

Local Government Pension Scheme Pensionable Remuneration

The Local Government Pension Scheme is a final salary pension scheme which means that when a member leaves the scheme their benefits are calculated using their pensionable pay figures applicable to the last 12 months of their pensionable employment. However, if a member's pensionable pay has dropped in the previous 10 years the regulations provide some protection which is explained below.

Part-time - If your pay has dropped because you have reduced your hours, this option will not apply to you, unless your rate of pay has dropped, as benefits are always calculated on a whole-time rate of pay.

Pay reduced in last 3 years

If your pensionable pay has reduced in the last 3 years of your employment, then you can choose to use the best of the last 3 years (you can use the last 12 months or the previous 12 months or the previous 12 months) applicable pensionable pay in the calculation of your benefits.

Example: Leaving date 25th March 2011, you can use one of the following years:

26th March 2010 to 25th March 2011

26th March 2009 to 25th March 2010

26th March 2008 to 25th March 2009

(The final date must be the anniversary of your leaving date)

This option is automatic, although it would be best to inform Devon Pension Services that this option may apply to you so that they can request from your employer, details of your pay over the last 3 years to assess which is the best to use.

Pay reduced in the last 10 years

If you have suffered a reduction (drop in rate of pay) in your permanent pensionable pay in the 10 years before leaving, you can choose to use the best 3 year average ending on 31st March pensionable pay in the calculation of your benefits.

If you think this applies to you, you must notify Devon Pension Services in writing at least a month before you leave.

Please note if the final year is not used, cost of living increases will be added to the pensionable remuneration figure that is used in calculating your benefits. Devon Pension Services does not hold details of your pensionable pay and therefore we rely on your employer to provide us with the figures.

Certificate of Protection

If you suffered a permanent reduction in your pensionable pay before April 2008 and you were issued with a Certificate of Protection and you left the LGPS within 10 years of the reduction or restriction in pay, your benefits will be calculated on a protected **final pay** of either the best year's **pay** in the last five years prior to leaving, or the best consecutive three year average in the last thirteen years after allowing for inflation.

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CUSTOMER SERVICE EXCELLENCE