

Amendments to the Local Government Pension Scheme (LGPS)

Introduction

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.

Disclosure requirements

The Disclosure Regulations 2013 require that pension schemes inform all members and beneficiaries of the scheme of any change to the scheme that results in a material change to the basic scheme information, as listed in Part 1 of Schedule 2 of those regulations. The basic scheme information is generally the information that would be included in the brief scheme guide.

Payment of deferred benefits from age 55 for leavers before 1 April 1998

The LGPS (Miscellaneous Amendment) Regulations 2018 correct the previous error and deliver policy intent – the change is backdated to 17 April 2018.

Changes to when you can take your deferred benefit

Early payment of deferred benefits for leavers before 1 April 1998

Last year we wrote to you to inform you of a change to scheme rules if you left with a deferred benefit before 1 April 1998. We informed you that the scheme rules had been changed to allow you take your benefit at age 55 (rather than 60), or the date your deferred benefit will be payable without a reduction for early payment – this is called your Normal Pension Age (NPA). 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.

We are writing to you again to let you know that a further change to the scheme rules has been made which now allows you to take your benefit from age 55 (rather than only at age 55 or NPA) – your former employer does not need to provide consent for you take your benefits between the age of 55 and your NPA. You must take payment of your deferred benefit at NPA (if you have not taken payment before).

In addition, 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.

The above changes are backdated to 17 April 2018.

An application for early payment of your deferred benefit should be made to Haringey Council Pensions Team.

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. We 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.