

PENSION SERVICES

Administering the RBK Pension Fund

Newsletter No 31 January 2009

ANNUAL BENEFIT STATEMENTS

As you are aware there were changes to the Pension Scheme from 1 April 2008 including the way that retirement benefits are calculated. These changes have meant that the computerised pension system has been updated. However the changes for the annual benefit statements have only recently been completed and we haven't tested them yet.

Due to changes in the way they are calculated, we were unable to supply details of your State Pension with the 2007 statements. The changes are now completed and our software provider is currently liaising with the Department of Work and Pensions to enable us to provide this information again.

As a result of the changes to the Pension Scheme, Communities and Local Government, the Government department responsible for the Local Government Pension Scheme (LGPS), have allowed local authorities to miss statements for 31 March 2008 and to resume from 31 March 2009. Therefore we will not be issuing annual benefit statements for 31 March 2008 but will continue with the testing so that we are able to issue statements for 2009 shortly after receiving pay data from your employer.

PAYMENT OF EXTRA CONTRIBUTIONS

There are two ways that you can increase your retirement benefits by paying extra contributions; **Additional Regular Contributions (ARCs)** and **Additional Voluntary Contributions (AVCs)**. You will get tax relief on any additional contributions paid and you can choose ARCs or AVCs or you can pay both if you wish.

ADDITIONAL REGULAR CONTRIBUTIONS

You are able to buy additional annual pension in blocks of £250 up to £5,000. The period over which you choose to pay for the additional pension must be complete years, with a minimum of 1 year and a maximum which must cease by age 65. You can also choose whether to provide a pension for your partner when you die. Their pension will be 37.5% of the pension you have purchased. You will find a copy of the tables and a Ready Reckoner on our web pages. You can also get further information and an application form by emailing Pensions@rbk.kingston.gov.uk. The monthly contributions are subject to periodic review by the Government Actuary and any change will start from the 1 April following the review.

ADDITIONAL VOLUNTARY CONTRIBUTIONS

AVCs are deducted from your monthly salary and passed to Norwich Union, our AVC provider, to invest. There are a number of funds to choose from depending on whether you want a low, medium or high risk investment. There are also Life-Styling options. You can choose to pay any amount up to 50% of your salary and can increase, decrease and stop at any time. If you are still working and a member of the LGPS when you retire you can use your AVC fund in various ways. You can buy an additional index linked pension in the LGPS. You may be able to have the whole fund as tax free cash providing that when it is added to your Scheme cash it doesn't exceed the maximum you are allowed. The final option, which is the only option if you have left the Pension Scheme before you retired, is to buy an annuity (pension) from Norwich Union or another insurance company.

NEW CONTRIBUTION BANDS FROM 1 APRIL 2009

From 1 April 2009 the contribution bands will be increasing by the rise in the Retail Price Index at September 2008. Please see below. Your contribution rate is based on the full time equivalent rate of your pay on 1 April each year. This figure is adjusted for schools staff who do not work all year round. Contributions will be paid at this rate for all pay you receive in the following year.

Full Time Equivalent Pay	Contribution Rate
£0 - £12,600	5.5%
£12,601 - £14,700	5.8%
£14,701 - £18,900	5.9%
£18,901 - £31,500	6.5%
£31,501 - £42,000	6.8%
£42,001 - £78,700	7.2%
More than £78,700	7.5%

If you have changed bands your contribution rate will be adjusted by your employer.

If you were a member whose contribution rate was previously protected and who has been paying 5.25% from 1 April 2008, this will increase to 5.5% from 1 April 2009.

WEB PAGES

We are currently updating our web pages to make more information available to you. As you can see over the page we have put on some details about Additional Regular Contributions. A comprehensive guide to the LGPS is being added. This is split into 13 leaflets on various aspects of the Scheme which should make it easier for you to find the information you are looking for. Newsletters dating back April 2006 are now available and there are forms for nominating a co-habiting partner and an Expression of Wish form for the death grant. We have also provided links to both CLG and the Local Government Pensions Committee which is part of the Local Government Employers. If you have any suggestions for further information we could make available on the web, please e-mail pensions@rbk.kingston.gov.uk and we will consider your suggestion.

HOW TO CONTACT US

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