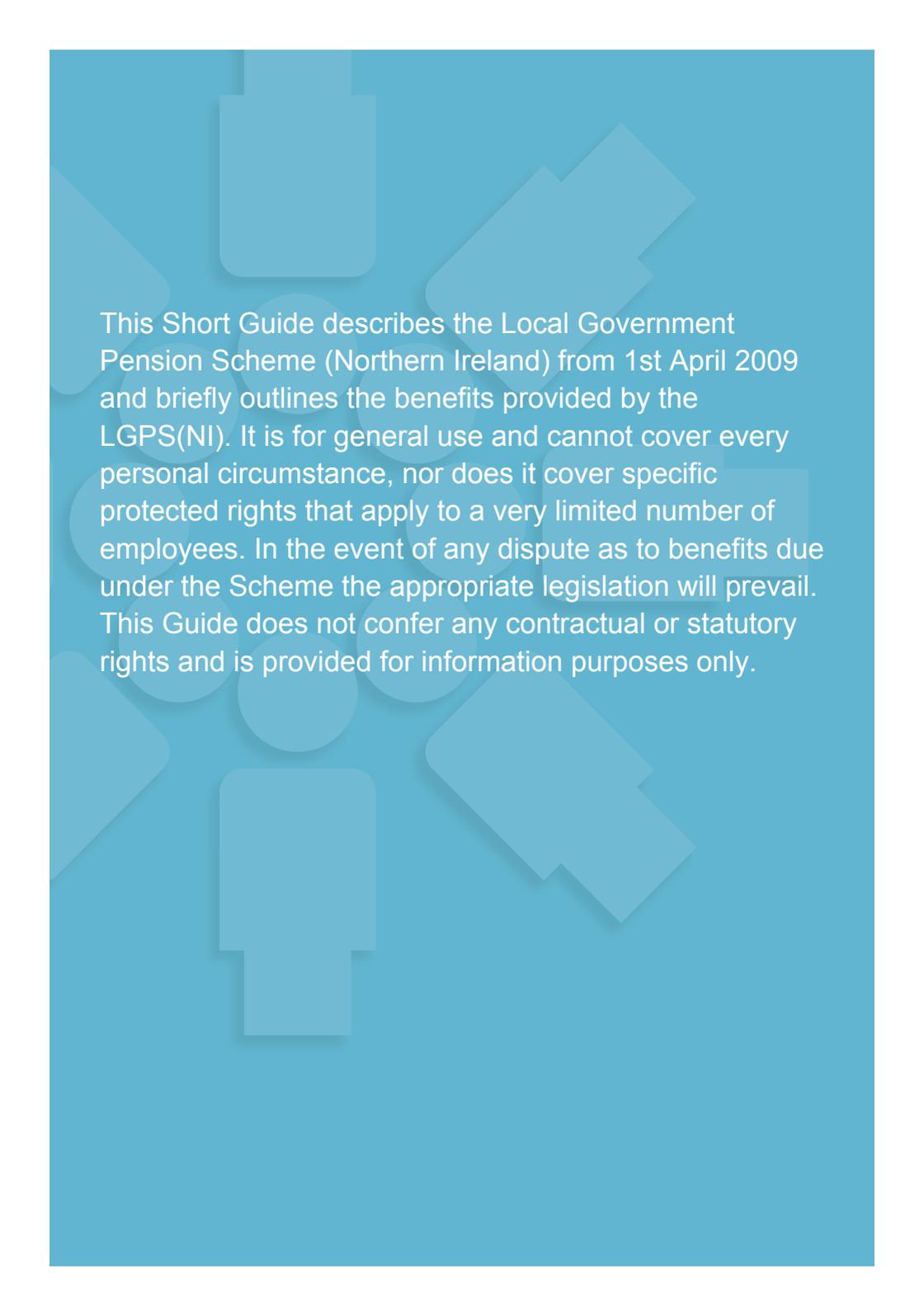


Short Guide to the Local Government Pension Scheme (Northern Ireland)

The background is a solid teal color. It features several faint, light-blue silhouettes of people in various poses, some standing and some sitting, scattered across the page. The silhouettes are semi-transparent and have a slight drop shadow effect.

This Short Guide describes the Local Government Pension Scheme (Northern Ireland) from 1st April 2009 and briefly outlines the benefits provided by the LGPS(NI). It is for general use and cannot cover every personal circumstance, nor does it cover specific protected rights that apply to a very limited number of employees. In the event of any dispute as to benefits due under the Scheme the appropriate legislation will prevail. This Guide does not confer any contractual or statutory rights and is provided for information purposes only.

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1. Summary of the Scheme

The main purpose of the Scheme is to provide a pension in retirement for members.

Summary of the Scheme

What kind of Scheme is it?

The Scheme is a tax approved, defined benefit occupational pension scheme first established on 1st April 1950. It is a 'final salary' scheme and is administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC).

The benefits paid under the Scheme are based on the length of your membership and your final pay.

Summary of the Local Government Pension Scheme (Northern Ireland) 2009

Condition	Application
Joining	An eligible employee is automatically brought into the Scheme on joining employment but may opt out.
Age restrictions	Eligible employees must be younger than age 75 to join and pension benefits must be paid out before age 75.
Contribution Rate	The contribution rate is determined by the employer based on pensionable pay. Contribution rates are in the range 5.5%-7.5% (7 tiers).
Pensionable pay	Pensionable pay is the total of all salary, wages and payments such as contractual overtime, shift allowance, bonus, acting up allowance or any other taxable benefit specified in your contract as being pensionable. A full list of the exclusions from pensionable pay is described under the 'Definition of Terms' section. Pensionable pay is the pay on which contributions are paid.

Condition	Application
Final pensionable pay	This is normally the pensionable pay received in the last 12 months of employment. Either of the two previous years' pay can be used if better. If you have a pay reduction or restriction because you have been downgraded or have less responsibility you have the option of having your benefits based on the average of any three consecutive years in the ten years prior to leaving.
How pension is calculated	Pension is calculated as: $1/60 \times \text{final pensionable pay} \times \text{membership}$
Rate at which pension builds up	1/60th of final pensionable pay for each year of membership built up.
Pension to Lump sum conversion	You can take a tax-free lump sum at retirement by converting some of your pension to lump sum. The rate of conversion on retirement is £12 of lump sum for every £1 of pension given up.
Additional Voluntary Contributions	AVCs can be paid through the in-house AVC provider, Prudential.
Shared Cost Additional Voluntary Contributions	This is an employer discretion and you will need to check your employer's policy on this.
Additional Regular Contributions	Members may elect to purchase additional pension in multiples of £250 up to a maximum of £5,000 per annum. Good health must be confirmed by the Committee's doctor prior to the purchase commencing. The medical fee is payable by the member.

Condition	Application
	<p>If the purchase is not completed a pro-rata calculation applies.</p> <p>In the event of ill-health or death the purchase is treated as fully paid.</p>
Power of employing authority to increase membership and to award additional pension	<p>An employing authority may award up to ten years additional membership or award up to £5,000 per year additional pension. These are employer discretions and you will need to check your employer's policy on these discretions.</p>
Refund	<p>A refund of contributions is payable if the member leaves or opts out and has less than three months membership.</p>
Retirement – Early	<p>Between ages 55-59 reduced benefits are payable at the discretion of the employer.</p> <p>From age 60 reduced benefits are payable and no employer consent is required.</p>
Normal	Age 65
Late	<p>A member must retire and receive pension benefits by the day before they reach age 75. An actuarial uplift is applied to all benefits paid after age 65.</p>
Flexible	<p>From age 55, if you reduce your hours or move to a less senior position on a reduced payscale, and providing your employer agrees, you can draw some or all of the pension benefits you have built up. You can continue paying into the Scheme until you fully retire.</p> <p>Please note: reductions for early retirement may apply.</p>

Condition	Application
Redundancy/ Efficiency	If your employer makes you redundant or you are retired on the grounds of efficiency when you are aged 55 or over your benefits are payable immediately without any early retirement reductions.
Ill-health Retirement	<p>To qualify for ill-health benefits you must:</p> <ul style="list-style-type: none"> • have one year's membership • be permanently incapable of doing your job • have a reduced likelihood of being capable of undertaking gainful employment • be assessed by the Committee's doctor. <p>If you are permanently incapable of doing your job and there is no reasonable prospect of being capable of undertaking any employment before age 65 – accrued pension benefits are payable plus an enhancement of 100% of potential membership to age 65.</p> <p>If you are permanently incapable of doing your job and have a reasonable prospect of being capable of undertaking gainful employment before age 65 – accrued benefits are payable plus an enhancement of 25% of potential membership to age 65.</p>
Re-employed and rejoining deferred members	Requests to combine a previous period of membership with current membership must be made within 12 months of rejoining and there is only one opportunity to combine pension records.
Transfer in requests	A request to transfer in other pension benefits must be made within the first 12 months of joining the Scheme, in accordance with Chapters 4 and 5 (as modified) of Part 4 of the 1993 Act.

Condition	Application
Transfer out requests	You can apply to transfer your pension benefits to another pension scheme when you have left active membership.
Death grants	<p>Active member – death grant is a lump sum payment of: 3 x actual pensionable pay</p> <p>Deferred member – death grant is a lump sum payment of: 5 x current value of pension</p> <p>Pensioner member – death grant is a lump sum payment of: 10 x annual pension less the amount of pension already paid</p>
Survivors' pensions	Survivors' pensions are payable to eligible spouses, civil partners, nominated cohabiting partners and children.

2. Joining & Contributing

Your contribution rate will be between 5.5% and 7.5% of your whole-time pensionable pay.

Joining and Contributing to the Scheme

Who can join?

The Scheme covers the employees of local government and other admitted bodies that have chosen to participate in it. All employees under age 75, regardless of the hours or weeks worked, with a contract for three months or more must be brought into the Scheme on commencing employment.

If you have a contract for less than three months you have the option to join the Scheme if you wish. If your contract reaches three months and you haven't already chosen to join, you will then be automatically brought into the Scheme.

Police, firefighters, teachers and academic staff (eligible to participate in the Universities' Superannuation Scheme) of the University of Ulster are not allowed to join.

How do I ensure that I have become a member of the Scheme?

We will send you official notification of your membership. You should also check your pay slip to make sure that pension contributions are being deducted.

Can I opt out of the Scheme and re-join the Scheme at a later date?

You can leave the Scheme at any time by giving your employer notice in writing. If you opt out, you can opt back into the Scheme provided you are still eligible at that time. You may wish to obtain independent financial advice before you make a decision to opt out of the Scheme. If you have more than one job with your employer, you may opt out in respect of some, one or all of the jobs.

There are a number of ways you can obtain an Opt-out Notice. You may download this form from our website www.nilgosc.org.uk, email optout@nilgosc.org.uk, or contact us to request a form. You cannot opt out until you have started your employment and joined the Scheme.

What do I pay?

Your contribution rate depends on how much you are paid but it will be between 5.5% and 7.5% of your pensionable pay. The rate you pay depends on which pay band you fall into.

If you work part-time, your rate will be based on the whole-time pay rate for your job, although you will only pay contributions on the pay you actually earn.

Here are the pay bands that apply from 1 April 2014 – they will increase in line with inflation every April.

Pensionable pay	You pay a contribution rate of:
£0 - £14,000	5.5%
£14,001 - £16,500	5.8%
£16,501 - £21,300	5.9%
£21,301 - £35,600	6.5%
£35,601 - £47,700	6.8%
£47,701 - £89,400	7.2%
More than £89,400	7.5%

As a member of the Scheme, your contributions will attract tax relief at the time they are deducted from your pay and you will be contracted out of the State Second Pension Scheme (S2P). Whilst you are a member of the Scheme you will, prior to State Pension Age, pay reduced National Insurance contributions.

Let's take a look at members who work full time at a pay rate of £22,000.

They will pay 6.5% on their pay. That gives monthly contributions of approximately £119.

If they were working half-time, they would still pay the same contribution rate of 6.5%.

That's because the whole-time rate for their job is still £22,000, but their contribution would be based on their part-time earnings, so they would pay approximately £60 per month in contributions.

Does my employer contribute?

Your employer pays the balance of the cost of providing your benefits in the Scheme. Every three years an independent review is undertaken to calculate how much your employer should contribute to the Scheme.

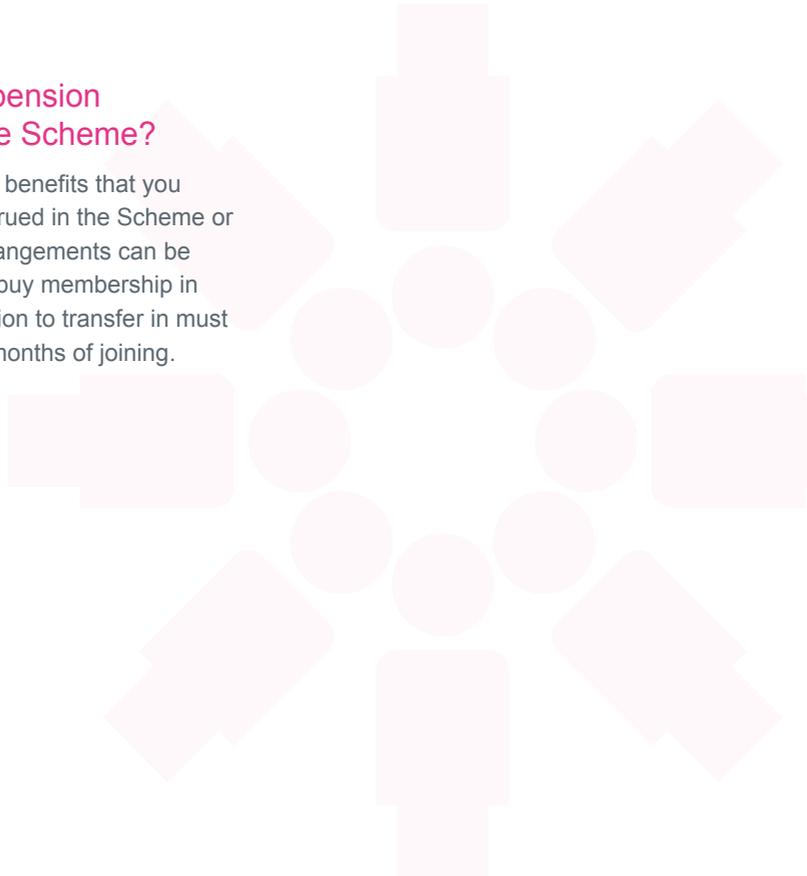
The Government is considering how future increases or decreases in scheme costs can be shared between members and employers. A consultation will be required before any cost sharing principles are put in place and details will be posted on our website where relevant.

Can I pay more to increase my benefits?

You can pay extra to increase your retirement benefits. You can do this either by paying additional contributions (known as ARCs) to buy extra scheme pension, by making payments to the Scheme's Additional Voluntary Contributions (AVC) arrangement, or by making payments to a personal pension, stakeholder pension or Free-standing AVC scheme of your own choice.

Can I transfer pension benefits into the Scheme?

Generally speaking, benefits that you have previously accrued in the Scheme or in other pension arrangements can be transferred and will buy membership in the Scheme. An option to transfer in must be made within 12 months of joining.



3. How Your Pension is Calculated

The two main elements used to calculate your Scheme pension are:

- your membership in the Scheme, and
- your final pensionable pay.

How Your Pension is Calculated

You must have at least three months membership or have transferred other pension rights into the Scheme to be entitled to Scheme retirement benefits.

How much will my pension be?

Your pension is based on your total membership in the Scheme and the pensionable pay you receive in, normally, your final year of service. If you are part-time, your Scheme membership will count at its part-time length when working out your pension and your final pay is increased to what you would have received had you been whole-time.

The examples below show how benefits based on membership in the Scheme built up after 31 March 2009 are calculated. You receive an annual pension based on 1/60th of your final year's pensionable pay for membership you build up after 31 March 2009.

Can I exchange part of my pension as a lump sum?

You can exchange part of your annual pension for a one off tax-free cash payment. You can take up to 25% of the overall capital value of your pension benefits as a lump sum and you will receive £12 lump sum for each £1 of pension given up, providing the total lump sum does not exceed

£312,500 (2014-15) less the value of any other pension rights you have in payment. The overall capital value of your pension benefits is calculated as:

$$\begin{aligned} & (\text{Pension} \times 20) + \text{lump} \\ & \text{sum} + \text{value of AVC fund} \\ & \text{(if any)}. \end{aligned}$$

However, it should be noted that this calculation is not as simple as it appears as it is the benefits after pension has been exchanged for lump sum which must be taken into account, i.e. the calculation must be repeated for the new lump sum and new reduced pension to ensure that the 25% limit is not exceeded. As the capital value of accrued rights and pension to lump sum conversion are interdependent, a reiterative calculation ensues.

In the current climate of long life expectancies and low interest rates, members are reminded that the cash sum may not be sufficient to replace the pension surrendered. If you are considering this option, you are strongly recommended to contact an Independent Financial Advisor for advice.

Example of pension and lump sum option calculation for membership after 31 March 2009.

On retirement at age 65, a Scheme member has 20 years total membership and has a final pay of £15,000

The annual pension is: 20 years
 $x 1/60 \times £15,000 = \mathbf{£5,000}$

If he / she decides to give up £1,000 pension for a cash lump sum, then:

The reduced annual pension is:
 $£5,000 \text{ less } £1,000 = \mathbf{£4,000}$

And he / she will get a tax free lump sum of: $£1,000 \times 12 = \mathbf{£12,000}$

If the same employee had worked half-time (i.e. 20 years at half-time = 10).

The annual pension would be: 10 years
 $x 1/60 \times £15,000 = \mathbf{£2,500}$

If he / she decides to give up £500 pension for a cash lump sum, then:

The reduced annual pension is:
 $£2,500 \text{ less } £500 = \mathbf{£2,000}$

And he / she would get a tax free lump sum of: $£500 \times 12 = \mathbf{£6,000}$

What if I joined the Scheme before 1 April 2009?

Your benefits for membership built up before 1 April 2009 are calculated differently.

For each year you have built up in the Scheme up to 31 March 2009 you will receive an annual pension based on 1/80th of your final year's pensionable pay and an automatic tax-free lump sum of three times your pension. You can also exchange part of your pre-April 2009 pension for extra lump sum as described in the 'Can I exchange part of my pension as a lump sum?' section. Any benefits built up after 31 March 2009 are calculated as in the previous example.

Example of pension and lump sum option calculation for member with membership before and after 1 April 2009.

On retirement at age 65, a Scheme member has 40 years total membership composed of 20 years pre-1 April 2009 membership and 20 years post-1 April 2009 membership. The final pay is £15,000.

The annual pension is:

20 years $x 1/80 \times £15,000 = \mathbf{£3,750}$

20 years $x 1/60 \times £15,000 = \mathbf{£5,000}$

Total annual pension = $\mathbf{£8,750}$

The standard lump sum is:

20 years $x 3/80 \times £15,000 = \mathbf{£11,250}$

What if I want to take AVCs as cash?

If you pay additional voluntary contributions (AVCs) via the Scheme you may elect to take up to 100% of the accumulated fund in your AVC account as a tax-free lump sum if you draw it at the same time as your Scheme pension benefits, provided when added to the Scheme lump sum it does not exceed 25% of the overall value of your Scheme benefits (including your AVC fund).

What pay is used to calculate retirement benefits?

Your retirement benefits will normally be calculated on your final year's pensionable pay (if you are part-time, your final pay is increased to what you would have received had you been whole-time). However, your benefits can be calculated on one of the two previous years' pay if better and, if your pay is reduced or restricted because you downgrade or have less responsibility in your last ten years with your employer, you have the option to notify NILGOSC in writing, at least one month prior to your date of leaving, that you wish to have your benefits based on the average of any three consecutive years in the last ten years (ending on a 31 March).

Will my pension increase?

The Scheme provides statutory pension increases. This means that if you retire on or after age 55, your pension will be increased each year in line with inflation.

Increases are only paid to people who are below age 55 if the person concerned is:

- receiving a pension as a widow, widower, civil partner, nominated cohabiting partner or eligible child; or
- retired on ill-health grounds; or
- has his/ her deferred benefits brought into payment on ill-health grounds with no reasonable prospect of being capable of undertaking any gainful employment because of his/ her ill-health.

Ill-health pensions are increased in line with inflation each year regardless of age.

4. Leaving & Retiring

You can retire and receive your Scheme benefits without any reductions from age 65.

Leaving and Retiring

Can I have a refund of contributions?

If you leave with less than three months total membership and have not brought a transfer into the Scheme you may take a refund of your contributions, less any deductions for tax and the cost of buying you back into the State Second Pension Scheme (S2P).

When are deferred benefits payable?

If you leave before age 65 and your total membership is three months or more or you have transferred other pension rights into the Scheme, you will be entitled to deferred benefits within the Scheme. Deferred benefits are pension benefits which are calculated at the date of leaving but are not payable until a later date. Your deferred benefits will be calculated as described in the 'How Your Pension is Calculated' section using the length of your membership up to the date that you left the Scheme.

Unless you decide to transfer your deferred benefits to another pension scheme, they will normally be paid at age 65 (unless you elect to defer drawing them until later). However they may be brought into payment earlier, and in full, in the event of permanent ill-health.

You can, if you wish, elect to receive your deferred benefits early from age 60 onwards. You may be able to elect to receive your deferred benefits from age 55, but only if your former employer agrees. You must have your former employer's consent to draw your benefits before age 60. Benefits paid early, other than on the grounds of permanent ill-health, will be reduced to take account of their early payment and the fact that your pension will be paid for longer.

Can I transfer my deferred benefits?

It may be possible to transfer your deferred pension benefits to a new scheme or plan before they are due to be paid. The latest an option to transfer can be made is one year before your normal retirement date or six months after leaving the Scheme, if this is later. Please ask your new employer/pension provider to request transfer details from NILGOSC as soon as possible after joining the new scheme or plan.

Can I combine previous LGPS(NI) benefits?

Alternatively, if you return to employment with an employer participating in the Scheme, then you may elect for the pension rights that you have built up to be added to your new period of membership in the Scheme. Such an election must be made within 12 months of rejoining the Scheme.

When can I retire?

You can retire and receive your Scheme benefits in full once you have reached age 65. The Scheme also makes provisions for the early payment of your benefits.

What are my Scheme retirement benefits?

When you retire, you will receive a pension and have the option to take part of your pension as a tax-free lump sum.

If you joined the Scheme before 1 April 2009, your standard benefit package will include an automatic tax-free lump sum as described in 'How Your Pension is Calculated' section of this guide.

Do I pay tax on my pension?

Yes, the monthly pension that you receive from NILGOSC is taxable income.

Can I retire early?

You can elect to retire and receive your Scheme benefits from age 60 onwards. You may be able to retire and receive your Scheme benefits from age 55 but only if your employer agrees. Employer's consent to draw benefits before age 60 is an employer discretion. Your employer must set out its policy on this in a published statement.

Are there any reductions for retiring early and drawing immediate benefits?

If you retire between age 60 and 65 your Scheme benefits, initially calculated as set out in the 'How Your Pension is Calculated' section of this guide, will be reduced to take account of their early payment and the fact that your pension will be payable for longer. However, if you joined the scheme before 1 October 2006 you will have some protections from reduction under the Rule of 85. Please see the section on 'Removal of the Rule of 85'.

Removal of the Rule of 85

The Rule of 85 refers to a provision of the Scheme which allowed members who retired early to take their pension entitlements, without actuarial reduction, if the sum of their age and length of membership equalled 85 years or more.

Members over age 60 could do this as of right; members over age 50 but less than age 60 required their employer's consent. The Rule of 85 has been abolished from 1 October 2006 in order to comply with the European Union Directive on Age Discrimination. Anyone joining the Scheme after 30 September 2006 will have his or her pension benefits actuarially reduced if he / she retires before age 65 to take account of early payment.

Existing members, who were contributing to the Scheme on 30 September 2006, have some Rule of 85 protections. These protections are as follows:

- All existing members at 30 September are protected until 31 March 2008 i.e. the benefits you accrue up to 31 March 2008 will be protected under the Rule of 85.
- Those existing members at 30 September 2006 who will be 60 or over and meet the Rule of 85 by 31 March 2016 are fully protected i.e. the benefits you accrue up to 31 March 2016 will be protected under the 85 year rule.
- Those existing members at 30 September 2006 who will be 60 or over and meet the Rule of 85 between 1 April 2016 and 31 March 2020 will have full Rule of 85 protection to 31 March 2008 and have some Rule of 85 protection, on a sliding scale, to 31 March 2020.

What if my employer retires me on grounds of redundancy or business efficiency?

If you are aged 55 or over you will be entitled to the immediate unreduced payment of your Scheme benefits.

What happens if I have to retire early due to ill-health?

If you have to leave work at any age due to permanent ill-health which prevents you from doing your job and you have at least one year's Scheme membership, the Scheme provides a tiered ill-health retirement package.

To qualify for ill-health benefits, the Committee must be satisfied that you will be permanently unable to do your own job and have a reduced likelihood of being capable of undertaking another job before age 65.

The Committee's decision is based on a report from its independent registered medical practitioner qualified in occupational health medicine.

Ill-health benefits can be paid at any age and are not reduced on account of early payment. Pension benefits payable are dependent on the severity of the illness and are described below:

If you are permanently incapable of doing your job and have no reasonable prospect of being capable of undertaking gainful employment before age 65, the pension is based on accrued membership plus 100% of prospective membership between leaving and age 65.

If you are permanently incapable of doing your job and have a reasonable prospect of being capable of undertaking gainful employment before age 65, then the pension is based on accrued membership plus 25% of prospective membership between leaving and age 65.

'Gainful employment' is defined as paid employment for not less than 30 hours in each week for a period of not less than 12 months.

'Permanently incapable' is defined as the member will, more likely than not, be incapable until, at the earliest, his 65th birthday.

What if I want to have a gradual move into retirement?

This is known as flexible retirement. From age 55, if you reduce your hours or move to a less senior position on a reduced pay scale, and provided your employer agrees, you can draw

some or all the pension benefits you have built up – helping you ease into retirement. If you take flexible retirement before age 65, your benefits may be reduced to take account of their early payment unless your employer agrees to waive the reduction in whole or in part. You can re-join the Scheme after flexible retirement.

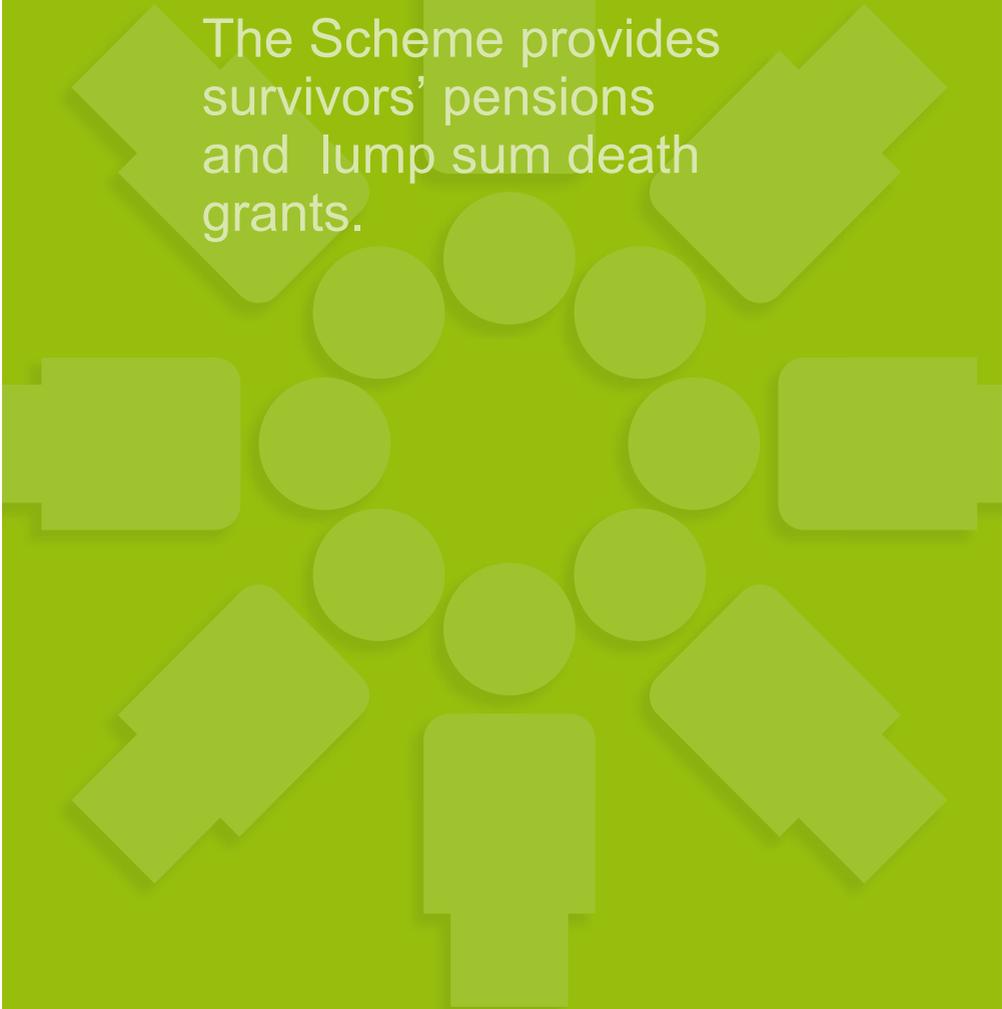
What if I carry on working after age 65?

If you carry on working after age 65 you will continue to pay into the Scheme, building up further benefits. We will pay your pension when you retire, or when you reach the eve of your 75th birthday, or if you take flexible retirement with your employer's consent, whichever occurs first. If you draw your pension after age 65, it will be increased to reflect the fact that it will be paid for a shorter time. Your pension has to be paid by your 75th birthday.



5. Life Cover

The Scheme provides survivors' pensions and lump sum death grants.



Life Cover – Protection for Your Family

What benefits will be paid if I die?

If you **die in service** as a member of the Scheme the benefits shown below are payable.

- A widow's, widower's, civil partner's or, subject to the certain qualifying conditions, a nominated cohabiting partner's pension equal to 1/160th of your final pay times the total membership you would have built up in the scheme to age 65. Note: nominated cohabiting partner's pensions are based on membership in the scheme after 5 April 1988.
- Pensions for eligible children
- A lump sum death grant of three times annual pensionable pay. If you are part-time, it is three times annual pensionable part-time pay.

If you **die as a deferred member** of the Scheme the benefits shown below are payable.

- A widow's, widower's, civil partner's or, subject to the certain qualifying conditions, a nominated cohabiting partner's pension equal to 1/160th of your final pay times the total membership your deferred pension is based on unless you marry or form a civil partnership after leaving the Scheme in which case it could be less. Note: nominated cohabiting partner's pensions are based on membership in the scheme after 5 April 1988.

- Pensions for eligible children
- A lump sum death grant equal to 5 years' pension.

If you **die after retiring on pension**, the benefits shown below are payable.

- A widow's, widower's, civil partner's or, subject to the certain qualifying conditions, a nominated cohabiting partner's pension equal to 1/160th of your final pay times the total membership your pension is based on unless you marry or form a civil partnership after retirement in which case it could be less. Note: nominated cohabiting partner's pensions are based on membership in the scheme after 5 April 1988.
- Pensions for eligible children
- A lump sum death grant is payable if your pension has been in payment for less than ten years and you are under age 75 at the date of death. The balance of the pension which would have been payable for ten years is paid as a lump sum.

Death Grant Expression of Wish Form

The Scheme allows you to say who you would like any death grant to be paid to by completing a Death Grant Expression of Wish form. All members are strongly advised to complete this form and to ensure that it is kept up to date. A new form must be completed if marital circumstances change. This form is available from NILGOSC or can be downloaded from our website www.nilgosc.org.uk.

While the Committee will take your wishes into account, it should be noted that under the regulations, the Committee retains absolute discretion when deciding to whom to pay any death grant. This discretion enables the death grant normally to be paid free of inheritance tax.

Nomination of Cohabiting Partner Form

If you wish to nominate a cohabiting partner your relationship has to meet certain conditions laid down by the Scheme. These conditions are detailed in the 'Definition of Terms' section.

NILGOSC must have a signed Nomination of Cohabiting Partner Form, LGS21, on file prior to the member's death for the nomination to have effect.

The form is available from our website www.nilgosc.org.uk or on request by email, in writing or over the telephone.



6. HMRC

There are limits on the pension savings you can make with tax relief.

HMRC Tax Rules

What are the HM Revenue and Customs tax controls on my Scheme benefits?

There are limits on the pension savings you can make before you become subject to a tax charge (over and above any tax due under the PAYE system).

These limits are known as the annual allowance and the lifetime allowance.

The **annual allowance** is the amount by which your pension savings can increase in one year without becoming subject to a tax charge. The annual allowance for 2014-2015 is £40,000.

The formula for calculating any increase in pension savings in the Local Government Pension Scheme is:

[Pension Value at Year End – (Pension Value at Start of Year x Pensions Increase)] x 16

Plus

Lump sum at Year End –
(Lump sum at Start of Year x Pensions Increase)

Plus

The amount of any AVC contributions made over the year

NILGOSC has a duty to notify you by 6 October of each year if you exceed the annual allowance for the previous tax year. A pensions savings statement will be issued to you if you exceed the annual allowance.

If your pension savings exceed the annual allowance, you may carry forward any unused allowance from three previous tax years. If you still exceed the allowances after carried forward allowances are taken into account, a tax charge must be applied.

If the tax charge exceeds £2,000, you may elect for the tax charge to be paid from your pension benefits and your benefits will be adjusted accordingly.

The **lifetime allowance** is the total **capital value** of all your pension arrangements which you can build up during your lifetime without paying extra tax.

The capital value of your pension benefits is generally calculated as:

(Pension x 20) + lump sum
+ value of AVC fund (if any)

If the value of your benefits when you draw them (not including any state retirement pension, state pension

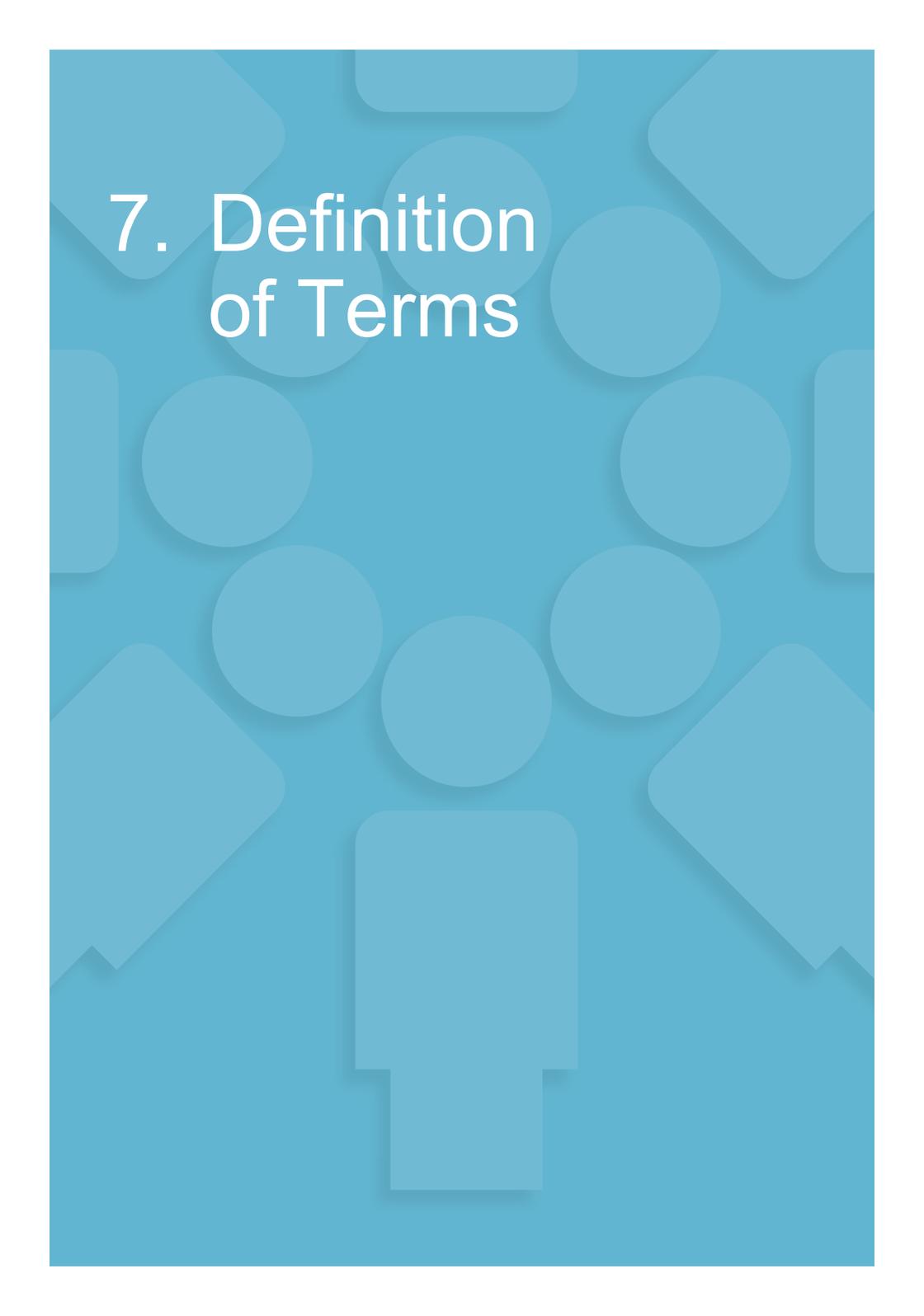
credit or any spouse's, civil partner's or dependant's pension you may be entitled to) exceeds your lifetime allowance a tax charge will be made against the excess. The lifetime allowance for 2014-15 is £1.25 million. Most Scheme members' pension benefits will be significantly less than the lifetime allowance.

If you are close to the annual or lifetime allowance limits it is recommended that you seek specialist tax advice.





7. Definition of Terms



Definition of Terms

Civil Partnership

A civil partnership is a relationship between two people of the same sex (“civil partners”) which is formed when they register as civil partners of each other.

Cohabiting Partner

If a member wishes to nominate a cohabiting partner to receive survivor benefits in the event of the member’s death, NILGOSC must receive a declaration form, signed by both the member and the cohabiting partner, to confirm that the following conditions have been satisfied for a continuous period of at least two years, including the day on which the declaration is signed:

- The member and cohabiting partner must be legally free to marry or form a civil partnership with each other; and
- The member and the cohabiting partner must be living together as if they were husband and wife or as if they were civil partners; and
- Neither member nor cohabiting partner is living with a third person as if they were husband and wife or as if they were civil partners; and
- Either the nominated cohabiting partner is financially dependent on the member or both are financially interdependent.

The Nomination of Cohabiting Partner form must be on file with NILGOSC prior to the member’s death for the nomination to have effect.

Cost Sharing Mechanism

An element of the Scheme is that there is to be a degree of cost sharing in the future between employees and employers. At present, employees pay a fixed employee contribution rate and the employer meets the balance of all pension costs. The intention is to provide long-term sustainability and affordability for all stakeholders and to deal with the issues of increased life expectancy, changing demographics and rising pension costs.

Eligible Child

A child is an eligible child of a deceased member if (s)he is wholly or mainly dependent on the member and is less than 18 years of age at the date of the member’s death. If the child is continuing in full-time education, (s)he will be treated as a dependant until (s)he reaches the age of 23 (or earlier if (s)he completes his / her course of study). A child of any age who is disabled within the meaning of the Disability Discrimination Act 1995(a), that is, has “a physical or mental impairment which has a substantial and long-term adverse effect on his ability to carry out normal

day-to-day activities” and has a condition that is sufficiently serious to prevent him/her following a normal employment or which would seriously impair his/her earning capacity may be treated as an eligible child. It will be necessary for the child to have a medical assessment with the Committee’s doctor.

Pensionable Pay

Pensionable pay is the total of all salary, wages and payments such as contractual overtime, shift allowance, bonus, acting up allowance or any other taxable benefit specified in your contract as being pensionable. It does not include non-contractual overtime, travelling or subsistence allowance, pay in lieu of holidays, payment as an inducement not to terminate employment, payment to buy out an existing term or condition of employment, compensation for the purposes of achieving equal pay in relation to other employees, or any amount treated as the money value for the provision of a motor vehicle.



8. Data Protection Act 1998

The background of the slide is a solid dark grey color. It features several faint, light grey icons scattered across the surface. These icons include stylized human figures, some with circular heads, and various document shapes with rounded corners and some with tabs or folds. The overall aesthetic is clean and modern, typical of a professional presentation.

Data Protection Act 1998

NILGOSC is registered with the Information Commissioner under the Data Protection Act 1998 to hold personal information for the purpose of administration of the pension Scheme. Essentially the data is used to determine eligibility for, and to calculate any pension or other benefits from, the Scheme. This information is held and processed by NILGOSC strictly in accordance with the Data Protection Act 1998. In order to carry out its purpose NILGOSC may receive information about members from others, such as employers, but can only do so in accordance with the law.

NILGOSC may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Scheme, for example the Scheme's AVC providers and actuary. NILGOSC may also transfer information to organisations which carry out processing operations on its behalf, such as printers. Any third parties to whom NILGOSC passes personal data are also required to comply with the Data Protection Act.

NILGOSC is required to protect the public funds it administers. It may share information provided to it with other bodies responsible for auditing or administering public funds, in order to prevent and detect fraud.

As individuals, members have a right under the Data Protection Act 1998 to obtain information from NILGOSC, including a description of the personal data which is held. Any member who wishes to access their data on Data Protection Act grounds should write to the Data Protection Officer at NILGOSC.

Information produced by NILGOSC can be made available in several formats (such as large print, in Braille, on audio cassette, or on computer disk) and languages. We will be pleased to consider your request in this respect.

9. Further Information & How to Contact Us



Further Information

This Short Guide is intended to be a brief introduction to the Scheme. You can find more detailed information in other Scheme literature which can be requested from your employer, directly from NILGOSC on the details below, or viewed on our website at www.nilgosc.org.uk.

Contact Details

If you have any questions on the content of this leaflet or on any aspect of the Local Government Pension Scheme (NI), please contact the Pension Administration Team by any of the methods below:

Postal address:

NILGOSC
Templeton House
411 Holywood Road
Belfast BT4 2LP

Telephone: 0845 308 7346

Email: info@nilgosc.org.uk

Typetalk (for Minicom users):

18001 0845 308 7346

Fax: 0845 308 7344

Website: www.nilgosc.org.uk

Personal callers: You are welcome to visit us from Monday to Friday, from 9am to 5pm. You do not need to make an appointment.

We are happy to deal with enquiries made in person, by telephone, in writing or by email. Alternatively, you may find the information you require by visiting our website at www.nilgosc.org.uk

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We will be pleased to consider your request in this respect.

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R: 07/2014 P: 07/2014