

Dear .....,

### **Local Government Pension Scheme**

Please find enclosed a statement of your pension benefit entitlement in the above scheme.

### **Payment Date**

The benefits shown can be taken unreduced from your individual State Pension Age (SPA). If you are unsure what your SPA is you can find out at [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)

You are able to apply for early payment of your preserved benefits as below:

- i) from age 55, however, your pension benefits would be reduced to take into account early payment unless your former employer agreed to waive part or all of the reduction.

The City of London resolves to make use of the discretion to waive in full or in part, any reduction to the member's benefits only where there is no financial or operational disadvantage to the City of London. Each case will be considered on its merits by the relevant Chief Officer in agreement with the Director of Corporate HR and the Chamberlain.

- ii) at any time on the grounds of ill health or infirmity where your health deteriorates to the state where you would be incapable of efficiently carrying out the duties you were performing during your employment with the City of London, and where your condition would prevent you from obtaining other gainful employment, whether in local government or elsewhere, within three years of the date of your application.

### **Calculation of benefits**

#### Final Salary Benefits

Your pension benefits up to 31 March 2014 are based on your membership and your final pay on leaving. Your final pay is usually the pensionable pay in respect of your final year of scheme membership or one of the two previous years' if this is higher. If you were working part-time your final pay is the pay that you would have received had you worked whole-time.

The pensionable pay used to calculate your final salary is your normal pay or wages plus London weighting, shift allowances, contractual overtime, bonuses, maternity pay, paternity pay, adoption pay and any other taxable benefit specified in your contract as being pensionable. Non-contractual overtime and additional hours worked are not used to calculate your final pay.

You have the option to have your final pay calculated as the average of any 3 consecutive years' pay in the last 13 years (ending on a 31 March) if your pay was reduced, or increases to your pay were restricted in your last 10 years of continuous employment because:

- you downgraded or moved to a job with less responsibility, or
- as a result of a job evaluation/equal pay exercise, or
- of a change to what is specified as pensionable pay in your contract

If you wish to take up this option you should contact the Pensions Office in writing **within 30 days** of the date of this letter.

Your benefits are increased in line with the cost of living, both while they are preserved, and after they come into payment. Where a previous year's pay has been used these increases apply from the end of the pay period used.

If you receive arrears of salary after leaving the LGPS (e.g. due to a backdated pay award or a bonus paid in respect of an earlier period) your pension benefits will be re-calculated accordingly; where a previous year's pay has been used to calculate your pension benefits the re-calculation may result in the final year being higher and consequently pension increases will apply from a later date. **As a result there may be a reduction in the pensions increase amount and a reduction to the total pension benefit payable.**

#### Career Average Revalued Earnings (CARE) benefits

From 1 April 2014 your pension is calculated each year by taking 1/49<sup>th</sup> of your pensionable pay in that year and adding it to your Pension Account. The amount of pension in your Pension Account at the end of each scheme year will be adjusted in line with the cost of living.

The pensionable pay used to calculate your CARE benefits is your normal salary or wages plus London weighting, shift allowances, overtime (both contractual and non-contractual), bonuses, additional hours, maternity pay, paternity pay, adoption pay and other taxable benefit specified in your contract as being pensionable.

Your benefits are increased in line with the cost of living, both while they are preserved, and after they come into payment.

## **Transfer**

If you re-join the LGPS at any time prior to retirement, your pension rights will be automatically combined with your new LGPS pension benefits unless you elect to keep them separate.

If you become subject to any other pension arrangements outside of the LGPS, it may be possible to transfer your pension rights if you so wish. In order to initiate a transfer you should inform your current or future pension scheme administrator that you wish to consider a transfer of your pension rights.

## **Annual Statement**

You will receive an annual statement each year (usually June) to inform you of the current value of your preserved benefit. Please keep me informed of any **change to your address**.

If you have any queries concerning this statement, or disagree with the award of the calculation of benefits, please contact me on the telephone number above.

Should your concern remain outstanding you have a right of appeal under the City of London's Internal Dispute Resolution Procedure. If this is the case, you should write to me at the above address and I will supply details of the procedure and to whom the complaint should be addressed. Any such appeal should be made as soon as is reasonably practicable after the receipt of this letter but within six months of the date of this letter.

## **Further information**

For further information on the Local Government Pension Scheme please visit [www.yourpension.org.uk/CityofLondon](http://www.yourpension.org.uk/CityofLondon)

For more general information about pensions and saving for retirement please visit [www.direct.gov.uk/workplacepensions](http://www.direct.gov.uk/workplacepensions)

Yours sincerely

Pensions Manager