Benefits of Joining the LGPS

Key features

The Local Government Pension Scheme (LGPS) is a valuable part of the pay and reward package for employees working in local government or working for other employers participating in the scheme. The key features of the scheme include:

A secure pension

Your pension is worked out every year and added to your pension account. Each year 1/49th of your pensionable pay is put into your pension account; at the end of the year the total amount of pension in your account is adjusted to take into account the cost of living.

Flexibility to pay more or less contributions

You can boost your pension by paying more contributions, which you would get tax relief on. You also have the option in the LGPS to pay half your normal contributions in return for half your normal pension. This is known as the 50/50 section of the scheme and is designed to help members stay in the scheme when times are financially tough.

Tax efficient now and in the future

As a member of the LGPS, you receive tax relief on the contributions that you pay plus you have the option when you draw your pension to exchange part of it for tax-free cash.

Peace of mind

Your family enjoys financial security, with immediate life cover and a pension for your spouse, civil partner or eligible cohabiting partner and eligible children in the event of your death in service or if you die after leaving having met the 2 year qualifying period also known as vesting period. If you ever become seriously ill and you've met the 2 year qualifying period, you could receive immediate ill health benefits.

Freedom to choose when to take your pension

Your pension is usually payable from your normal pension age which is linked to your State Pension age (with a minimum of 65). You can choose to retire and take your pension at any time between the age of 55 and 75. If you choose to take your pension before your normal pension age it will normally be reduced, as it's being paid earlier. If you take it later than your normal pension age it will be increased because it's being paid later.

Redundancy and efficiency retirement

If you are made redundant or retired in the interests of business efficiency at or after age 55 you will, provided you've met the 2 years vesting period, receive immediate payment of the main benefits you've built up (but there would be a reduction for early payment of any additional pension you have chosen to buy).

Flexible retirement

If you reduce your hours or move to a less senior position at or after age 55 you can, provided your employer agrees, and you've met the 2 years vesting period, draw some or all of the benefits you have already built up, helping you ease into retirement, although your benefits may be reduced for early payment.