



Local Government Superannuation Scheme

Comparison between proposed England & Wales LGPS and Scottish LGPS

	LGPS 2014			Scottish LGPS		
Basis of Pension	Career Average Revalued Earnings (CARE)			Final Salary (FS)		
Accrual Rate	1/49 th			1/60 th		
Revaluation Rate	Consumer Price Index (CPI)			Based on final salary		
Pensionable Pay	Pay including non-contractual overtime and additional hours for part time staff			Pay excluding non-contractual overtime and non-pensionable additional hours		
Employee Contribution Rate – Average 6.5%. Scot 6.3%	From	To	Gross Rate	From	To	Gross Rate
	Up to £13,500		5.5%	Up to £19,400		5.5%
	£13,501	£21,000	5.8%	£19,400	£23,700	7.25%
	£21,001	£34,000	6.5%	£23,700	£32,500	8.5%
	£34,001	£43,000	6.8%	£32,500	£43,300	9.5%
	£43,001	£60,000	8.5%			
	£60,001	£85,000	9.9%			
	£85,001	£100,000	10.5%			
	£100,001	£150,000	11.4%			
More than £150,000		12.5%	More than £43,300		12%	

Scottish contributions based on earnings up to in each band like income tax so are not directly comparable with England and Wales scheme

	LGPS 2014	Scottish LGPS
Contribution Flexibility	Yes, members can pay 50% contributions for 50% of the pension benefit	No
Normal Pension Age	Equal to the individual member's State Pension Age (minimum 65)	65
Lump Sum Trade Off	Trade £1 of pension for £12 lump sum	Trade £1 of pension for £12 lump sum
Death in Service Lump Sum	3 x pensionable pay	3 x pensionable pay
Death in Service Survivor Benefits	1/160 th accrual based on Tier 1 ill health pension enhancement	1/160 th accrual based on Tier 1 ill health pension enhancement
Ill Health Provision	<p>Tier 1 - immediate payment with service enhanced to Normal Pension Age</p> <p>Tier 2 - immediate payment of pension with 25% service enhancement to Normal Pension Age</p> <p>Tier 3 - temporary payment of pension for up to 3 years</p>	<p>Tier 1 - immediate payment with service enhanced to Normal Pension Age (65)</p> <p>Tier 2 - immediate payment of pension with 25% service enhancement to Normal Pension Age (65)</p> <p>Tier 3 – discretionary lump sum</p>
Indexation of Pension in Payment	CPI	CPI (RPI for pre 2011 increases)
Vesting Period	2 years	3 months