



## Contributions & Pay

### Cost Of LGPS Membership For Employees

The level of employee contribution is dependent on your pensionable pay at 1<sup>st</sup> April (or start date if later). There are seven bands and it is your whole time equivalent pay that is used to determine which band applies. You then pay the relevant amount on all pensionable earnings.

### What Are The Contribution Bands?

Whole Time Equivalent Pay	Member Contribution
< £12,000	5.5%
£12,001 - £14,000	5.8%
£14,001 - £18,000	5.9%
£18,001 - £30,000	6.5%
£30,001 - £40,000	6.8%
£40,001 - £75,000	7.2%
> £75,000	7.5%

### What Is Whole Time Equivalent Pay?

If you are contracted to work full time hours for your employer then this will generally be the same as whole time equivalent. As a guide this usually equates to a 36 hour week over 52 weeks a year.

If you work on a term time or similar contract that does not cover the full 52 week year then your whole time will be the full time weekly hours (e.g. 36 hours) that are worked but instead of a 52 week year, the term time only 44 week year (or relevant period) will be used.

If you work less than the full weekly hours in either of the above situations then you are considered part time and it's the pay you would be earning if you were whole time that is used to determine your contribution band.

If you simultaneously have more than one job in Local Government, contributions must be made on each income – if you want both to count towards your pension.



# LOCAL GOVERNMENT PENSION SCHEME 2008

## GMB Pensions Guide

[www.gmb.org.uk/LGPSGuide](http://www.gmb.org.uk/LGPSGuide)

### Calculation Of Benefits

A scheme member's 'Pensionable Pay' forms the basis of the calculation of scheme benefits. On retirement your pension is determined in part by the highest annual amount you earn in the last three years before retiring (or the highest three year consecutive average pay in the ten years before retiring if your grade/hours have reduced).

### What Is Included In Pensionable Pay?

All wages and other payments an employee receives and any other benefits that are specified in the contract of employment as being pensionable. This means that generally speaking pensionable pay will equal regular gross pay although there are some notable exceptions.

### What Is Excluded From Pensionable Pay?

Potentially key features of a wage packet that are normally excluded from the definition of pensionable pay are:

- ❖ Non-contractual overtime
- ❖ Expenses
- ❖ Payments for loss of holidays
- ❖ Provision of a car or payment given to replace the provision of a car (except in certain circumstances)
- ❖ Payment as a result of a School Achievement Award
- ❖ Payment in lieu of notice