



Pension Benefit

For those members with pre April 2008 LGPS service please read in conjunction with the section entitled 'Transition From Old To New LGPS'.

How Is The Pension Calculated?

Your pension is worked out by multiplying a proportion ($1/60^{\text{th}}$) of your final pensionable pay by the number of years you have worked and been a member of the LGPS (length of pensionable service).

Example:

Ian has worked for 19 years in a local authority and will retire at 65. For the last year he works Ian will earn £16,700. His pension calculation is:

19 years' pensionable service

Final pensionable pay=£16,700

$19/60 * 16700 = 5288.33$

Therefore, Ian's annual pension will be £5,288.33

Tax Free Cash Lump Sum

Members can trade some of their annual pension for a cash lump sum on retirement. For every £1 of annual pension given up you will get £12 of cash. Up to 25% of your total pension benefits (including any other pension saving) can be traded in this way.

Example:

Ivy is about to retire from her part time (half time hours) job in a school aged 65 after 7 years. If she had been full time her final pensionable pay would have been £13,950. This figure is used and her service halved to take account of her part time employment.

Whole time equivalent final pensionable pay=£13,950

Service (allowing for half time hours)=3.5 years

So Ivy's pension is £813.75 ($3.5/60 * 13950$). Presuming this is her only pension saving (other than the state pension) she could take £4,069 as a lump sum leaving her with an annual pension of £474.69

It is a legal requirement that part time workers are treated no less favourably than their full time colleagues. This often means that slightly different practices apply for part timers. In the LGPS, specific terms apply to the way member contributions and benefits are calculated for part time workers.