

TYNE AND WEAR PENSION FUND

CHANGES TO LGPS FROM APRIL 2008

The old rules will continue to apply when calculating your pension and lump sum in respect of membership before 1 April 2008.

This information is for general guidance only and any decision taken should not be based solely on this.

On 1 April 2008 some important changes to the Local Government Pension Scheme (LGPS) came into effect. The main changes are outlined below.

Your Pension

- A 1/60 Scheme replaces the current 1/80 Scheme. After 31 March 2008, for every year you are a member, you will earn 1/60 of your final pensionable pay instead of 1/80. Your pension will build at a higher rate.
- For membership after 31 March 2008, there will be no automatic entitlement to a lump sum, but you will have the option to convert part of your pension to a tax free lump sum. £1 of annual pension can be exchanged for £12 lump sum. As your pension will be calculated at a higher rate, your benefits are not reduced by this change.

Your Contributions

- Pension contributions will change from the standard rate of 6% (or 5% for protected members) to a contribution rate based on your whole time rate of pay as shown in the following table.

Pensionable Pay	Contribution Rate
Up to £12000	5.5%
£12000.01 to £14000	5.8%
£14000.01 to £18000	5.9%
£18000.01 to £30000	6.5%
£30000.01 to £40000	6.8%
£40000.01 to £75000	7.2%
£75000.01 and over	7.5%

Your employer is responsible for deciding your pay band. These bands will increase annually in line with inflation.

If you currently pay 5% pension contributions, then over a three year period from 1 April 2008, your contributions will gradually rise to match the correct rate for your pensionable pay, as shown in the table below.

Date	Contribution Rate
1 April 2008	5.25%
1 April 2009	5.5%
1 April 2010	6.5%

Ill Health Benefits

- A tiered system to determine the level of enhancement will be introduced for ill health benefits. This is based on your ability to work in the future.

Death Grant

- The death in service grant increases to a payment of three times the amount of your final salary. A Death Grant Nomination Form can be printed from our website www.twpf.info.

Survivor's Pension

- In addition to widows, widowers and civil partners pensions, unmarried members can now nominate a cohabiting partner to receive a survivor's pension. You must be able to prove that you have been living together for at least two years, are able to marry or form a civil partnership, and are financially dependant on each other. A Cohabiting Partners Nomination Form can be printed from our website www.twpf.info.

The 85 Year Rule

- Protection will continue for members contributing to the LGPS on 30 September 2006, who were born before 1 April 1956. For members born between 1 April 1956 and 31 March 1960 there is protection on a sliding scale. A consultation on extending protection for members born before 1 April 1960 is still taking place.

Transfers to and from Local Government Funds in Scotland and Northern Ireland

- From 1 April 2008 transfers from Scottish and Northern Irish Funds no longer transfer to English and Welsh Funds on a day for day basis. From 1 April 2008 these transfers will be calculated on the 'club' transfer arrangement. This means that the amount of membership credited will depend on how much the transfer buys. Members can still proceed on an estimate basis until they are notified how much the membership credit will be at which time they can decide whether to proceed with the transfer or not.

If you think you may be affected by any of the above changes and would like more information, please contact us:

The Pensions Helpline 0191 424 4141 or 0845 625 4141

E-mail at pensions@twpf.info

Visit our website at www.twpf.info , or the LGPS member's website at www.lgps.org.uk for the latest information.

You may be aware that as a member of the Local Government Pension Scheme (LGPS) you are covered for a package of benefits, which includes the payment of a death grant, in the event of your death.

The Scheme rules allow you to choose the person(s) or organisation(s) that you want to receive the death grant, should you die before you reach retirement, or very soon after retiring.

What are the benefits of making a nomination?

By completing a nomination form, in most cases you will ensure that any death grant payable is allocated as per your nomination (providing your nomination is up to date – see below). Also the payment(s) can be made quickly without waiting for your estate to be settled.

Please note: The Scheme Administrator has absolute discretion over who receives any death grant and may decide it is reasonable to make any payments due, to another person. For example, if a form is not kept up to date and the contents are deemed no longer appropriate.

Who can the death grant be paid to?

Basically, anyone you wish. You can nominate one or more people on the form provided.

However, if you nominate more than one person you must indicate how much of the grant each is to receive, for example 40%, 60% etc.

There are problems associated with making payments of death grants to minors (persons under the age of 18).

If you wish to nominate someone under 18 years old, you should obtain independent legal advice.

Can I change my nomination?

You can change your nomination as many times as you like, and at any time. In order to do this you must complete a new form - this will automatically replace any previous nomination(s).

Please Note: You are responsible for keeping your nomination form up to date.

How much will the death grant be?

If you die in service, the death grant will be two years' pensionable pay. If you pay Additional Voluntary Contributions (AVCs) life cover through the in-house scheme, you can provide a death grant of up to four year's pay. Information on providing extra life cover is available on request, from the Pensions Office.

If you have a deferred pension, the death grant will be the lump sum retirement grant you have built up, which is usually 3/80ths of salary for every year of pensionable service, plus index linked increases.

If you are already in receipt of a pension then the rules are a little more complex and a death grant may be payable if you die within the first few years of retirement. Please contact the Pensions Helpline for further information.

Please note: Unless you clearly state otherwise, this nomination form will cover all LGPS benefits that you have accrued with the Tyne and Wear Pension Fund.

What if the person I have nominated dies before I do?

If the person due to receive payment dies, then you will need to complete a new form to nominate your new beneficiary.

If you have listed more than one person and **any one** of them dies you will also need to complete a new form.

If you have nominated a spouse or civil partner and you subsequently divorce or the partnership is officially dissolved via a court process, then the nomination will no longer stand. You may then wish to nominate a new beneficiary.

What will happen to my death grant if I don't complete a nomination form?

A death grant will be paid to your personal representatives who will administer your estate. The Probate Office will issue Grant of Probate or Letters of Administration depending on whether you have written a will, which will name your personal representatives.

This process can take time and the death grant then forms part of your estate.

What if I have already written a will?

You can still complete the death grant nomination form, which will speed up the process and give the advantages already detailed.

I am paying AVCs to increase my death grant, will the nomination apply to this as well?

Yes, the money due will also be paid in accordance with the death grant nomination. However please note that if you are contributing to an AVC policy to increase your retirement benefits, and you die in service, any amount payable will be paid to your personal representative.

Please note: If there is any dispute or doubt in respect of the death grant nomination form, South Tyneside Council as the Administering Authority of the Tyne and Wear Pension Fund, has absolute discretion to pay the death grant to the person nominated or your personal representative(s) or relative or dependant.

What should I do now?

If you wish to nominate someone then you should complete the attached form, detach it and return it to the Pensions Office. Information on how to contact us can be found on the back page of this leaflet.

Death Grant Nomination

You may wish to take a copy of this form before returning it to us.

Please complete in **BLACK INK** using **CAPITAL LETTERS** throughout this section.

Employer
(Or ex-employer) _____

Your Full Name _____

Your Address _____

Postcode _____

Home/Work Tel No _____

NI Number (see payslip) _____

NOMINEE(S)

Full Name _____

Address _____

Postcode _____

Relationship _____

Date of Birth if a minor _____

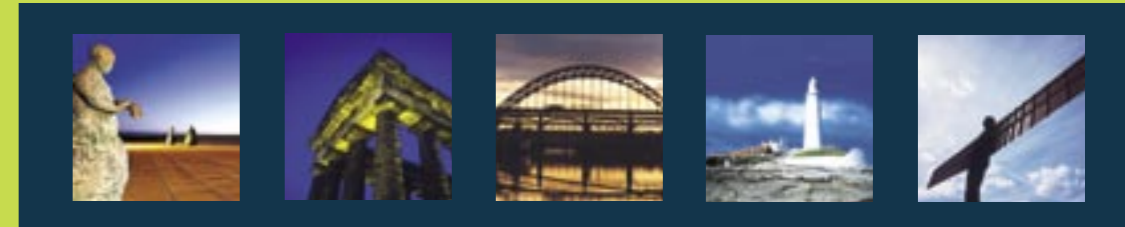
If you are nominating more than one person please specify % of death grant _____

I nominate the person(s) specified to receive my death grant in the event of my death. Although best efforts will be made to comply with my wishes, I understand that the Scheme Administrator has discretion in making this payment.

Signature: _____ Date: _____

NB - This nomination replaces any previous declarations. If you are making multiple nominations, please continue overleaf.





Death Grant Nomination Form

How to contact us

Our information is available in other ways on request.
We can provide information in other languages, Braille or large print.
We also have access to audio aids and BSL interpreters.
There are a number of ways you can get in touch with us.
If you need any further information on the LGPS please contact us at:



The Pensions Office
Tyne and Wear Pension Fund
PO Box 143
Hebburn NE31 2WT



Pensions Helpline
Tel 0191 424 4141



Fax 0191 424 4171



Email pensions@twpf.info



Web www.twpf.info

Personal callers

You can visit us during office hours at the Civic Centre,
Campbell Park Road, Hebburn, Tyne and Wear. NE31 2SW.
You don't need to make an appointment.

Office hours

Monday to Thursday 8.30am to 5.00pm
Friday 8.30am to 4.30pm

Please quote your National Insurance Number
and your Membership ID Number, so we can
quickly trace your records.

Additional Nominees

Please Remember

If you are nominating more than one person, you must specify how much of the death grant each nominee is to receive.

Full Name _____

Address _____

_____ Postcode _____

Relationship _____

% of death grant _____

Date of Birth if a minor _____

Full Name _____

Address _____

_____ Postcode _____

Relationship _____

% of death grant _____

Date of Birth if a minor _____

I nominate the person(s) specified to receive my death grant in the event of my death. Although best efforts will be made to comply with my wishes, I understand that the Scheme Administrator has discretion in making this payment.

Signature: _____ Date: _____

NB - This nomination replaces any previous declarations

