|  |  |
| --- | --- |
| Date: 09 January 2018 | **Pension Services****4640 Kingsgate** **Cascade Way** **Oxford Business Park South****Ox4 2SU** **Sally Fox****Pension Services Manager** |
| Our Ref:       |
| Your Ref:       |
|       |

Dear      ,

**Local Government Pension Scheme (LGPS)**

The LGPS Benefit Regulations 2007 gave scheme members the opportunity to use a different final pay period to use for their pension calculation. That protection continues, thanks to the 2014 Transition Regulations, if the member meets the criteria set out in regulation 10 of the Benefit Regulations. If they meet the criteria, the member can choose to have their ‘final pay’ based on the average pay obtained from any 3 consecutive years’ pensionable pay from the last 13, before their leaving date.

The employer has to confirm the member’s entitlement by

* Informing Pension Services the member meets the criteria and the effective date of the reduction to pay, and
* Informing the member of the entitlement and how the ‘protection’ works, although ultimately it will be the member’s decision to take up this option.

To help you, I have:

* Reproduced regulation 10 for your information
* Attached a form for you to advise Pension Services when the entitlement arises, and
* Provided a template letter and form for you to use to inform the member of their options.

Please contact me if you have any questions.

Yours sincerely

Direct line: 01865

Email: pension.services@oxfordshire.gov.uk

[**www.oxfordshire.gov.uk/pensions**](http://www.oxfordshire.gov.uk/pensions)

**The LGPS (Benefit, Membership and Contributions) Regulations 2007 (as amended) and from April 2014 where final pay is required for calculations, these terms will continue. (see 8(4) of the 2014 Transitional Regulations)**

# ****Regulation 10: Final Pay: Reductions****

1. Subject to paragraph (2), where a member’s pensionable pay in a continuous period of employment is reduced or restricted:
	1. because the member chooses to be employed by the same employer at a lower grade or with less responsibility
	2. for the purposes of achieving equal pay in relation to other employees of that employer
	3. as a result of a job evaluation exercise
	4. because of a change in the member’s contract of employment resulting in the cessation or restriction of, or reduction in, payments or benefits specified in the member’s contract of employment as being pensionable emoluments or
	5. because the rate at which the member’s rate of pay may be increased is restricted in such a way that it is likely that the rate of the member’s retirement pension will be adversely affected,

the member may choose to have his or her final pay calculated in accordance with paragraph (4), by giving notice:

* 1. in writing
	2. to the appropriate administering authority and
	3. no later than one month prior to the date on which the member ceases active membership.
1. Where notice under this regulation has not been given, and a member to whom it applies has died, the appropriate administering authority may give notice on the member’s behalf (whether or not the period within which the member could have given notice has expired).
2. Paragraph (1) does not apply if the member’s employment on reduced pensionable pay:
	1. commences before the beginning of the period of ten years ending with the member’s last day as an active member
	2. immediately follows a period in which the member occupies a post on a temporary basis at a higher rate of pay or
	3. is because the member chooses to reduce his or her hours of work or to be employed at a lower grade, for the purposes of [regulation 18](http://timeline.lge.gov.uk/LGPS2008Regs/SI20102090/20071166.htm#reg18) (flexible retirement).
3. Subject to [regulations 8(3) and 8(4)](http://timeline.lge.gov.uk/LGPS2008Regs/SI20102090/20071166.htm#reg8), the calculation mentioned in paragraph (1) is made by dividing by three the member’s total annual pensionable pay in any three consecutive years of the member’s choice, ending with 31st March, within the period of thirteen years ending with the member’s last day as an active member.
4. Paragraph (1)(a) applies to a member who is the subject of:
	1. a transfer to which the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“the TUPE Regulations”) apply or
	2. a transfer which is treated as if it were a relevant transfer within the meaning of regulations 2(1) and 3 of the TUPE Regulations, notwithstanding regulation 3(5) of those Regulations,

as if the transferor employer were the same employer as the transferee authority.

|  |  |  |
| --- | --- | --- |
|  |  |  |

Employer’s confirmation of ‘Reduction in Pay’ Form

Representative of employing organisation within the Oxfordshire Pension Fund must complete this form and return securely to Pension Services

|  |  |
| --- | --- |
| Name of Member: |       |
|  |  |
| National Insurance Number: |       |
|  |  |
| Job Title: |       |
| Unique pay reference :  |       |
|  |  |
| Name of employer: |       |
|  |  |
| Date reduction effective from: |       |
|  |  |
| Name and Position with employer of representative signing form : |       |
|  |  |
| **I confirm:** **The member’s pay was reduced or restricted from the date above, and meets criteria set out in regulation 10 of the LGPS (Benefit, Membership and Contributions) Regulations 2007 to qualify for using an alternative final pay period.** **I have given the member information on regulation 10 showing** **the options available to protect their pension, as described within the regulations, and the timetable for the member to make a decision to the Pension Fund.**

|  |
| --- |
| **Date:**       |

 |
|  |
| ***As the employer, I understand that as the member meets the criteria required for regulation 10 to apply, the employer must now hold pay records for 3 years before the date of reduction and for 10 years following the date of the pay reduction.***  |
|  |
|  |
| *Signature:* *Employer stamp*  |
|  |
| *Date:*  |