

The following details reflect the changes introduced to the Local Government Pension Scheme (LGPS) by the LGPS (Amendment) Regulations 2004. All of the changes come into force from 1st April 2004, with the exception of revised provisions for the resolution of disputes, which come into effect from 1st June 2004.

Eligibility - Who can join?

The ability of some LGPS members to remain in the scheme has been extended to include those transferring to an NHS employing authority, where their NHS employer enters into an admission agreement.

General Qualification for Benefits

The general qualification for entitlement to LGPS benefits is reduced from two years total membership to three months. A refund of contributions will only be available to scheme members who have less than 3 months total membership, have not brought a transfer value into the LGPS, and who leave before their normal retirement date. Additionally, the scheme provisions relating to the payment of a lump sum ill health retirement grant have been removed as they are no longer relevant. Scheme members who would formerly have been entitled to a lump sum grant will now be entitled to an ill health pension and lump sum.

Ill-Health Retirement

The definition of 'permanent ill-health' has been amended to emphasise that the assessment of permanency is made on the balance of probabilities. Also, the period of membership used to calculate the benefits of scheme members retiring due to ill-health cannot now be enhanced if the member has previously been retired on health grounds under the LGPS.

Death in Service

Similarly, benefits payable on death in service will not be calculated using an enhanced membership period if the scheme member had previously been retired on health grounds under the LGPS.

Right to aggregate previous LGPS membership

The right of an active scheme member to aggregate, at any time, a previous period of LGPS membership with a current period of scheme membership is now restricted. Any election to aggregate must be made within twelve months of again becoming an active member, or such longer period as the employing authority may allow. Members can ask their employer what their policy is on extending the election period. Where a member chooses not to aggregate a period of membership, they cannot make a subsequent election to aggregate that period of membership on later re-joining the LGPS. The right of LGPS pensioners who re-join the scheme to aggregate previous local government membership at the point of retirement is removed.

Power of an Employing Authority to increase Total Membership

An employing authority may now award a member additional membership at any time during their active membership of the scheme, rather than only on joining or at retirement. Your employer's policy with regard to this discretion must be included in their policy statement.

Internal Disputes Resolution Procedure (IDRP)

The provisions relating to the settling of a disagreement about a matter relating to the scheme have been simplified. In the first instance you should now write to the person nominated by the body that made the decision about which you wish to appeal. You must do this within six months of the date of the notification of the decision about which you are complaining. The nominated person will consider your complaint and notify you of his/her decision. If you are still dissatisfied with that person's decision, you may, within six months of the date of the decision, apply to the administering authority to have the decision reconsidered.

Annual Benefit Statement (ABS)

Scheme members (other than pensioners) must be issued with an annual benefit statement on or before 1st April 2005 and annually thereafter.

Protection for current scheme members

A member with three months or more but less than 2 years total membership who has not had a transfer of pension rights into the LGPS can opt for a refund of contributions rather than have a preserved benefit if, and only if, the member was contributing to the LGPS on 1st April 2004.

Active members with un-aggregated membership from a previous period of membership in the LGPS have twelve months from 1st April 2004, or such longer period as their employing authority allow, to elect to aggregate it with their current membership.

Existing re-employed pensioners (i.e. those who were re-employed as at 1st April 2004) may elect, by writing to their administering authority by 30th September 2004, to retain their right to aggregate their membership at retirement. The election will include the right for their membership to be aggregated for the benefit of their dependants in the event of their death. Such elections will only apply if the member remains in the same employment, unless subject to a transfer, until retirement or their death.