

## Local Government Pension Scheme (LGPS)

### How much does it cost?

#### What elements of my pay will count towards my pension?

The definition of pensionable pay remains as it was before 1st April 2014 but with one fundamental difference: non contractual overtime and additional hours are now deemed pensionable and will therefore count towards your pensionable pay figure and have contributions deducted from it.

This means that the more you earn in a year the bigger your pension will be for that year. However, if your pay exceeds the threshold for the contribution banding you have initially been allocated you may find your employer adjusts your contribution rate to reflect the higher pay.

#### I was a member before April 2014

If you were in the scheme before April 2014 and are a part time member you may notice that your contributions are lower than they were under the previous scheme, this is because your pension is based on the actual pensionable pay you earn in each financial year i.e. the period between 1st April – 31st March and not the full time equivalent pay which was the case in the previous scheme.

However, any benefits built up before 1st April 2014 are still based on the full time equivalent pay at the date of your retirement.

#### How are my contributions worked out?

The amount of pensions contributions you pay are determined by the amount of pensionable pay you earn each year. For many people this can mean that all of their pay is used, however, not all of your pay may be pensionable e.g. subsistence & travelling allowances, pay in consideration of loss of holidays, pay sacrificed for car schemes are all non pensionable. Therefore, these amounts would not be counted towards your pensionable pay and would not have any pension contributions deducted from it or be used to calculate your pension contributions rate.

You can use the following table to work out how much you will pay in the new scheme, Remember, when working out your contribution percentage you need to use your actual pay and not your full time equivalent. The tables show the gross and net percentage (if you are a tax payer) that you would pay.

There is also the option for members to reduce their pension contributions by 50% and in turn build up to 50% of the benefits they would have accrued if they had paid the full amount of contributions. This is called the 50/50 option. There is a separate factsheet which goes into the details of this option and provides information and examples of how it works.

If you require any further information, please contact us using the details below.

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## Contribution Rates 2018/19

### Contribution rate based on actual pay

Pensionable Pay	Gross Contribution
Up to £14,101	5.50%
£14,101 to £22,000	5.80%
£22,001 to £35,700	6.50%
£35,701 to £45,200	6.80%
£45,201 to £63,100	8.50%
£63,101 to £89,400	9.90%
£89,401 to £105,200	10.50%
£105,201 to £157,800	11.40%
£157,801 or more	12.50%

### Actual contributions after tax relief

Pensionable Pay	Contributions after Tax Relief
Up to £14,101	4.40%*
£14,101 to £22,000	4.64%*
£22,001 to £35,700	5.20%*
£35,701 to £45,200	5.44%*
£45,201 to £63,100	5.10%**
£63,101 to £89,400	5.94%**
£89,401 to £105,200	6.30%**
£105,201 to £157,800	6.84%**
£157,801 or more	6.88%***

\* Assumed 20% tax payer

\*\* Assumed 40% tax payer

\*\*\* Assumed 45% tax payer

## Disclaimer

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