

# Changes to the Local Government Pension Scheme (LGPS)

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Changes to the LGPS which took effect on 1 June 2018 mean that, provided that you were a contributing member of the scheme on or after that date, you can now retire, with a pension, from the age of 55 without requiring your employer's consent.

However, you should note that your pension benefits will be subject to *reduction* if you access them:

- before you are 60, or
- after you are 60 but before you reach your *normal pension age*\*

\*Those who, voluntarily retire from age 60 and who meet the terms of the 'Rule of 85' at the date of retirement will not have their pension benefits reduced.

### **Deferred members**

Deferred members who were in pensionable employment after 31 May 2018 are now entitled to access their deferred benefits from age 55, subject to *reduction* for early payment.

### Notes

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#### Reduction in benefits

For further information on the reduction which will be applied to your benefits if you elect to voluntarily retire before your *normal pension age*, please visit

**<http://taysidepensionfund.org/tayside-pension-fund/no-longer-paying-in/taking-my-benefits/#taking-my-benefits-early>** (<http://taysidepensionfund.org/tayside-pension-fund/no-longer-paying-in/taking-my-benefits/#taking-my-benefits-early>) and refer to the attached table for an indication of the level of reductions which will be made. This reduction table is maintained by the Government Actuary's Department and can change from time to time, therefore the values shown may not apply at a future retirement date.

### Normal Pension Age

Normal Pension Age is linked to your State Pension Age for benefits built up from April 2015 (but with a minimum of age 65). If you choose to take your pension before your *Normal Pension Age* it will normally be reduced, as it's being paid earlier. If you take it later than your Normal Pension Age it's increased because it's being paid later.

If you were paying into the LGPS before 1 April 2015 your final salary benefits retain their protected Normal Pension Age - which for most is age 65.

You can use the Government's *State Pension Age* calculator ([www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)) to find out your State Pension Age.

Remember that your State Pension Age may change in the future and this would also change your *Normal Pension Age* in the LGPS for benefits built up from April 2015.

Once you start drawing your pension any subsequent change to your State Pension Age will not affect your Normal Pension Age in the LGPS.

### Rule of 85

If you were a member of the LGPS at any time between 1<sup>st</sup> April 1998 and 30<sup>th</sup> November 2006, some or all of your benefits could be protected from the reduction under what is known as the rule of 85.

The rule of 85 is satisfied if your age at the date you draw your benefits and your eligible scheme membership (each in whole years) add upto 85 or more.

In respect of those wishing to retire voluntarily on or after age 55 and before age 60 the protection will not apply and as such a reduction will apply.

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If you wish an estimate please contact the Pensions Fund at [pensions@dundee.gov.uk](mailto:pensions@dundee.gov.uk) (mailto:pensions@dundee.gov.uk).

Tayside Pension Fund will provide estimates for voluntary retirement for estimated dates of retirement up to 12 months in advance.

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### Early Retirement Reduction % table

<b>No. of years paid early</b>	<b>Pensions reduction</b>	<b>Pensions reduction</b>
	<b>Men</b>	<b>Women</b>
0	0%	0%
1	6%	6%
2	11%	11%
3	16%	15%
4	21%	20%
5	25%	24%
6	29%	28%
7	33%	31%
8	36%	35%
9	39%	38%
10	42%	41%
11	46%	44%
12	49%	47%
13	52%	50%

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As a guide, the percentage reductions from April 2015 (issued February 2015), for retirements up to 13 years early are shown in the table below.

Where the number of years is not exact, the reduction percentages are adjusted accordingly.

Tayside Pension Fund, July 2018.

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