

LGPS Update

The County Council's Response to Consultation on Local Government Pension Scheme (LGPS) Changes

Buckinghamshire County Council is the administering authority for the Buckinghamshire Pension Fund. The Council welcomes the opportunity to comment on the draft amendments, due to take effect from 6 April 2006.

The Council supports the continuation of an affordable defined benefit pension scheme. This is one of the most valuable benefits to enable us to recruit and retain staff with the skills and abilities that we require.

We welcome firm proposals to:

- facilitate flexible retirement
- extend option of scheme membership up until age 75
- enable the transfer of pension to increase the tax-free lump sum on retirement
- abolish the 85-year rule, as required under age discrimination legislation, whilst retaining retirement at age 60 as an employee-choice option

The areas of concern we have are set out below.

Flexible Retirement - We would like to see this being optionally negotiable from the earliest date that benefits may be paid.

Maximum Pensionable Service – The draft Regulations indicate that the current service limit of 40 years will remain, but that the employee would continue to make contributions after that time. This seems to be inequitable and could be addressed by removing the 40 year pensionable service limit.

Transitional Protection Arrangements – We would like to see a swift resolution to the continuing discussions regarding the protection to be provided to longer-serving scheme members. The current uncertainty is unhelpful for both employers and employees.

Head of Finance

Buckinghamshire County Council

For more information call 01296 383755 or email pensions@buckscc.gov.uk