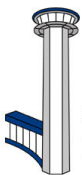


ABERDEEN CITY COUNCIL PENSION FUND

BENEFIT STATEMENT 2008



Aberdeen City Council
Pension Fund

THE LOCAL GOVERNMENT PENSION SCHEME
(LGPS) - SCOTLAND

GUIDANCE NOTES - PART ONE

Dear Member

LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND)

2008 Annual Benefit Statement and Newsletter

Welcome to your new-look benefit statement for 2008. Inside you will find a copy of the information we hold on your pension record, based on your membership and final pay as at 31 March 2008. We have used this to calculate estimates of your benefits:

- if you were to leave the Scheme now,
- if you were to work to normal retirement age, and
- if you were to die in service.

You may wish to register with our **Internet Member Self Service** site, which can be accessed through our website at **www.accpf.org.uk**. Once registered, you will be able to check your personal details and inform us of any changes that need to be made, as well as use the Benefit Projector to calculate estimates of future benefits.

Please remember that this statement is **only an estimate** and you should not treat it as a guarantee of your entitlement. Your actual benefits will vary depending on the reason for your retirement, your final pay and your length of membership, and will be calculated under the regulations in force at the time you retire.

If you disagree with any of the details on this statement, or if you have any questions, please contact us. Our contact details are on the back of this leaflet.

GUIDANCE NOTES

These notes answer some of the most commonly asked questions about benefit statements.

Pension Benefits

Pension = 1/80 of Final Pay multiplied by Total membership

Lump Sum = 3/80 of Final Pay multiplied by Total membership

Retirement Age

The **normal retirement date** for the Scheme is your **65th birthday**. For details of retirement before age 65, see your Guide to the LGPS*.

NEW LGPS (SCOTLAND) REGULATIONS 2009

The new Regulations will take effect from 1 April 2009. This is a brief summary of the changes to the LGPS and how they may affect you. A newsletter with more detailed information on the new scheme was sent out in October 2008. If you did not receive the newsletter a copy is available for download from our website or from our office on request.

Remember that the benefits you have built up before 1 April 2009 will not change – only benefits you build up after 1 April 2009 will be affected by the new look Scheme.

DO I NEED TO DO ANYTHING?

No, you don't have to do anything. If you are a member of the Local Government Pension Scheme on 31 March 2009, and continue to have a contract of employment on 1 April 2009, you will be automatically transferred to the new scheme.

HOW WILL MY PENSION BE AFFECTED?

The new Scheme will remain a final salary Scheme. This means that your benefits are normally based on your final year's pay and the number of years you have been a member of the Scheme.

- All your membership up to 31 March 2009 will continue to be calculated on the basis of the current scheme. You will receive a pension of 1/80th of your final year's pay plus an automatic tax-free lump sum of 3 times your pension.
- Membership from 1 April 2009 will attract the better pension accrual rate of 1/60th. Although there is no automatic lump sum, you can decide to exchange some of your pension in return for a tax free lump sum.

WILL MY CONTRIBUTIONS CHANGE?

Currently most members contribute 6% of their pay, but manual workers who commenced employment paid contributions at the rate of 5%. As from 1 April 2009 all employees will pay contributions based on the tier dependent on their rate of pay, or full time equivalent pay, if part time. Your employer will work out your contribution rate each year using your pensionable pay on 31 March and advise you of the contribution rate you will pay. This rate will be fixed for the whole of the following income tax year regardless of any change of pay. The tiers on which contribution rates are set will be adjusted from April each year in line with the cost of living increase.

For part time employees your contribution rate will be based on your **full time equivalent** pay. This is because when your pension benefits are calculated the pay used to calculate your benefits is the pay that you would have received if you had worked full time. The amount of contributions that you will pay on a monthly basis will be based on the pay you actually earn.

We've worked out a table that shows in outline where your new contribution rate will sit. The full table, including the pay bands, can be seen on our website – www.accpf.org.uk.

IMPORTANT - In assessing how much the new pension contribution will affect your take home pay you should take into account that you will get tax relief on your contributions and as a member of the pension scheme you pay a lower rate National Insurance contribution.

NEW LGPS (SCOTLAND) REGULATIONS 2009 (CONTINUED)

SURVIVOR'S BENEFITS

If you die in service the death gratuity lump sum will increase to three times your final pay. There will be no short-term spouse's pension, but a survivor's pension will be available to your husband, wife, civil partner or, for the first time, your nominated co-habiting partner. Pensions are also available for eligible children.

A form to nominate your partner for survivor's benefits is available to download from our website or from our office on request.

ILL HEALTH BENEFITS

The new scheme introduces better targeted benefits if members are unable to work because of serious illness. The levels of benefit are:

- If you have no reasonable prospect of working again before age 65, we enhance your benefits using the membership you would have had if you had stayed in the Scheme until age 65.
- If you are likely to be capable of working before age 65, we use your total qualifying membership, plus an enhancement of 25% of the membership you would have had up to age 65.

A third tier is being discussed. This is likely to be a one off payment, paid by your employer, in cases where you are currently permanently unable to do your LGPS job but could immediately or within a reasonable period do other work. We will post more information on this on our website as soon as we have it.

To ensure no one loses out because of the changes, your ill health benefits will not be less than the amount you would have received before April 1 2009.

WHEN YOU CAN RETIRE

The normal retirement age in the LGPS has always been age 65. However, you can choose to retire at any time after age 60, without needing your employer's consent, but your pension benefits may be subject to reduction. You can retire prior to age 60, but only with your employer's consent. Flexible retirement is available from age 50 (this will increase to age 55 from 1 April 2010), but only with your employer's consent. For redundancy/efficiency retirements, if you joined the LGPS prior to 6 April 2006 the earliest age pension benefits are payable remains age 50. If you joined after 6 April 2006 the earliest age will increase to 55 from 1 April 2010.

INCREASING YOUR BENEFITS

From 1 April 2009 you will no longer be able to buy added years of membership. Instead you will be able to buy up to £5,000 of extra annual pension in multiples of £250. A medical will still be required. The facility to pay additional voluntary contributions (AVCs) through our approved provider, Prudential, is still available. Contact us if you would like more details or a quotation.

This is only a brief summary of changes to the Scheme, and can't cover every personal circumstance. In the event of any dispute over your pension benefits, the appropriate legislation will prevail. If you have any questions or would like advice, please contact us. Our contact details are on the back of this leaflet.

GUIDANCE NOTES PART TWO

Final Pay

This is an **estimate** based on the contributions your employer has told us you paid in the 365 days to 31 March 2008. This could have been affected if you have been absent, paid reduced contributions or paid back-dated contributions.

Total Membership

This is the period during which you have paid contributions to the Pension Fund, plus any previous service transferred in and any additional service you have purchased. If you have more than one record in the LGPS you may receive a separate statement for each one, showing the service recorded on each record. **Additional voluntary contributions are not shown in this statement.**

Part-time Employees

If you work **part-time** we use the **Full Time Equivalent (FTE) pay** for your post, and calculate your total membership as a proportion of the FTE hours. **This means that the length of service shown will not reflect the actual time you have been in post.** Although we scale down your service, because we scale up your final pay you will still receive all your benefits.

Death Benefits

If you die in service your spouse or civil partner and your children (if any) may be entitled to pension benefits. The spouse's pensions are shown for your information. Children's benefits are not shown.

Spouse's Pension

The spouse's pension is only payable to legal spouses or civil partners. In the case of a widower or civil partner, only membership accrued since 6 April 1998 counts. For more details, see your Guide to the LGPS*.

Death Gratuity

This is a lump sum of twice your actual annual pay. You can nominate who you wish to receive this benefit, and we will follow your wishes as far as possible. If you have made a nomination the details are recorded below your personal information. To make or change a nomination, you should complete and sign our Nomination of Beneficiary form*.

*Available for download from our website, or from our office on request.

WEBSITE RELAUNCH 2009

The Pension Fund website www.accpf.org.uk is currently being redesigned to refresh the overall look and feel, to improve "findability" of information, to meet accessibility guidelines and to provide a secure area for employers to complement the Internet Member Self Service area, which so far this year has seen more than 650 password requests from members.

You can access Internet Member Self Service from our home page. Once registered to use the service, you will be able to check your details and inform us of any changes that need to be made, view previous benefit statement details and use the Benefit Projector to calculate estimates of future benefits.

We hope you find this benefit statement useful and informative. If you have any questions or would like more information, please contact us as shown below.

DATA PROTECTION

For the purposes of processing your personal information, Aberdeen City Council (ACC) as the administering authority for the Aberdeen City Council Pension Fund is the Data Controller. The nominated representative of the Data Controller is the City Solicitor. You have a right to obtain details of the personal information which ACC holds about you by making a request in writing to the Pensions Manager at the address below, accompanied by a Subject Access Fee of £10.

CONTACT DETAILS

**Aberdeen City Council Pension Fund
Pensions Section
AECC – 2nd Floor
Balgownie One
Conference Way
Bridge of Don
Aberdeen
AB23 8AQ**

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Fax: 01224 814969

E-Mail: pensions@accpf.org.uk

Web: <http://www.accpf.org.uk>