

Pension Factsheet 10

New Employees



Have you started a new job in local government on or after 1 April 2008? You have automatic entry into the Local Government Pension Scheme but how much do you know about it? We hope that this factsheet will answer some of your questions.

How much do I contribute?

You contribute a percentage of your salary, but you do not pay tax on these contributions and your National Insurance is adjusted to a slightly lower rate. The percentage you pay depends on which pay band your employer allocates you to (see table below). If you work part time, the full time equivalent (FTE) pay is used to determine your band.

Band	Whole time equivalent pay rate	Contribution rate
1	£0 to £12,000	5.5 per cent
2	£12,001 to £14,000	5.8 per cent
3	£14,001 to £18,000	5.9 per cent
4	£18,001 to £30,000	6.5 per cent
5	£30,001 to £40,000	6.8 per cent
6	£40,001 to £75,000	7.2 per cent
7	More than £75,000	7.5 per cent

Does my employer contribute?

Yes, your employer contributes much more to the pension fund than you do.

What is a final salary scheme?

The Scheme is known as a defined benefits or final salary scheme. This means that your retirement pension will be calculated on the best one of your final 3 years' salary (or full time equivalent if you are part-time) and your years of membership.

Are my benefits guaranteed?

Yes they are. Your retirement benefits are guaranteed by law. They do not depend on stock market performance during employment or retirement.

What happens if I leave before retiring?

You will either be entitled to a refund (less a tax deduction and a National Insurance repayment) if

- you have been in the Scheme for less than 3 months and have not transferred in another pension or
- deferred benefits if you have been in the Scheme for 3 months or more

You may also be entitled to transfer your service to a new employer's scheme or a personal pension scheme.

Are there any other advantages of being in the Scheme?

Yes, there are. If you die on or after 1 April 2008 whilst you are still employed, your dependants will receive three times your final pay as tax-free lump sum. It is important to complete a nomination form which you can download from our website www.wiltshirepensionfund.org.uk/nominationform.pdf

Need any more help?

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