



Dear Colleague,

### **The Local Government Pension Scheme (LGPS)**

Entry to the Local Government Pension Scheme is automatic for all employees under age 75 and with a contract of more than 3 months. Employees with a contract for less than 3 months may elect to join the scheme by completing and returning a pension membership form.

Enclosed in this pack is information regarding the scheme and its benefits. A summary of the main scheme benefits is detailed on the back of this letter.

Once you have read the enclosed literature please complete and return the pension membership form. Failure to complete this may result in a delay in receiving your pension benefits.

You could decide to opt into the 50/50 section of the scheme. In the 50/50 section, you would pay in 50% of your normal pension contributions and receive 50% of the normal pension entitlement for the amount of time you remain in this section. Further details on this option can be found on our website or in hard copy by request.

If you decide not to remain in the scheme you can opt-out. This option should, however, be considered very carefully and advice sought from an independent financial advisor. To opt out, you must request an 'Election to opt-out' form from Dorset County Pension Fund. This should then be completed and returned to your employer. If you opt out within 3 months of commencement you will receive a refund of contributions via your employer. If you opt out within 2 years, but after 3 months of commencement of employment, you may be entitled to a refund of contributions from the date your employment commenced.

You may be able to transfer your previous pension rights into the LGPS. Upon joining you will have a 12 month window in which to do this. If you would like to investigate the possibility of transferring, please complete the previous pension rights sections on the back of the membership form and tick the relevant box. You will then be sent a transfer information booklet.

You can pay up to 100% of your total taxable earnings in any one tax year into any number of concurrent pension arrangements of your choice and be eligible for tax relief. However, you should be aware that you may incur a tax charge if you exceed your Annual Allowance. More information is available on the HMRC website.

For further information a members website can be found at [www.lgpsmember.org](http://www.lgpsmember.org) . Alternatively, please use the above contact details for further help or guidance.

Yours sincerely

A handwritten signature in black ink that reads "K Gibson".

Karen Gibson  
Pensions Manager

## The Local Government Pension Scheme

### What is the scheme?

It is an occupational pension scheme administered by Dorset Council and is paid for by employee and employer contributions. These combined contributions are invested in the Dorset County Pension Fund to pay all the appropriate benefits.

### How much will it cost?

There are contribution rates for different pay bands, designed to give equality between the cost and benefits of scheme membership. The rate will be based on the actual pay you receive. Your employer will inform you of the contribution rate you will pay.

Below are the pay bands from 1 April 2021 to 31 March 2022. These bands are reviewed annually.

| Band | Actual pensionable pay | Contribution rate for that employment |               |
|------|------------------------|---------------------------------------|---------------|
|      |                        | Main section                          | 50/50 section |
| 1    | Up to £14,600          | 5.50%                                 | 2.75%         |
| 2    | £14,601 to £22,800     | 5.80%                                 | 2.90%         |
| 3    | £22,801 to £37,100     | 6.50%                                 | 3.25%         |
| 4    | £37,101 to £46,900     | 6.80%                                 | 3.40%         |
| 5    | £46,901 to £65,600     | 8.50%                                 | 4.25%         |
| 6    | £65,601 to £93,000     | 9.90%                                 | 4.95%         |
| 7    | £93,001 to £109,500    | 10.50%                                | 5.25%         |
| 8    | £109,501 to £164,200   | 11.40%                                | 5.70%         |
| 9    | £164,201 or more       | 12.50%                                | 6.25%         |

### What will the benefits be?

- A secure pension, which will increase annually in line with cost of living
- The opportunity to give up pension to provide a tax-free lump sum
- The opportunity to retire early
- Tax efficient savings for most people
- Ill-Health benefits
- Survivor's Pension for a spouse, civil partner or cohabiting partner (subject to certain conditions)
- Children's allowances
- A cash sum equivalent to 3 years pensionable pay for your family if you die in service
- The ability to transfer your pension rights should you leave
- The option to pay additional contributions to increase your retirement benefits

### Fair Processing notice

Dorset Council as the administering authority of the Local Government Pension Scheme and the Dorset County Pension Fund values the privacy of those who provide personal data to it. We will only collect and process your personal data in accordance with our Privacy Notice. A copy of the Privacy Notice can be accessed by following this link

<https://www.dorsetpensionfund.org/media/5691/privacy-policy.pdf>

By proceeding / providing personal data to the Pension Fund, you confirm that you have read and understood the Privacy Notice, which describes what information we collect and how we use it.

### What other information is available?

A short employee's guide can be found on our website at:  
[www.dorsetpensionfund.org](http://www.dorsetpensionfund.org)