



Merseyside
PENSION FUND

Head for a comfortable secure future...

with your employer's pension scheme



April 2011

Now's the time to be heading for a comfortable and secure future. People who choose the Local Government Pension Scheme (LGPS) have a head start.

That's because the Local Government Pension Scheme is provided for you by your employer who pays the bulk of the cost of your benefits.

The Scheme is an important part of your employment package and a valuable benefit on top of your pay. **Contributions are between 5.5% and 7.5% of your pay**

But...what you actually pay is far less than you think because contributions are tax free and you pay a lower rate of national insurance.



The attractive Scheme benefits include:

.....
a pension based on your final pay¹
.....

the ability to provide yourself with a tax-free lump sum when you retire¹
.....

the ability to increase your pension by up to a maximum of £5,000 p.a.
.....

the right of voluntary retirement from age 60
.....

early retirement with your employer's consent or on redundancy at or after age 55
.....

flexible retirement with your employer's consent, from age 55 (drawing your pension whilst continuing to work in a reduced capacity)
.....

enhanced benefits for members who stay in the Scheme and draw their benefits after 65
.....

immediate benefits, at any age, if you have to retire due to ill health
.....

a death in service lump sum of three years pay
.....

fully index-linked benefits to keep pace with inflation
.....

survivor's pensions²
.....

children's pensions
.....

Why should you have a pension of your own?

Divorce or the death of your spouse or partner can dramatically affect your financial security for the rest of your life.

Single parents have the sole responsibility of both working hard and looking after children, with the added responsibility of protecting their standard of living in the event of their death.

A tall order, so wouldn't it be wise to get rid of uncertainties and have comfort in the knowledge that planning now for your financial future will provide a regular income for your eligible children should that happen.

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Remember, the benefits gained in retirement will far outstrip the contributions you make.”

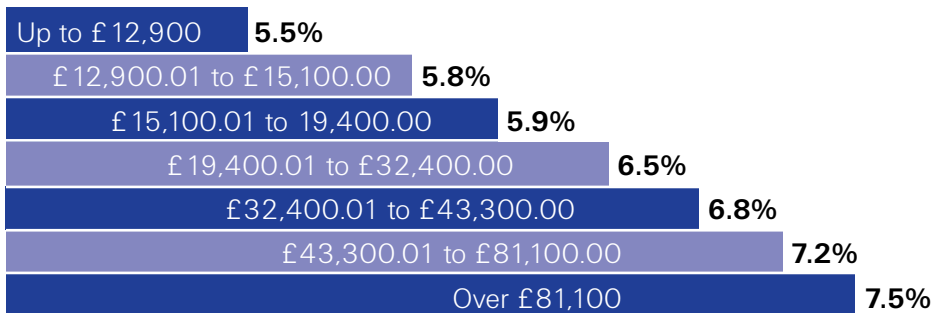
¹ Some benefits are dependent on having three months membership. ² Payable upon the death of a member to a surviving spouse, surviving registered civil partner or surviving nominated cohabiting partner.

The cost of being a member of the Scheme is less than you might think...

How much it costs you depends on how much you are paid but it will be between **5.5%** and **7.5%** of your pay. The rate you pay depends on which pay band you fall into.

If you work part-time, your rate will be based on the whole time pay rate for your job, although you will only pay contributions on the pay you actually earn.

Here are the Whole-time Earnings Bands and corresponding Contribution Rates that apply from 1 April 2011*



The most vital element in the LGPS package is that it's a final salary scheme, which means your benefits are based on your final year's pensionable pay and the number of years you have been a member of the Scheme, not what you pay in. And like other public sector schemes, it's fully index-linked.

Whatever your circumstances, whether you are low-paid, part-time, single, married, divorced, widowed, cohabiting or are a single parent, the LGPS can help you lay your financial foundations for the future, with an excellent range of guaranteed benefits that Scheme members can enjoy.

**The pay band ranges increase each April in line with the cost of living*



What if I leave?

If you change jobs, the length of your membership determines the options available to you.

With less than three months membership you would be entitled to a refund of your contributions, adjusted for tax and national insurance as required.

With at least three months in the Scheme, the membership you have built up can remain in the LGPS or be transferred to another pension scheme.

Leaving your benefits in the LGPS will provide you with a pension on retirement, payable for the rest of your life and increased each year in line with inflation.

If you return to work with a Scheme employer anywhere in the UK, you can re-join the LGPS, picking up where you left off and add to the benefits you have already built up.

How to join?

For staff of 'Scheduled' employers such as local authorities, membership is automatic, with deductions being made directly from payroll.

For employers with 'Admission' status such as charities and contractors, membership is by application only and at employers' discretion.

If you do not want to join the Scheme, see your personnel section.

Further information

Your employer should issue you with an information pack containing further details on the benefits of being a member of the Local Government Pension Scheme and the options available.

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