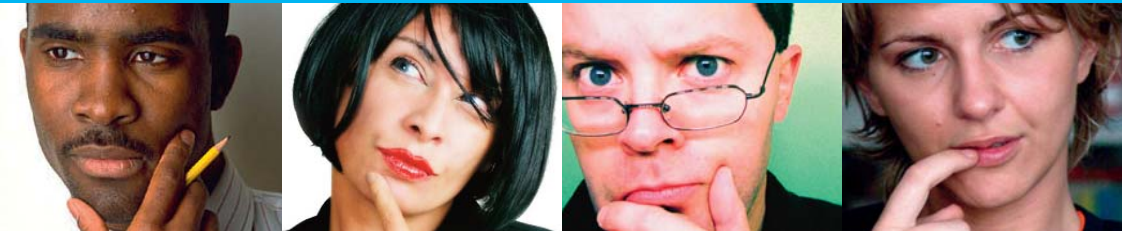


WEST MIDLANDS



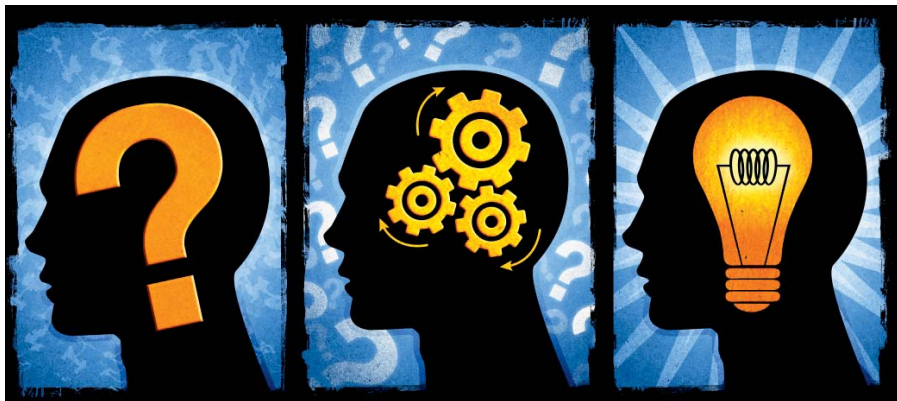
PENSION FUND

FAQs



Frequently asked questions





For any of the topics raised in this leaflet, further details and guidance can be found in the Fund publication 'All About Your Scheme'.

Why should I join the Scheme?

The Local Government Pension Scheme (LGPS) is regarded as one of the best pension schemes in the UK. It is a defined-benefit scheme, which means that your benefits are not affected by stock market investments. The benefits provide a complete package with a range of benefits for you and your dependants.

Is the pension fund safe?

As the LGPS is set up by statute, payment of benefits to its members is guaranteed by law.

Who runs the Scheme?

The LGPS is run by a number of funds across the country. The West Midlands Pension Fund administers the Scheme in this area. All funds in England and Wales administer the Scheme using the Local Government Pension Scheme Regulations (as amended).



What if I am only going to be employed for a short period?

We cannot advise you whether you should or should not join. This is irrespective of whether you intend on being a member for ten months or ten years. However, it is widely recognised within the insurance industry that employees having the option to join the LGPS, should do so in order to secure valuable benefits while they are members of the LGPS.

Do I have to elect to join?

You will automatically be entered into the Scheme if you have a contract of more than three months.



What happens if I move to a different employer?

If you decide to pursue another career in another area, you will have built up benefits that can be transferred to another scheme should you so wish, or they can remain securely with the Fund for payment at retirement age.



How much would I pay?

You will pay a contribution of between 5.5% and 7.5% of your pay. If you work part-time, your rate will be based on the whole-time pay rate for your job, although you will only pay contributions on the pay you actually earn. Your employer will confirm the contribution rate you pay.

What does my employer contribute?

Your employer pays the balance of the cost of providing your benefits in the LGPS.



How is the cost calculated?

Every three years, an independent review is undertaken to calculate how much your employer should contribute to the Scheme. Increases or decreases in the cost of providing the Scheme may, in future, need to be shared between members and employers, in accordance with government guidance.



Can I opt out of the LGPS?

Anyone can opt out of the LGPS at any time, but you will lose out on the valuable contribution your employer makes. The opt out will normally take effect from the beginning of the next payment period after the option is received.

If you have more than three months' Scheme membership, or have transferred in previous benefits, your membership will be deferred. Deferred benefits are inflation-proofed and are payable at retirement age.

Can I transfer previous pension rights?

Generally speaking, benefits that you have previously built up in the LGPS or in other pension arrangements can be transferred into the LGPS. A transfer will only take place with your agreement after receiving all the information on the potential service and benefits your transfer would buy. *(If you transfer under a TUPE arrangement, your membership will automatically be transferred if your new employer is an LGPS employer.)*



Do I have to transfer within certain time limits?

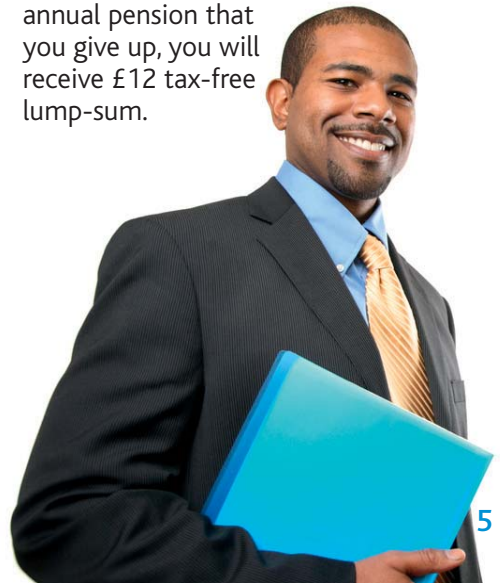
An option to transfer must be made within twelve months of joining or such longer period as your employer allows.

How are my benefits calculated?

Your pension is based on your length of total membership in the Scheme and your final year's pay. For membership after 31 March 2008, you receive an annual pension based on 1/60th of your final year's pay. For LGPS membership built up to 31 March 2008, you receive an annual pension based on 1/80th of your final year's pay and an automatic tax-free lump-sum of three times your pension. Like the pension, the automatic lump-sum is based on your LGPS membership before 1 April 2008 and your final year's pay.

Can I increase my tax-free lump-sum?

You can take up to 25% of the capital value of your LGPS benefits as a lump-sum by reducing your annual pension. For every £1 of annual pension that you give up, you will receive £12 tax-free lump-sum.





What if I work part-time?

If you are part-time, your Scheme membership will count at its part-time length when calculating your pension, and your final year's pay is increased to what you would have received had you been working full-time.

What effect does reducing my hours have on my benefits?

If you reduce your hours but not your whole-time rate of pay (hourly rate), then future service will count at the appropriate fraction of whole-time. This means only benefits built up in the future will be reduced by the change in hours.

How can I increase my benefits?

You can do this by either paying additional regular contributions (ARCs) to buy extra income in retirement, or by making contributions to the Scheme's additional voluntary contributions (AVCs) arrangement. The Fund can give you more information on these options and ways you can increase your dependants' benefits.

You are also able to make payments to a personal pension or stakeholder pension or freestanding AVC of your own choice.



What do I get from an in-house AVC option?

When you retire and receive payment of your LGPS benefits you can potentially take all of the AVC fund back as tax-free cash (within the maximum amount permitted), purchase an annuity to increase your income or both.

What is the maximum I can pay into the LGPS?

If you can afford to, you qualify for full tax relief on contributions up to 100% of your taxable earnings. This includes those made towards your normal contributions for the purchase of additional pension (ARCs), and you can pay up to 50% of your taxable earnings in to the in-house AVC arrangement with Prudential.

What if I die in service?

There is a payment of three times your final year's pay paid as a lump-sum death grant, no matter how long you have been a member of the LGPS, provided you are under age 75 at the date of death. For part-time employees, it is three times your actual part-time pay. You are able to nominate the death grant to a beneficiary on the appropriate nomination form.

A widow's, widower's, civil partner's and, subject to certain qualifying conditions, a nominated cohabiting partner's pension are also payable.

Do I need to complete a nomination form?

By completing a nomination form, the Fund is able to pay the death grant to whoever you have nominated much quicker as we do not have to wait for probate. It also means that it does not form part of your estate and, therefore, is not subject to inheritance tax.





What are my options if I leave the LGPS?

If you have less than three months in the LGPS and have not transferred any previous pension rights in to the LGPS, you can claim a refund of contributions less deductions, provided you do not rejoin within one month and one day of leaving. You can also leave your contributions in the LGPS if you do not want a refund immediately, or transfer to another pension scheme. If you have more than three months in the LGPS or have transferred pension rights into the LGPS, you can have deferred benefits in the LGPS, normally payable at retirement age, or transfer your pension rights to another pension arrangement, including an LGPS employer.





Am I protected by the '85-year' rule?

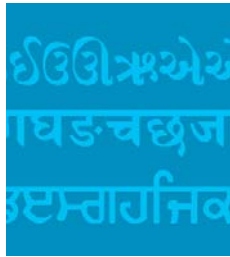
If you joined the LGPS before 1 October 2006:

- ▶ If you will be age 60 or over by 31 March 2016 and choose to retire before age 65, then, provided you satisfy the 85-year rule when you start to draw your pension, the benefits you build up to 31 March 2016 will not be reduced.
- ▶ If you will be under age 60 by 31 March 2016 and choose to retire before age 65, then, provided you satisfy the 85-year rule when you start to draw your pension, the benefits you build up to 31 March 2008 will not be reduced. Also, if you will be aged 60 between 1 April 2016 and 31 March 2020 and meet the 85-year rule by 31 March 2020, some or all of the benefits you build up between 1 April 2008 and 31 March 2020 will not have a full reduction.

When can I retire?

- ▶ You can retire and receive your LGPS benefits without reduction from age 65.
- ▶ From age 60 without your employer's consent, but your benefits may be reduced.
- ▶ From age 55 if you are retired by your employer due to redundancy or business efficiency, your benefits would be paid unreduced.
- ▶ At any age due to permanent ill-health, which has to be certified by an occupational health physician, appointed by your employer. The benefits could be increased if you are unlikely to be capable of gainful employment within three years of leaving.





Information produced by the Fund can be made available in several formats including large sight text, Braille and several community languages. If you have any special requirements or would like to speak face to face with a member of staff, please contact us to arrange how we may best meet your needs.

Please remember that special requirements may take a little longer than normal to organise, but you have our assurance that we will do our best to ensure you receive the information in the most appropriate and efficient manner possible.

Data Protection

To protect any personal information held on computer, West Midlands Pension Fund is registered under the Data Protection Act 1998. This allows members to check that their details held are accurate. The Fund may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Fund, for example, the Fund's AVC provider. Members who wish to apply to access their data on Data Protection Act grounds should contact the Fund's Data Protection Officer on (01902) 554498, via email at dataprotection@wolverhampton.gov.uk

This authority is under a duty to protect the public funds it administers, and to this end may use information for the prevention and detection of fraud. It may also share this information with other bodies administering public funds solely for these purposes.



Contact information

Email us on:
PensionFundEnquiries@wolverhampton.gov.uk

Telephone our Helpdesk on:
0300 111 1665

Visit our website at:
wmpfonline.com

Fax us on:
0845 230 1565

Minicom/Typetalk:
01902 554607

Write to us at:
West Midlands Pension Fund
PO Box 3948
Wolverhampton
WV1 1XP

Send us a text on:
Text WMPF + your message
to 60066
Standard short code network charges apply

Lines are open during the
following times:
8:30am to 5.00pm Monday-Thursday
8:30am to 4.30pm Friday

Help and information

Further information

We will ensure that all of our members are provided with relevant further information on request.

Comments and complaints

We welcome and value your comments on the standards of service we provide. If you have any comments you wish to make please contact us at the address shown at the top of the page.

We would also like to hear from you if you are not satisfied with the way you have been treated. If you wish, you can

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speak to Brian Bailey, Director of Pensions, on his personal number (01902) 552020 on any weekday between 9.00 and 9.30am or via email: brian.bailey@wolverhampton.gov.uk

If you wish to make a formal complaint, you can write to:

Complaints and Compliments
Office of the Chief Executive
Civic Centre
St. Peter's Square
Wolverhampton
WV1 1NX