

Dear colleague

We have produced this newsletter to update you on changes to the Local Government Pension Scheme (LGPS). If you have any suggestions or comments about the newsletter, or if you want any more information, please turn to page 6 for details of how to contact us.

Pension scheme contribution rates

If you are a member of the LGPS, the contribution rate that you pay depends on your rate of full-time equivalent pay.

The pay ranges shown are normally increased each April in line with movements in the Retail Prices Index (RPI). However, as there was no increase in the RPI during the 12-month review period from October 2008 to September 2009, the Government has announced that there will be no change in the pay ranges this year until the next review in April 2011.

From 1 April 2010, the contribution rate for ex-manual workers who currently pay a lower contribution rate has increased to:

- 6.5%; or
- the rate which applies to their pay in the opposite table; if this is lower.

Full-time equivalent pay	Contribution
£0 to £12,600	5.5%
£12,600.01 to £14,700	5.8%
£14,700.01 to £18,900	5.9%
£18,900.01 to £31,500	6.5%
£31,500.01 to £42,000	6.8%
£42,000.01 to £78,700	7.2%
£78,700.01 or more	7.5%



Keeping you in touch with all the latest **Pension developments**



Combined pension forecast

We would like to start including information about your State Pension in the benefit statements we send you each year.

The Pension Service, part of the Department for Work and Pensions (DWP) can give us details of your State Pension. This means that you will then be able to see the estimated amounts of your pension benefits from the LGPS, together with the estimated value of your State Pension.

The law says that we must make sure that you do not object before we share information with The Pension Service.

So that The Pension Service can identify the correct National Insurance account, we will give them your:

- surname or family name;
- first name or initial;
- sex;
- date of birth;
- National Insurance number; and
- payroll number.

We will share this information with The Pension Service on secure encrypted files.

The Pension Service will then give us:

- an estimate of the current amount of State Pension you may receive at State Pension age, based on your contribution record so far;
- an estimate of the amount your State Pension is likely to be when you reach State Pension age; and
- the earliest age at which you can receive your State Pension.

We will continue to send you forecasts for as long as you are a member of the Surrey Pension Fund. We will not use the information for any other purpose.

If you are happy for us to share the information shown with The Pension Service (DWP), you do not need to do anything.

If you do not want to receive a State Pension forecast with your next benefit statement, please fill in and return the tear-off slip below by **31 May 2010**. You will still receive your next benefit statement, but it will not include any information about your State Pension.

Whatever you decide, if you change your mind at a later date, please write to us to let us know.



I do not want the Surrey Pension Fund to give me a State Pension forecast.

Your name.....

Your National Insurance number.....

Your signature.....

Your e-mail address.....

Name of your employer.....

**Please return this slip to Pension Services.
Our address is shown on page 6 of this newsletter**

Yearly benefit statements

We have now sent the 2009 yearly benefit statements to your employer. If you have not yet received your statement, please contact your employer. If you were not a member of the scheme before 1 April 2009, you will not receive a statement until we issue the next benefit statements later this year.

Changes to the early retirement age from 1 April 2010

From 1 April 2010 the earliest age that your pension benefits can be paid (other than because of permanent ill-health where there is no minimum age) has changed from age 50 to 55. This change not only affects the LGPS, but also applies to almost all other pension schemes.

Changes to dependant's benefits

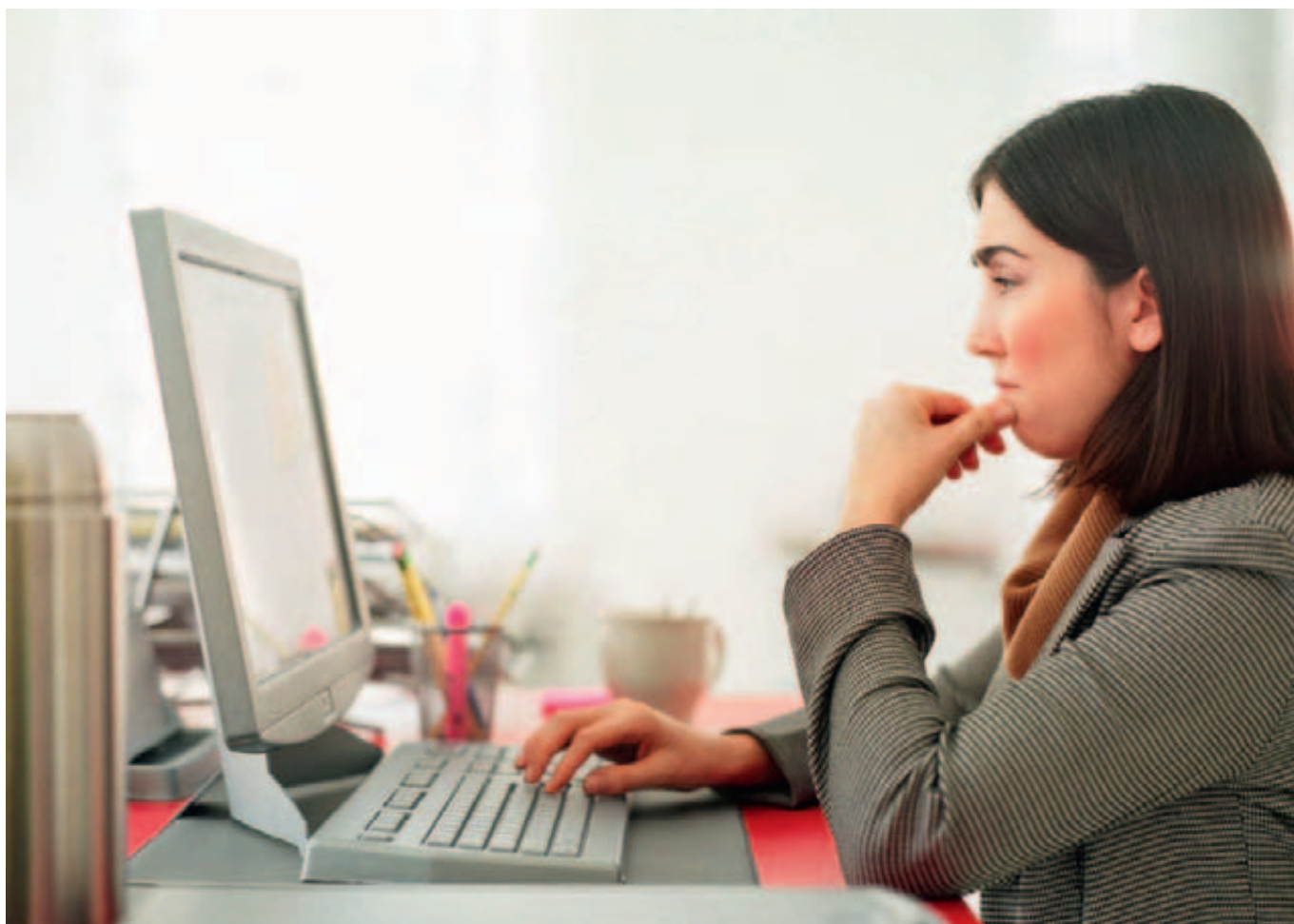
Some recent changes to the LGPS may affect the dependant's pension we can pay when you die if you are in a registered civil partnership, or you have nominated a cohabiting partner to receive a survivor's pension.

Civil partnership

Before this change to the scheme, a dependant's pension for a civil partner was based on LGPS membership from 6 April 1988. This meant that we did not use any membership before 6 April 1988 to work out a civil partner's pension when the member died. We now use all LGPS membership to work out a dependant's pension for a civil partner.

Nominated cohabiting partner

A nominated cohabiting partner is where you have given us details of the person you live with who you would like to receive a pension when you die.



Before this change to the scheme, the pension due to a nominated cohabiting partner would only have been based on LGPS membership from 6 April 1988.

The scheme has now changed to allow members with membership before 6 April 1988 to pay extra contributions so that this period of membership can also count when we work out the pension due when you die.

If you want to buy this extra pension, you must make the decision by 31 March 2011.

If you have service before 6 April 1988, and have nominated the partner you live with to receive benefits under the scheme when you die, we will write to you with more information.

Nominating a cohabiting partner for a pension

If you would like to nominate the partner you live with to receive a cohabiting partner's pension when you die, you must have met all of the following conditions for a continuous period of at least two years on the date you both sign the nomination form.

- You and your partner are, and have been free to marry each other or enter into a civil partnership with each other.
- You and your partner have been living together as if you were husband and wife, or civil partners.
- Neither you nor your partner have been living with someone else as husband and wife or civil partners.
- Your partner depends on you financially or you depend on each other financially.

You can get more information and a 'Nomination of Cohabiting Partners Form' from us or from our website.

Increasing your pension benefits

There are two ways in which you can improve your main scheme benefits by choosing to pay extra contributions.

1 Additional regular contributions (ARCs)

The LGPS allows you to pay in additional regular contributions (ARCs) to buy extra LGPS pension.

- You can pay ARCs to buy an extra pension of up to £5,000 a year. This can be a pension just for you or, if you want, it can include extra pension for your husband, wife, civil partner or nominated cohabiting partner and for eligible children when you die.
- Contributions are taken from your pay, just like your basic pension contributions and are eligible for tax relief.

For more information on ARCs, please contact us.

2 Additional voluntary contributions (AVCs)

We have an arrangement with the Prudential where you can pay additional voluntary contributions (AVCs) from your pay. You could then invest your extra contributions in a personal account you choose.

- You decide how much you can afford. This can be up to 50% of your pay.

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- AVCs are taken from your pay. Just like your basic pension contributions, they are eligible for tax relief.
- You can pay AVCs to provide you with an extra pension, extra cash or to provide extra benefits for your dependants.

If you would like more information on paying AVCs, the contact details for the Prudential are shown below.

Website: www.pru.co.uk/localgov
Phone: 0845 607 0077

You may want to get independent financial advice before making a decision about paying extra contributions. You will need to pay any charges made for the advice. For more information on finding

an independent financial adviser in your area, go to www.unbiased.co.uk.

Expression of Wish Form

If you die in service while a member of the LGPS, we will pay a lump sum equal to three times your last 12 months' pensionable pay as a lump-sum death grant. In deciding who to pay the death grant to, Surrey County Council will take account of any beneficiaries you have nominated. If you have not already filled in an 'Expression of Wish Form' to say who you would like the money to go to, you can get a copy from us or from our website.

Returning to work after periods of unpaid maternity, paternity and adoption leave

For any period you are away from work due to maternity, paternity or adoption leave, and for which you receive pay, you will continue to build up full LGPS membership as if you had been at work.

If you have had any periods of unpaid maternity, paternity or adoption leave, this period will not automatically count for pension purposes. However, you can pay pension contributions to cover the unpaid period. This would mean you could continue

to have full LGPS membership during the period that you received no pay. The cost of paying pension scheme contributions is based on the rate of pay you received immediately before going on unpaid leave.

You must normally let your employer know if you want to pay pension contributions for any periods of unpaid maternity, paternity or adoption leave within 30 days of returning to work. However, your employer can allow a longer period for you to do this.



How to contact us

You can contact us in any of the following ways.

In writing: Pension Services
Room G59
County Hall
Kingston upon Thames
Surrey
KT1 2DN

By phone: **020 8541 9289**
020 8541 9290
020 8541 9291
020 8541 9292 or
020 8541 9293

By e-mail: **pensions@surreycc.gov.uk**

By fax: **020 8541 9287**

You can visit our office at any time between 8am and 6pm. You can also arrange an appointment with a member of staff.

You can visit our website at
www.surreycc.gov.uk/pensions

If you would like a copy of this newsletter in large print or an audio version, please contact us.

