

LOCAL GOVERNMENT PENSION SCHEME 2008

EMPLOYER BULLETIN No. 8 – April 2010

2010/2011 REGULATION CHANGES & REMINDERS



Introduction

Welcome to the latest employer bulletin. The main purpose of this bulletin is to bring to your attention confirmation of the contribution bandings for 2010/2011 and changes to the earliest retirement age under LGPS regulations which are coming into effect from 1st April 2010. We have also moved address since the last communication and our full contact details can be found below.....

New Contact Details for the Berkshire Pension Fund

As you are aware with effect from Monday 21st December 2009 the Royal County of Berkshire Pension Fund re-located to a new address in Maidenhead. Our contact information is:

Royal County of Berkshire Pension Fund
Minster Court
22-30 York Road
Maidenhead
Berkshire
SL6 1SF

Helpdesk Telephone No: **0845 602 7237**

Fax: **01628 796 700**

Overseas: +44 1628 796 668

E-mail: info@berkshirepensions.org.uk

Website: www.berkshirepensions.org.uk

Pension Contributions 2010/2011

I confirm below the contribution bandings effective from **1st April 2010** to **31st March 2011**.

These salary bands increase each year in line with the Retail Price Index (RPI) but as the rate of inflation for September 2009 fell below zero there will be no change to the salary bandings for 2010/2011 and they will remain the same as the 2009/2010 rates:

Band	Salary Range	Contribution Rate
1	£0 - £12,600	5.5%
2	Over £12,600 to £14,700	5.8%
3	Over £14,700 to £18,900	5.9%
4	Over £18,900 to £31,500	6.5%
5	Over £31,500 to £42,000	6.8%
6	Over £42,000 to 78,700	7.2%
7	Over £78,700	7.5%

Part-time employees reminder: If an employee works part-time, when determining their contribution rate, you will have to consider the level of earnings that the employee would have received had they been an equivalent full-time employee. If the employee works term-time weeks per year their contribution rate is determined by their term-time weeks full-time equivalent pay.

Manual Workers Contribution rate 2010/2011

If you have employees who were paying the protected 5% manual worker's contribution rate before 1 April 2008, they will be paying 6.5% during the period 1 April 2010 - 31 March 2011 if their level of earnings is over £18,900. If, however, their level of earnings falls below £18,900 they will pay contributions at the rate set out above in accordance with bands 1 to 3.

Year	Contribution Rate
2008 / 2009	5.25%
2009 / 2010	5.50%
2010 / 2011	6.50% (or as per above table if actual pensionable salary is lower and based on prevailing salary range in 2010/2011)
2011 / 2012	With effect from 1st April 2011 contribution rate in accordance with the above table.

Employer contribution rates from 1 April 2010

As we enter into a new financial year you need to make sure that you deduct the correct rate of employer contribution from 1 April 2010. In many cases the rate will remain unchanged from the rate applied in 2009/10 but please check the rates and adjustments certificate on our website to make sure you deduct the correct rate for 2010/11. You can find the rates and adjustments certificate in the Employers section of the website and the navigation to Contributions – Employers. You will see the rates & Adjustment Certificate highlighted in the first paragraph of that page. Click on this to reveal a pdf version of the document and scroll down the pages to find your own employer.

Increase in Earliest Retirement Age

With effect from 1 April 2010, the earliest age from which member's can receive the immediate payment of a pension from the LGPS (other than on the grounds of permanent ill-health) increased from age 50 to age 55. In order to draw a pension before the age of 60, the member has to be either made redundant, retired early on efficiency grounds or have employer consent to be able to draw you're a pension immediately.

Changes to Civil Partner's Survivor's Pension and Paying extra to provide additional survivor's pension for your Nominated Cohabiting Partner

There have been recent changes to the Local Government Pension Scheme (LGPS) which may affect the survivor's pension payable upon the death of a member who has registered a civil partnership, or has nominated a co-habiting partner to receive a survivor's pension, **and** has LGPS membership before 6 April 1988.

These changes alter the way that a survivor's pension for a registered civil partner is calculated, and introduce a new option to buy extra survivor's pension for a nominated co-habiting partner.

A factsheet has been produced to confirm the changes which can be downloaded from our website at www.berkshirepensions.org.uk

Pension Surgeries for 2010

We are happy to arrange pension surgeries at your place of work to meet with scheme members by appointment to discuss their particular questions regarding their own LGPS benefits. Members are welcome to make a 15-minute appointment with us to discuss their pension benefits in complete confidence at a time convenient for them. If numbers exceed what would be manageable for one pension administrator to undertake, we are happy to resource this so that appointment times can be doubled up if required.

These surgeries are proving to be very popular with our scheme members particularly in light of the current financial climate.

Pre-Retirement Seminars - We can, in conjunction with Prudential, offer your staff an opportunity to attend a 2-hour seminar on planning for retirement. Having looked at the provision of this type of service across the pensions industry, the Fund has asked Prudential to assist in running these seminars. We believe the knowledge that Prudential have in delivering this type of seminar is invaluable to our members. These seminars would be completely free of charge and would cover the following topics:

- **LGPS and the benefits it provides**
- **Top Tax Tips**
- **Protecting your inheritance**
- **Securing the best pension income for you**
- **Unlock the value tied up in your home**
- **State Pension benefits**

The Quill Newsletter – April 2010

The latest edition of the Quill newsletters for active scheme members has now been dispatched. An electronic copy is available via our website at www.berkshirerpensions.org.uk

Standard Forms updated on Website

All standard forms have been updated with our new address and contact details and are available in the Employers Section of the website at www.berkshirerpensions.org.uk/

All standard forms can be printed directly from this section of the website. Please ensure you are completing up to date forms when notifying us of pension changes.

Revised LGS1B available

The LGS1B – Brief Guide to the LGPS. As mentioned previously in this bulletin the pension contribution bandings will not be increasing from 1st April 2010 and will remain unchanged. However I have amended the financial year dates with 2010/2011. Please use this amended form with immediate effect.

This short guide sets out the main benefits of becoming a scheme member and should be used by employers when issuing contracts of employment. The leaflet can be found on our website at the following link:

www.berkshirerpensions.org.uk/employers_standard_forms.htm

Please note that, other than standard forms as published on our website, leaflet LGS1B is the only pension guide that should be issued by an employer.

Important information for High Earners

With effect from 1st April 2010 onwards tax changes are being introduced which will affect high income employees with income (from all sources) of over £100,000. In view of these changes The Local Government Employers Organisation (LGE) has produced a guide which provides as much information as possible on the implications of these changes and also includes some worked examples. I have uploaded this guide to the Berkshire Pension Fund website at <https://www.berkshirerpensions.org.uk>

Year-end 2009/2010 - reminder

As this is a valuation year, submission of the valuation data to the scheme actuary and the Government actuary is required by 31st August 2010. We are therefore asking that you submit your year end returns a little earlier than normal and by 16 April 2010 at the latest. You should already have received notification of this requirement by email in February and this matter was discussed at our annual employer meeting on 4 March 2010 held in Maidenhead. Should you have any queries regarding completion of your year-end return please contact Philip Boyton directly on **01628 796754** or e-mail: philip.boyton@rbwm.gov.uk

Annual Report and Accounts 2008/2009

The Annual Report and Accounts for **2008/2009** are now available to download from our website at www.berkshirerpensions.org.uk/annual_accounts_and_reports.htm If you would like a hard copy of this document please contact Joanne Brazier on **01628 796754**.

Action to be taken

- **Ensure correct pension contribution rates are deducted from member's pay based in accordance with the salary bandings from 1.4.2010**
- **Ensure you deduct the correct rate of employer contribution from 1 April 2010**
- **Ensure year-end data is submitted to pension team by 16 April 2010**
- **Take a look at the What's New section in the Employers Section of the Berkshire Pension Fund's website.**
- **Ensure updated standard forms are completed with immediate effect.**
- **Ensure that the revised LGS1B employee's short guide to the scheme is used with immediate effect.**

Joanne Brazier
Assistant Pensions Manager – Communications
April 2010

Disclaimer

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of the Bulletin, it would be helpful if readers could bring to the attention of the Pension Fund any perceived errors or omissions. Please contact:

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