate to increase on phased basis.
Benefit Calculation Annual Pension Tax Free Lump Sum	1/80 x Membership x Final Pay 3/80 x Membership x Final Pay Optional to increase lump sum (up to 25% capital value of your pension (£1 pension = £12 lump sum	1/60 x Membership x Final Pay NO Automatic Lump Sum Option of Commutation (up to 25% capital value of your pension (£1 pension = £12 lump sum

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Death Grants	<p>2 x Actual Pensionable Pay</p> <p>3 x Annual Pension</p> <p>5 x Annual Pension; Less any pension already paid</p>	<p>3 x Actual Pensionable Pay</p> <p>5 x Annual Pension</p> <p>10 x Annual Pension; Less any pension already paid</p>
Survivor's Provision	<p>Legally Married Spouse</p> <p>Registered Civil Partner</p> <p>Eligible Children</p>	<p>Legally Married Spouse</p> <p>Registered Civil Partner</p> <p>Eligible Children</p> <p>Nominated Co-habiting Partner;</p> <ul style="list-style-type: none"> - free to marry/enter civil partnership - financially interdependent - living together for at least 2 years
Ill Health Retirement	<p>If certified by Independent Occupational Health Practitioner that permanently incapable of discharging efficiently the duties of his/her normal occupation by reason of ill health or infirmity of mind or body – immediate release of unreduced benefit regardless of age.</p> <p>5 or more years membership – ill health enhancement awarded:</p> <p>5 to 10 years – service doubled 10 to 13 1/3 years - service enhanced to 20 years over 13 1/3 years – 6 2/3 years awarded</p> <p>Subject in all cases to maximum enhancement of prospective membership to 65</p>	<p>New Tiered Ill Health arrangement:</p> <p>Tier 1</p> <p>Permanently incapable of performing your duties and there is no reasonable prospect of obtaining gainful employment anywhere before age 65, the enhancement awarded will be 100% of your prospective membership from your date of termination to age 65.</p> <p>Tier 2</p> <p>Permanently incapable of performing your duties and unlikely to obtain gainful employment anywhere within three years but it is likely that you will before age 65, the enhancement will be 25% of your prospective membership from your date of termination to age 65.</p> <p>Tier 3</p> <p>Permanently incapable of performing your duties but are likely to obtain gainful employment within three years, your accrued benefits to date of termination will be released WITHOUT enhancement and payable until either gainful employment is obtained or for a maximum of three years.</p> <p>Each case will be reviewed by the Fund Doctor after 18 months to assess if your condition has either improved or deteriorated. If the illness has deteriorated you may then qualify for a tier 2 enhancement. However, if your condition has improved the payment of pension will cease immediately.</p> <p>Gainful Employment is defined as working not less than 30 hours a week for a period of not less than 12 months.</p>

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Increasing Benefits	<p>In-house Additional Voluntary Contribution (AVC) Plan Provision (50% of pay)</p> <p>Able to purchase Full Cost Added Years (FCAY) (Max 6/243)</p>	<p>In-house AVC Provision (limited to 50% of pay)</p> <p>FCAY abolished (existing contracts on 31/03/2008 honoured)</p> <p>Provision to purchase up to £5,000 extra annual pension in multiples of £250. The additional pension can be purchased to provide just a pension for yourself or to provide one for yourself and any survivor on your death.</p> <p>Additional pension up rated in line with the Retail Price Index upon retirement.</p>
Survivor's Short Term Pension Provision <p>Death in Service</p> <p>Death after Retirement</p>	<p>3 months x salary (6 months if there are eligible children)</p> <p>3 months x pension (6 months if there are eligible children)</p> <p>Short-term children's pensions in addition. (no longer applies)</p>	<p>No Short Term Pension Provision (Long Term Pension payable immediately @ 1/160)</p> <p>No Short Term Pension Provision (Long Term Pension payable immediately @ 1/160)</p>