

LONDON BOROUGH OF SOUTHWARK PENSION FUND










WELCOME TO PENSIONS (LGPS) →

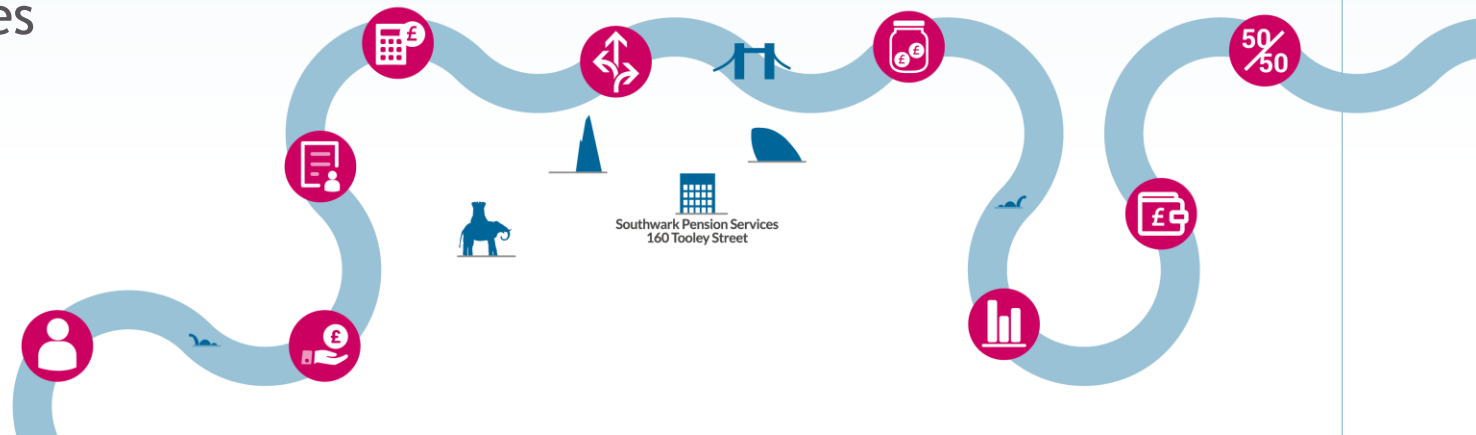




INTRODUCTION

We will be covering:

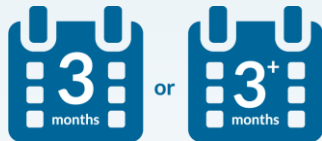
-  Who can join?
-  What are the benefits?
-  Forms to complete
-  How are the benefits calculated?
-  What about other pensions elsewhere?
-  Can I pay more?
-  Contribution rates
-  Affordability
-  50/50 section



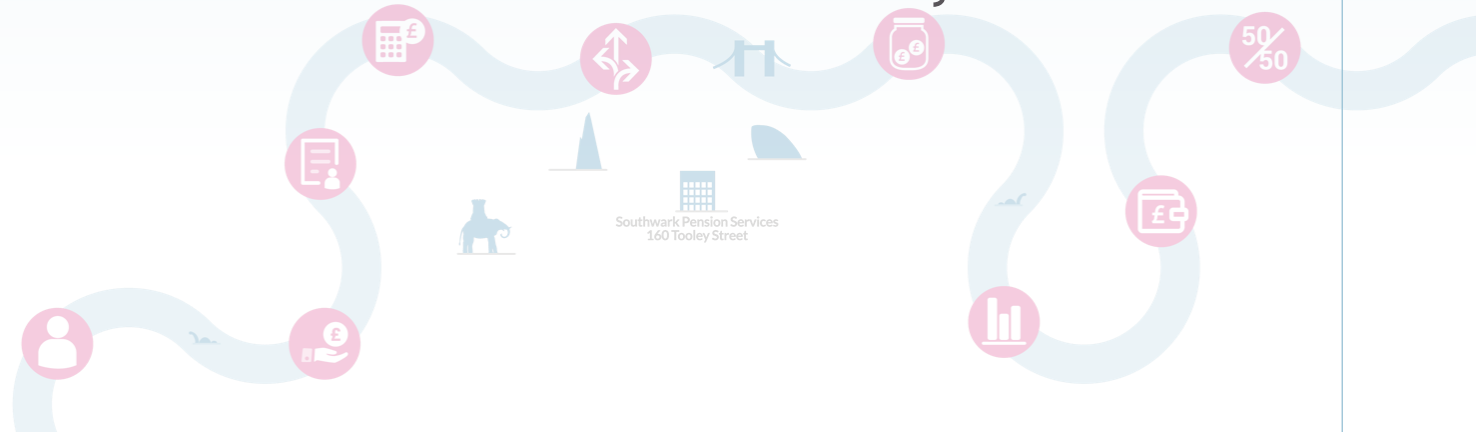


WHO CAN JOIN?

- ➔ By virtue of your employment with Southwark Council, you're eligible to join the Local Government Pension Scheme (LGPS). You'll be brought into the Scheme automatically if **your contract is for three months or more.**




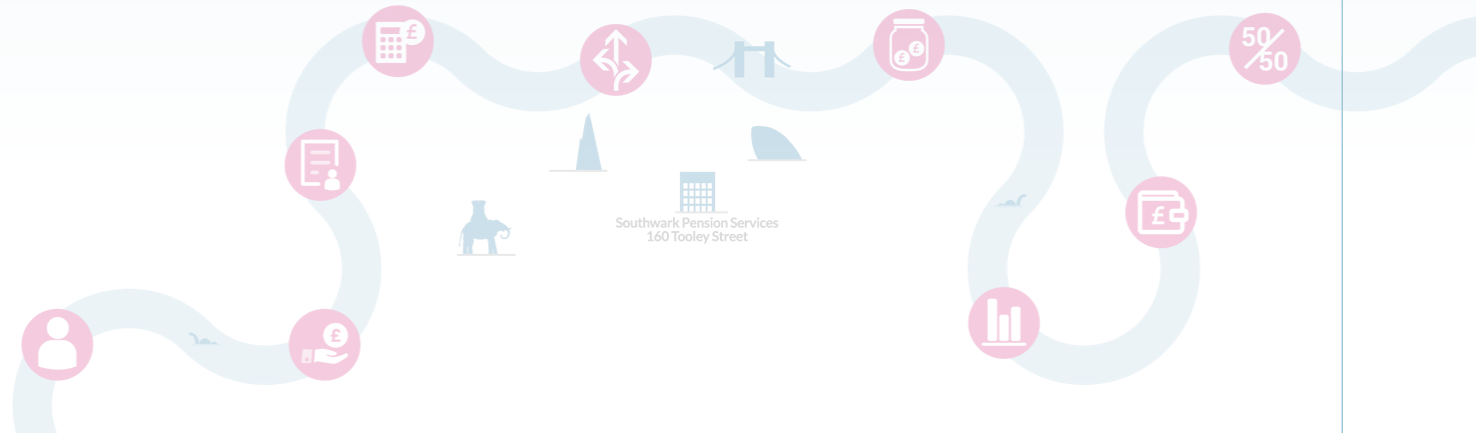
- ➔ If your contract is for less than three months, you can elect to join by completing an election form.
- ➔ Contact your LGPS Pension Fund for an election form if you wish to opt-in.





WHAT ARE THE BENEFITS?

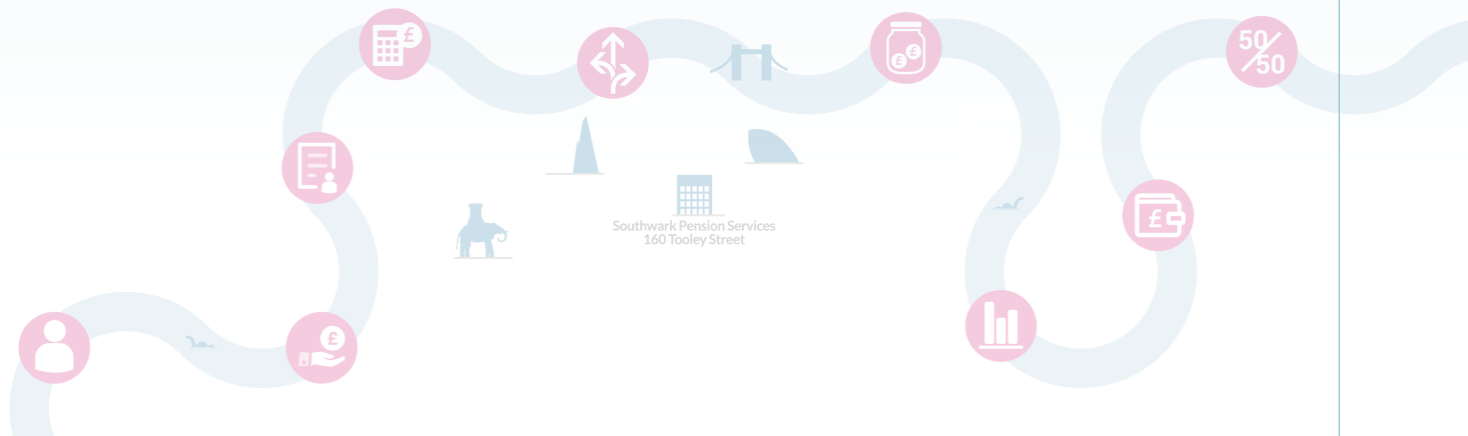
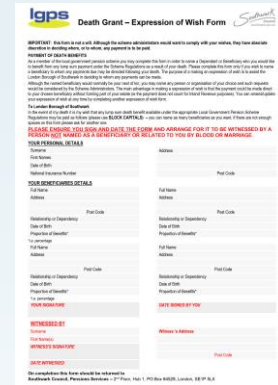
- Membership of a Defined Benefit Career Average Related Earnings (CARE) pension scheme that is secure and not reliant on stock market performance.
- Death in service benefits (tax-free) based on three times your Pensionable Pay. 
- Pensions payable to spouses, civil partners, co-habiting partners and dependent children in the unfortunate event of your death.
- Potential ill-health retirement enhancement.
- Tax relief on pension contributions made.





FORMS TO COMPLETE

- ➔ When you were recruited, you should have been sent pension starter forms to complete, along with a Death Grant - Expression of Wish Form.
- ➔ Please ensure that you complete these documents. It enables us to investigate any possible transfers from previous schemes quickly.
- ➔ We will also record your nominated person(s) for any Death Grant payments.

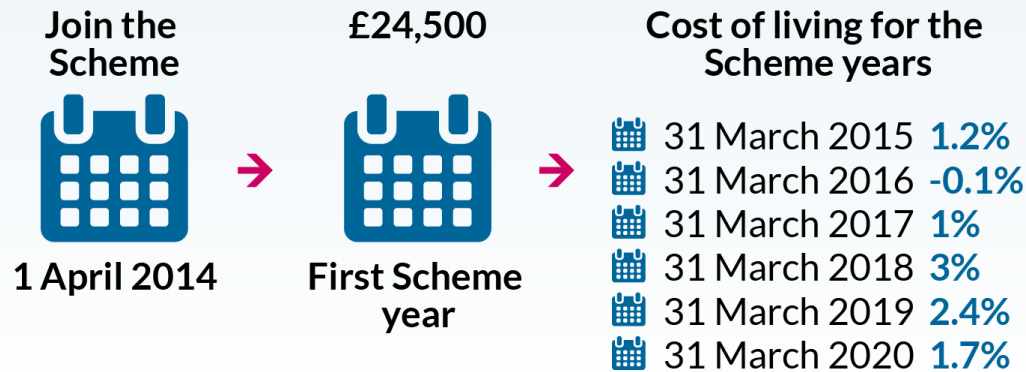


Southwark Pension Services
160 Tooley Street



HOW ARE THE BENEFITS CALCULATED?

- Each year, 1/49th of your Pensionable Pay and any assumed Pensionable Pay is put into your pension account. At the end of the year, it's adjusted to take into account the cost of living. This happens each year.
- Here is an example...





HOW ARE THE BENEFITS CALCULATED? cont.

Let's see what's in the pension account after six years...

Scheme year	Opening balance	Build up in Scheme (pay/build up rate = pension)	Total account 31 March	Cost of living adjustment	Total pension
1. 2014-15	£0.00	$\text{£}24,500/49 = \text{£}500$	£500	1.2% = £6	$\text{£}500 + \text{£}6 = \text{£}506$
2. 2015-16	£506.00	$\text{£}24,745/49 = \text{£}505$	£1,011	-0.1% = -£1.01	$\text{£}1,011 + -\text{£}1.01 = \text{£}1,009.99$
3. 2016-17	£1,009.99	$\text{£}24,992.45/49 = \text{£}510.05$	£1,520.04	1% = £15.20	$\text{£}1,520.04 + \text{£}15.20 = \text{£}1,535.24$
4. 2017-18	£1,535.24	$\text{£}25,242.37/49 = \text{£}515.15$	£2,050.39	3% = £61.51	$\text{£}2,050.39 + \text{£}63.17 = \text{£}2,111.90$
5. 2018-19	£2,111.90	$\text{£}25,494.79/49 = \text{£}520.30$	£2,632.20	2.4% = £63.17	$\text{£}2,632.20 + \text{£}63.17 = \text{£}2,695.37$
6. 2019-20	£2,685.37	$\text{£}25,749.74/49 = \text{£}525.50$	£3,220.87	1.7% = £54.75	$\text{£}3,220.87 + \text{£}54.75 = \text{£}3,275.62$

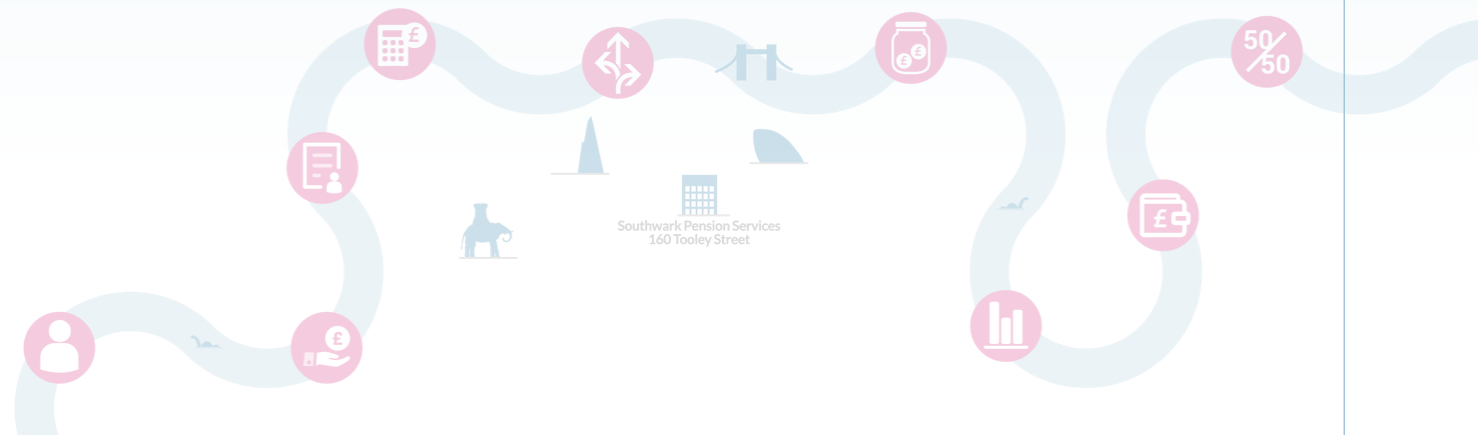


WHAT ABOUT OTHER PENSIONS ELSEWHERE?

- Provided you elect to do so within 12 months, you can request to transfer any HM Revenue and Customs approved pension arrangements into the LGPS.

OR

- You can keep them separate - it's up to you!





CAN I PAY MORE?

- You can!
- Buy additional pension in the LGPS by paying Additional Pension Contributions (APCs).
- Pay Additional Voluntary Contributions (AVCs) with our in-house provider, Aegon.
- Take out a Free Standing Additional Voluntary Contributions (FSAVCs) plan with a provider of your choice.



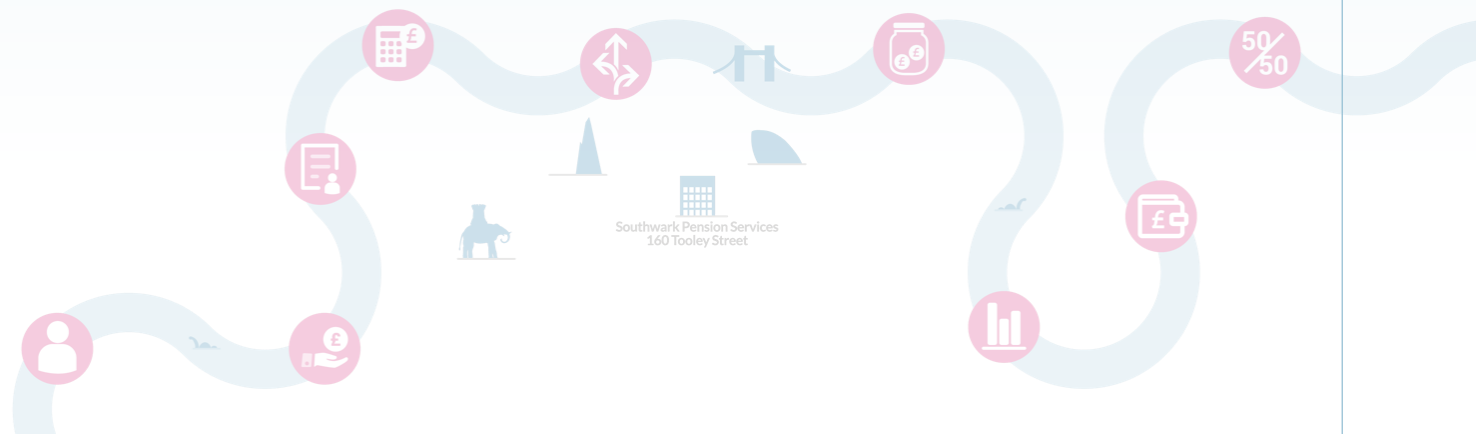
APCs



AVCs



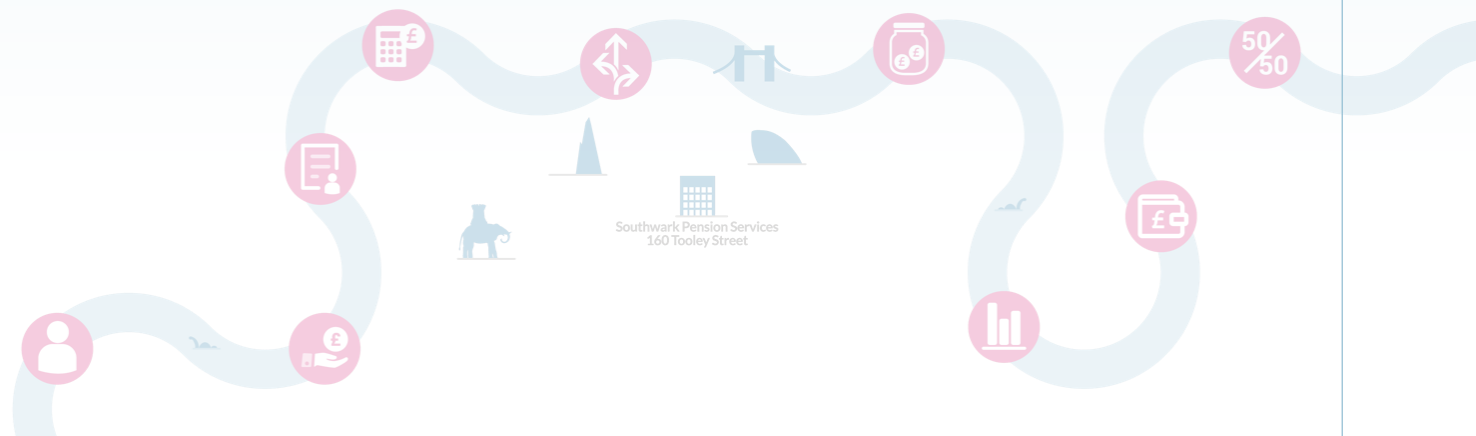
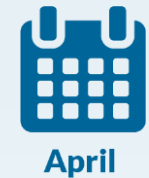
FSAVCs





CONTRIBUTION RATES

- Contributions are based on how much you're paid.
- When you join and every April afterwards, your employer will determine your contribution rate.
- If you have more than one job, your contribution rate will be decided separately for each job you have.
- If your pay changes throughout the year, your employer may review your contribution rate at any time, rather than wait until the following April.





The table below shows the pay bands and contribution rates that apply for England and Wales 2022/2023.

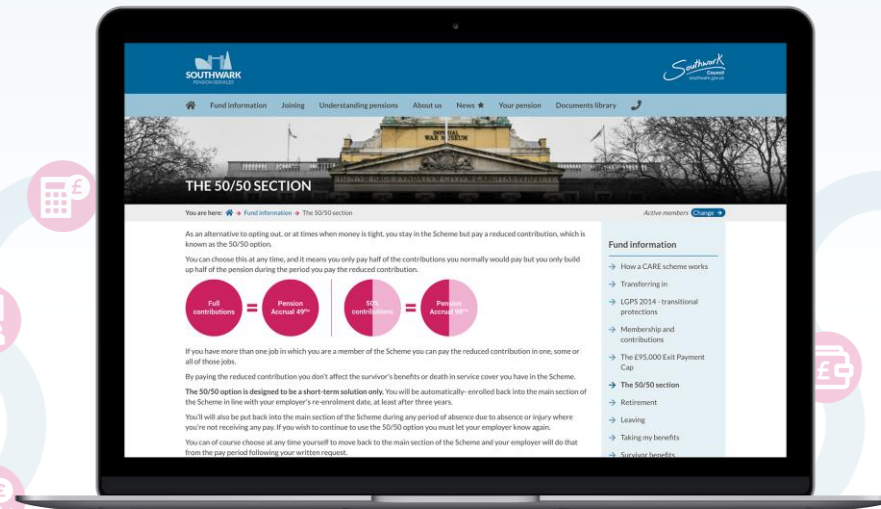
Band	If your Actual Pensionable Pay is...	Main scheme
1	Up to £15,000	5.5%
2	£15,001 to £23,600	5.8%
3	£23,601 to £38,300	6.5%
4	£38,301 to £48,500	6.8%
5	£48,501 to £67,900	8.5%
6	£67,901 to £96,200	9.9%
7	£96,201 to £113,400	10.5%
8	£113,401 to £170,100	11.4%
9	£170,101 or more	12.5%



➔ You can either elect to opt-out of the Scheme, and if you do this **within three months** of joining, your contributions will be refunded via payroll. You must complete an opt-out form.

OR

➔ You can elect, after one month, to change over to the 50/50 section. You will need to complete a 50/50 election form.





50/50 SECTION

- ➔ There will still be full death benefits payable in the event of your death.

Band	If your Actual Pensionable Pay is...	50/50 section
1	Up to £15,000	2.75%
2	£15,001 to £23,600	2.90%
3	£23,601 to £38,300	3.25%
4	£38,301 to £48,500	3.40%
5	£48,501 to £67,900	4.25%
6	£67,901 to £96,200	4.95%
7	£96,201 to £113,400	5.25%
8	£113,401 to £170,100	5.70%
9	£170,101 or more	6.25%



Useful websites:

www.lgpsmember.org/toj/thinking-joining-who.php

www.lgpsmember.org/arm/already-member-extra.php

www.lgpsmember.org/tol/thinking-leaving-opt.php

www.lgpsmember.org/arm/already-member-condsf.php



THANKS FOR WATCHING



For a helping hand, please contact us via:

@ lbspensions@southwark.gov.uk

📞 0207 525 4924



Don't forget to visit your new website at:

www.southwarkpensions.co.uk



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

www.lgpsmember.org



Southwark Pension Services
160 Tooley Street

