

Amendments to the Local Government Pension Scheme (LGPS)

Information for scheme members regarding recent amendments to the LGPS

Introduction

This newsletter is to inform you of some recent changes to the LGPS following the introduction of the LGPS (Miscellaneous Amendment) Regulations 2018 which were made on 18 December 2018 and came into force on 10 January 2019. The regulations amend the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

Changes to when you can take your Deferred Benefits

Early payment of deferred benefits for leavers before 1 April 1998

If you left the LGPS with a deferred benefit **before 1 April 1998**, the scheme rules had been changed to allow you to choose to take early payment of your deferred benefits from age 55, rather than 60.

The change to the scheme rules means that you no longer need the consent of your former employer to take your benefits between age 55 and your Normal Pension Age (NPA), or the date your deferred benefit will be payable without a reduction for early payment. Your NPA will be between age 60 and 65 depending on when you joined the scheme – you can find this information on your deferred benefit statement.

A further change to the scheme rules means that you no longer have to leave all local government employment to take payment of your deferred benefit. This means that if you are working in another local government employment (ie a different employment to the one you were in when you built up your deferred benefit), you can now choose to take payment of your deferred benefit and continue in your local government employment. These changes are backdated to 17 April 2018.

An enquiry, or application, for early payment of your deferred benefit should be made to the pension administrators Equiniti, on tel: 01293 603 085 or by email to hackney.pensions@equiniti.com.

Reductions to your benefits for early payment

If you choose to take your deferred benefits earlier than your Normal Pension Age (NPA), they will normally be reduced to take account of the fact that your pension will be paid for longer. How much your deferred benefits are reduced by will depend on how early you take them.

The reduction is based on the length of time (in years and days) between the date you take them and the date your deferred benefit is payable without a reduction for early payment. If you are unsure when your NPA is you should check your deferred benefit statement.

The early retirement reduction factors are set by the government and can vary from time to time. The current factors can be found on the national LGPS member website - www.lgpsmember.org/more/reductions.php

More information about taking your deferred is available on the national LGPS website - www.lgpsmember.org/arl/already-left-when.php

Changes to survivor benefits for same sex spouses and civil partners

A change to the scheme rules has been made to provide that survivor benefits payable to a same sex spouse or a civil partner, are equal those paid to the widow of a male member.

Why has the change been made?

The change has been made as a result of a Supreme Court judgment (Walker v Innopsec) which found that Mr Walker's male spouse was entitled to the same benefits that would have been paid if Mr Walker had left a widow in an opposite sex marriage.

Why does this apply to the LGPS?

The government believes that the implication of this judgment for all public service pensions schemes, including the LGPS, is that surviving civil partners or surviving same sex spouses should be provided with benefits equal to those that would be left to the widow of a male member.

When does the change take effect from?

The change is backdated to the date the civil partnerships and same sex marriages were introduced – this is 5 December 2005 for civil partnerships and 13 March 2014 for same sex marriages. This means that where a member of the LGPS has died leaving a surviving civil partner or a same sex spouse, the survivor's pension in payment will need to be reviewed and any additional amounts paid, where applicable.

Equiniti, the pension administrators, are in the process of reviewing the impact of this change and will be contacting affected civil partners and same sex spouses in due course.

The change will automatically be taken into account in survivor benefits paid to civil partners and same sex spouses in the future.

Disclaimer

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