

LGPS UPDATE: New Member Contribution Bands

In the LGPS 2008 the level of member contribution to the scheme paid by an individual is determined by your 'whole time equivalent' earnings. That is what you would be earning if you worked full time for your employer. For term time only workers this means the full time hours per week worked (not weeks per year).

Each year the range of the bands will increase by inflation in the same way LGPS pensions increase when in payment. This means that this April they will increase by 5% (September 2008's RPI). **This does not mean your pension contributions are automatically increasing.** Where members' pay has not increased by 5% it is possible that some may fall into a lower contribution band as a result, similarly though, a few who have seen their pay increase by more than 5% this may find this has pushed them into a higher band. The new bands are set out below, it is important every member check their April payslips to ensure they are paying the correct amount of pension contributions.

New LGPS Contribution Bands April 2009 - 2010	
Whole Time Earnings	Member Contribution Rate
< £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%
> £78,700	7.5%

The GMB LGPS guide section on contributions has been updated and is available on the website at www.gmb.org.uk/lgpsguide

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www.gmb.org.uk/pspc