

THE LONDON BOROUGH OF SOUTHWARK PENSION FUND

Welcome to pensions (LGPS)

YOUR PENSION CONNECTION



➔ INTRODUCTION

This is a summary of Southwark Council's new employee induction that introduces you to the world of pensions.

While the Fund has tried to ensure the accuracy of this guide, it is not a legal document and does not confer any rights to the benefits outlined within it. The Fund is subject to UK legislation, any changes to the legislation that come into effect after April 2021 may not be accurately reflected in this guide.

In addition to the guide, the Fund website www.southwarkpensions.co.uk contains more information. Southwark Pension Services are also here to help. You can contact them on:

✉ lbspensions@southwark.gov.uk

☎ 020 7525 4924

🏠 Southwark Pension Services
Southwark Pension Fund
PO Box 7606
WS10 1EJ



➔ How to use this guide

You can navigate around this interactive guide by:

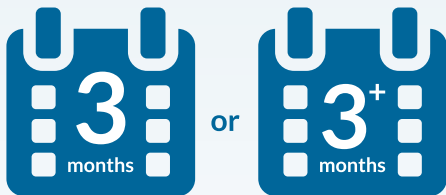
- Using the tabs at the bottom of each page to switch to the section that applies to you; or
- Clicking or tapping the previous and next buttons at the bottom of each page. You can also revisit this introduction by clicking on the home button.



WHO CAN JOIN AND WHAT ARE THE BENEFITS?

Who can join?

By virtue of your employment with Southwark Council, you're eligible to join the Local Government Pension Scheme (LGPS). You'll be brought into the Scheme automatically if your contract is for three months or more.



If your contract is for less than three months, you can elect to join by completing an election form.

Contact your LGPS Pension Fund for an election form if you wish to opt-in.

What are the benefits?

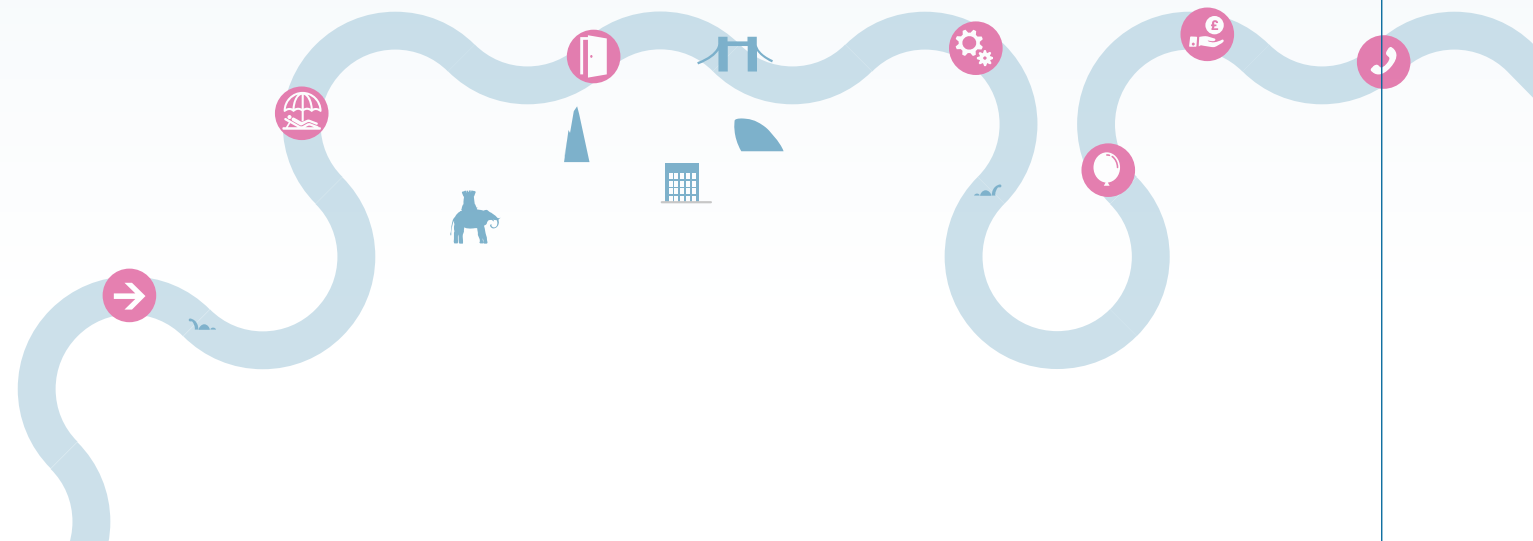
Membership in a Defined Benefit Career Average Related Earnings (CARE) pension scheme that is secure and not reliant on stock market performance.

Death in service benefits (tax-free) based on three times your Pensionable Pay.

Pensions payable to spouses, civil partners, co-habiting partners and dependent children in the unfortunate event of your death.

Potential ill-health retirement enhancement.

Tax relief on pension contributions made.





FORMS TO COMPLETE

IMPORTANT: This form is not a will. Although the scheme administrators would want to comply with your wishes, they have absolute discretion in deciding whom, or to whom, any payment is to be paid.

Beneficial use of death benefits

As a member of the local government pension scheme you may complete this form in order to name a (dependent or beneficiary) who you would like to benefit from any lump sum payment under the Scheme Regulations as a result of your death. Please complete this form only if you wish to name a beneficiary to whom any payments due may be directed following your death. The purpose of making an expression of wish is to assist the London Borough of Southwark in deciding to whom any payments can be made.

Although the named beneficiary would normally be your next of kin, you may name any person or organisation of your choice and such requests would be considered by the Scheme Administrators. The main advantage of making an expression of wish is that the payment could be made direct to your chosen beneficiary without forming part of your estate (in the event that the payment does not need to be used for funeral expenses). You can amend/replace your expression of wish at any time by completing another expression of wish form.

To London Borough of Southwark

In the event of my death it is my wish that any (only such death benefit available under the appropriate Local Government Pension Scheme Regulations may be paid as follows (please use **BLOCK CAPITALS**) - you can name as many beneficiaries as you want, if there are no living names on this form please use for another one.

PLEASE ENSURE YOU SIGN AND DATE THE FORM AND ARRANGE FOR IT TO BE WITNESSED BY A PERSON NOT NAMED AS A BENEFICIARY OR RELATED TO YOU BY BLOOD OR MARRIAGE.

YOUR PERSONAL DETAILS

Surname: _____ Address: _____
 First Name: _____
 Date of Birth: _____ Post Code: _____
 National Insurance Number: _____

YOUR BENEFICIARIES DETAILS

Full Name: _____ Full Name: _____
 Address: _____ Address: _____
 Post Code: _____ Post Code: _____

Relationship or Dependency: _____ Relationship or Dependency: _____
 Date of Birth: _____ Date of Birth: _____
 Proportion of Benefit: _____ Proportion of Benefit: _____
 % percentage: _____ % percentage: _____
 Full Name: _____ Full Name: _____
 Address: _____ Address: _____
 Post Code: _____ Post Code: _____

Relationship or Dependency: _____ Relationship or Dependency: _____
 Date of Birth: _____ Date of Birth: _____
 Proportion of Benefit: _____ Proportion of Benefit: _____
 % percentage: _____ % percentage: _____

YOUR SIGNATURE _____ **DATE SIGNED BY YOU** _____

WITNESSED BY

Surname: _____ Witness's Address: _____
 First Name: _____
WITNESS'S SIGNATURE _____
 Post Code: _____

DATE WITNESSED _____

The completed this form should be returned to:
 Southwark Council, Pension Services - 2nd Floor, Hub 1, PO-Box 94528, London, SE16 5LH

When you were recruited, you should have been sent pension starter forms to complete, along with a Death Grant – Expression of Wish Form.



Please ensure that you complete these documents. It enables us to investigate any possible transfers from previous schemes quickly.

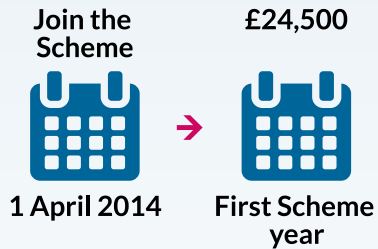
We will also record your nominated person(s) for any Death Grant payments.



Each year, 1/49th of your Pensionable Pay and any assumed Pensionable Pay is put into your pension account.

At the end of the year, it's adjusted to take into account the cost of living. This happens each year.

Here is an example...



Cost of living for the Scheme years

- 📅 31 March 2015 **1.2%**
- 📅 31 March 2016 **-0.1%**
- 📅 31 March 2017 **1%**
- 📅 31 March 2018 **3%**
- 📅 31 March 2019 **2.4%**
- 📅 31 March 2020 **1.7%**

Let's see what's in the pension account after six years...

Scheme year	Opening balance	Build up in Scheme (pay/build up rate = pension)	Total account 31 March	Cost of living adjustment	Total pension
1. 2014-15	£0.00	£24,500/49 = £500.00	£500.00	1.2% = £6.00	£500 + £6 = £506.00
2. 2015-16	£506.00	£24,745/49 = £505.00	£1,011.00	-0.1% = -£1.01	£1,011 + -£1.01 = £1,009.99
3. 2016-17	£1,009.99	£24,992.45/49 = £510.05	£1,520.04	1% = £15.20	£1,520.04 + £15.20 = £1,535.24
4. 2017-18	£1,535.24	£25,242.37/49 = £515.15	£2,050.39	3% = £61.51	£2,050.39 + £63.17 = £2,111.90
5. 2018-19	£2,111.90	£25,494.79/49 = £520.30	£2,632.20	2.4% = £63.17	£2,632.20 + £63.17 = £2,695.37
6. 2019-20	£2,685.37	£25,749.74/49 = £525.50	£3,220.87	1.7% = £54.75	£3,220.87 + £54.75 = £3,275.62





Pensions elsewhere?

Provided you elect to do so within 12 months, you can request to transfer any HM Revenue and Customs approved pension arrangements into the LGPS.

OR

You can keep them separate – it's up to you!

Paying in more

You can!



APCs

Buy additional pension in the LGPS by paying Additional Pension Contributions (APCs).



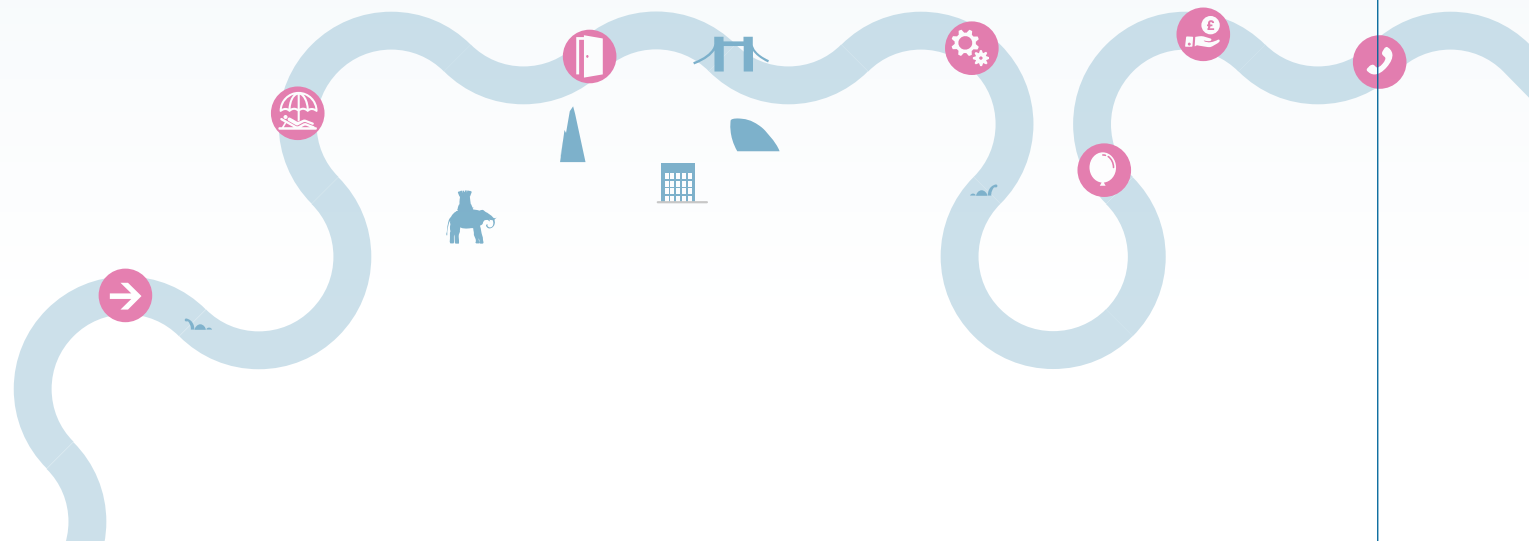
AVCs

Pay Additional Voluntary Contributions (AVCs) with our in-house provider, Aegon.



FSAVCs

Take out a Free Standing Additional Voluntary Contributions (FSAVCs) plan with a provider of your choice.



Contributions are based on how much you're paid.

When you join and every April afterwards, your employer will determine your contribution rate.

If you have more than one job, your contribution rate will be decided separately for each job you have.

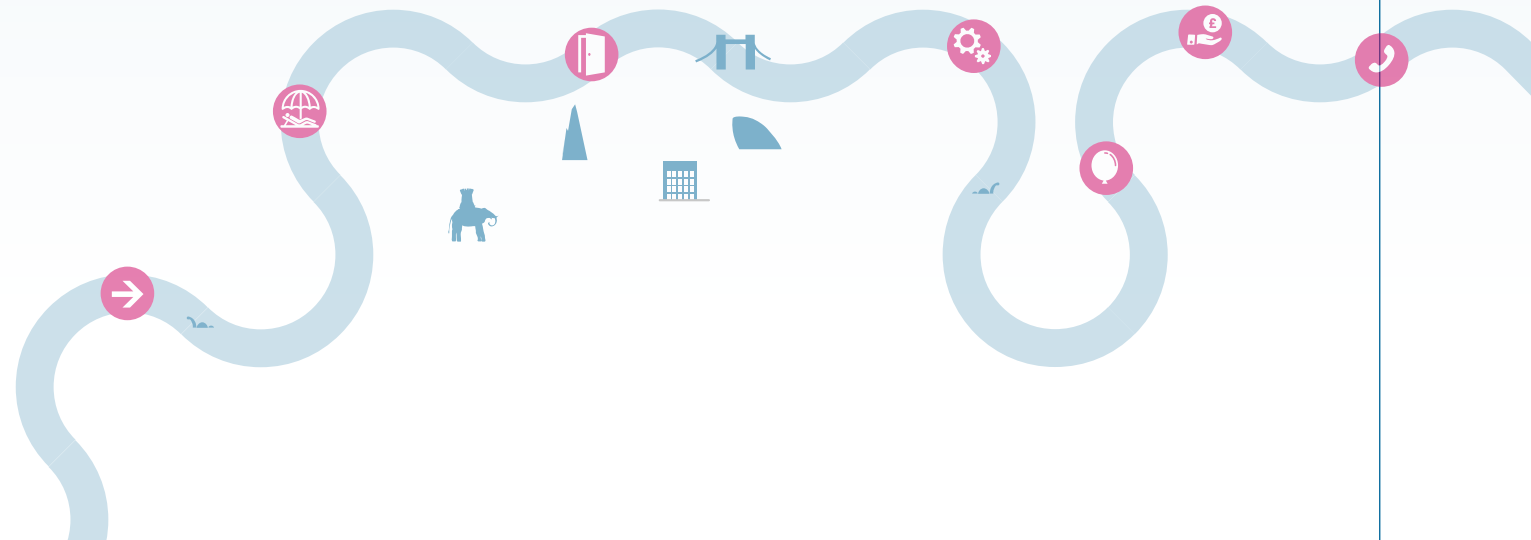
If your pay changes throughout the year, your employer may review your contribution rate at any time, rather than wait until the following April.


The table on the right shows the pay bands and contribution rates that apply for England and Wales from 2021/2022.



April

Band	If your actual Pensionable Pay is...	You pay a contribution rate of...
1	Up to £15,000	5.50%
2	£15,001 to £23,600	5.80%
3	£23,001 to £38,300	6.50%
4	£38,301 to £48,500	6.80%
5	£45,501 to £67,900	8.50%
6	£67,901 to £96,200	9.90%
7	£96,201 to £113,400	10.50%
8	£113,401 to £170,100	11.40%
9	£170,101 or more	12.50%

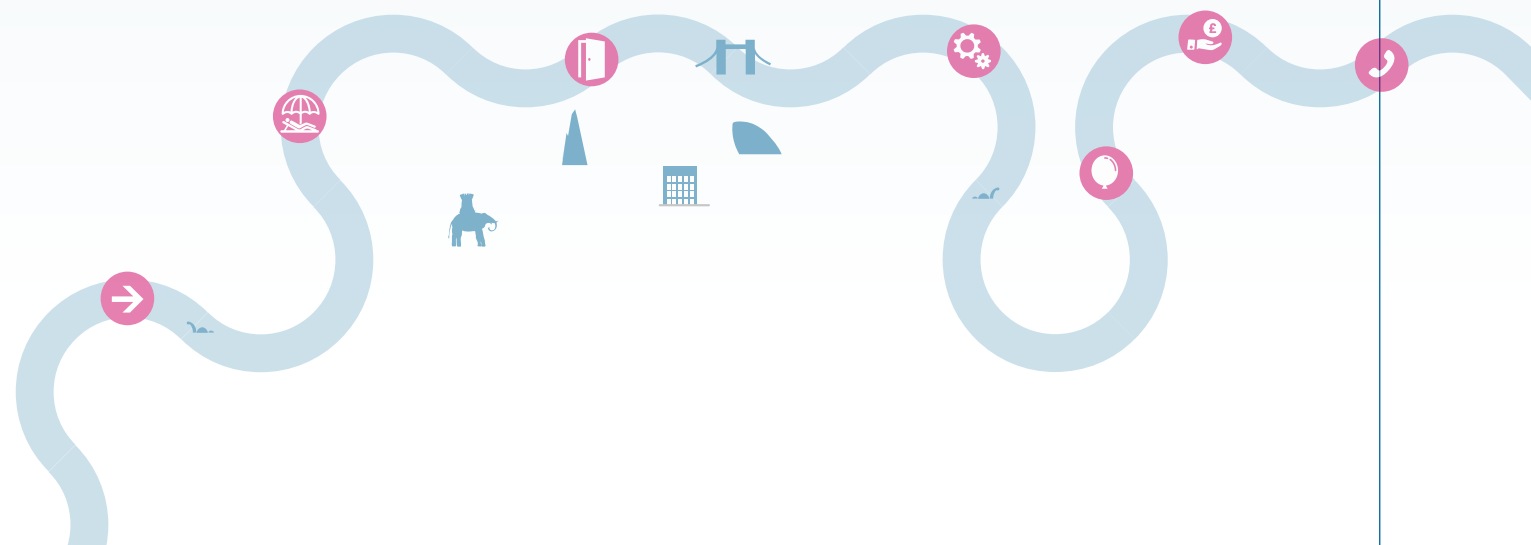


You can either elect to opt-out of the Scheme, and if you do this within three months of joining, your contributions will be refunded via payroll. 

You must complete an opt-out form.

OR

You can elect, after one month, to change over to the 50/50 section. You will need to complete a 50/50 election form.

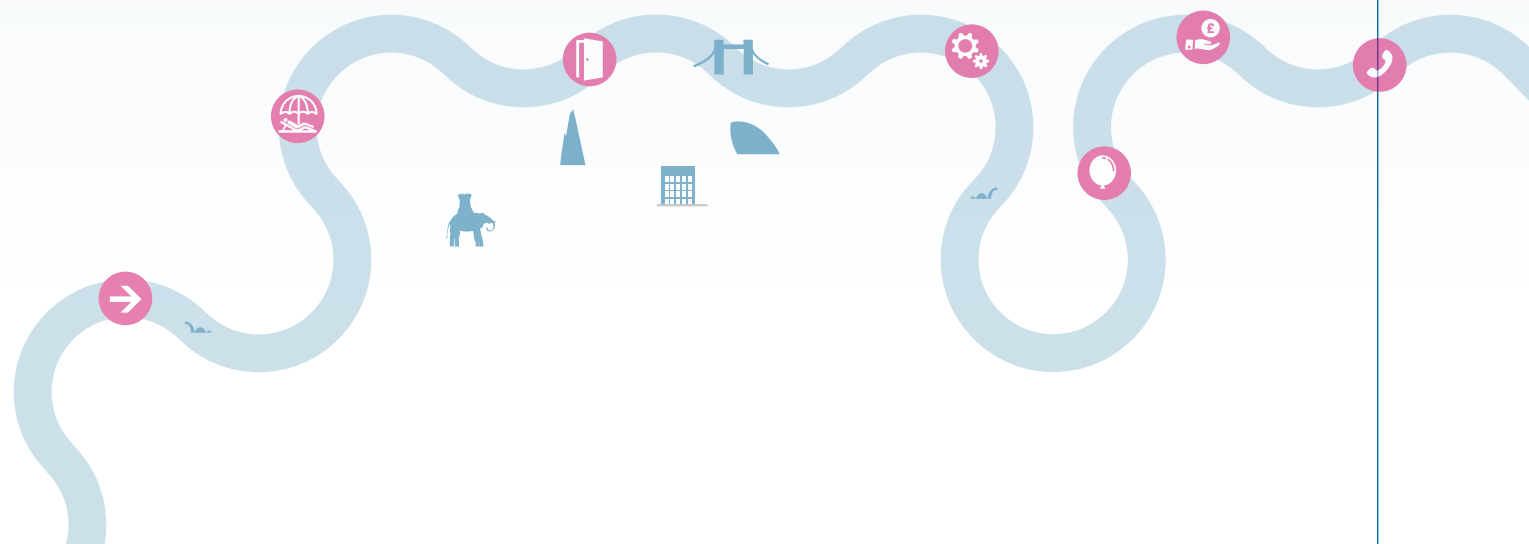




50/50 SECTION

There will still be full death benefits payable in the event of your death.

Band	If your actual Pensionable Pay is...	You pay a contribution rate of...
1	Up to £15,000	2.75%
2	£15,001 to £23,600	2.90%
3	£23,001 to £38,300	3.25%
4	£38,301 to £48,500	3.40%
5	£45,501 to £67,900	4.25%
6	£67,901 to £96,200	4.95%
7	£96,201 to £113,400	5.25%
8	£113,401 to £170,100	5.70%
9	£170,101 or more	6.25%



There's more help out there if you need it. There are a number of organisations that can provide you with help and advice about your pension savings. Some of these are listed below:

The Pensions Advisory Service (TPAS)

TPAS is an independent voluntary body that provides free help and advice to members and other beneficiaries of occupational and personal pension schemes. TPAS is available at any time to assist members and beneficiaries with any pension query they may have or any difficulty they have failed to resolve with the trustees or administrators of a scheme.

📞 0800 011 3797

📄 You can complete an enquiry form at www.pensionsadvisoryservice.org.uk/contacting-us/online-enquiry-form

📄 www.pensionsadvisoryservice.org.uk

The Pensions Ombudsman (TPO)

TPO deals with all complaints and disputes. If TPAS guidance cannot resolve your problem, you can make a formal application to TPO setting out your complaint. Please note, anyone using TPO's 'Early Resolution Service' will not be expected to have first used the LGPS' IDRPs if the parties are happy with that.

TPO is impartial and looks at all the facts without taking sides. It has legal powers to make decisions that are final, and binding and enforceable in Court. There is no charge for using TPO as it is funded by grant-in-aid, paid by the DWP.

📞 0800 917 4487

📍 10 South Colonnade
Canary Wharf
London
E14 4PU

📄 www.pensions-ombudsman.org.uk

Local Government Pension Scheme (LGPS) regulations

All LGPS regulations are available for inspection upon request.

📍 Pension Services
2nd Floor
160 Tooley Street
London
SE1 2QH

📄 www.lgpsmember.org

Useful LGPS websites:

www.lgpsmember.org/toj/thinking-joining-who.php

www.lgpsmember.org/arm/already-member-extra.php

www.lgpsmember.org/tol/thinking-leaving-opt.php

www.lgpsmember.org/arm/already-member-contsf.php

