

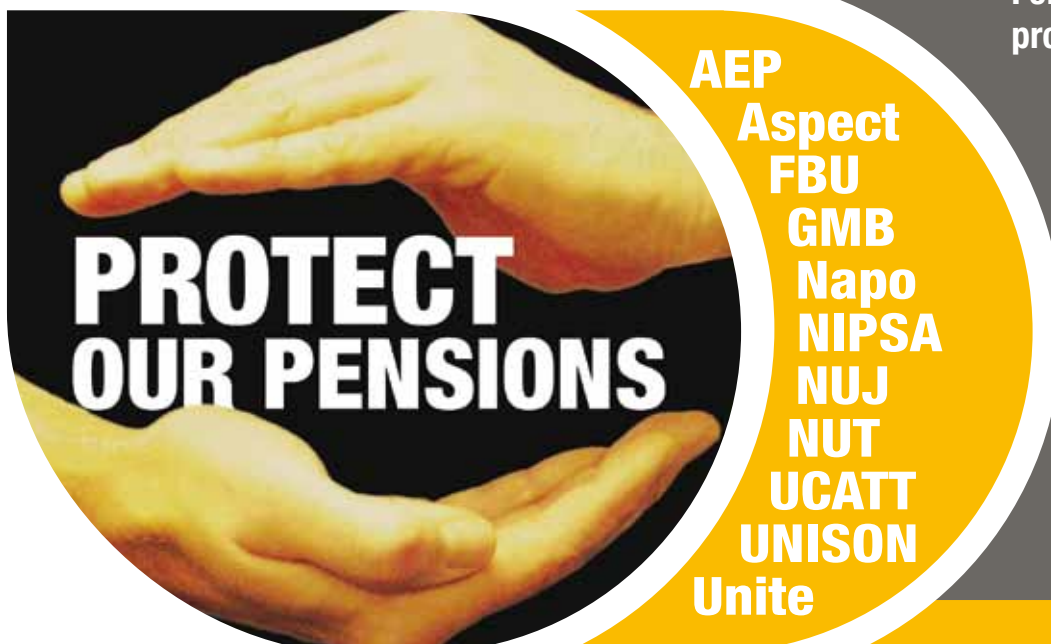
LOCAL GOVERNMENT PENSION SCHEME TEN KEY FACTS

10 key facts about the LGPS:

1. The LGPS is a funded scheme like private sector defined benefit schemes and unlike the other public sector pension schemes. Together the 101 LGPS funds hold more than £120billion in investments and assets, enough to pay benefits for over 20 years
2. The LGPS has a positive cash flow, with income from investments and contributions exceeding expenditure on benefits by £4-5billion every year
3. Members contribute an average of 6.4% to the scheme with higher earners paying proportionately more
4. The employer contribution rate for current service is 13.6%. In the private sector the comparable employer contribution average is 15.6%. Many employers are paying a high overall contribution to the scheme because of past underfunding and contribution holidays
5. The LGPS is collectively the biggest pension fund in the country and fourth largest in the world making it a major shareholder in business and the UK economy
6. Four million people are members of the LGPS in England & Wales either as active, contributing members, pensioners or deferred members
7. In April 2008 (2009 in Scotland and Northern Ireland) reformed schemes were launched covering all existing and new LGPS members that changed the benefit structure and increased average member contributions to the scheme from 5.8% to 6.4%
8. In the last year income from employee contributions to the scheme has increased by 15%
9. More than 7,000 employers participate in the LGPS, many of which are private sector companies providing local public services
- 10 Not gold-plated, the average pension in payment from the LGPS is around £4,000 a year, for women the average is £2,600

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