

*The Pension that comes with your job*

# Pensions Update

**Summer  
2002**

## ***European Ruling Update on 'Part-timers' Pension Rights***

The main hearings for the test cases were due to take place at the London Central Office of Employment Tribunals over a period of 4 weeks commencing on 17 June 2002. The Tribunal expects the Secretary of State and the Unions to ensure all issues on which they may have differences and which will affect a significant number of cases, are covered by test cases. It is possible that further Local Government Pension Scheme test cases will need to be identified.

Employees who may be entitled to claim any previous part-time membership back to 1976 should contact the Pensions Office or their union representative if they have not done so already. Following the outcome of the test cases employees who are eligible will be contacted with details of how they can count their previous part-time membership.

## ***The Pension Fund***

As at 31 March 2002 the value of the Isle of Wight Council Pension Fund had grown to £171 million. It has achieved a return of 12.5% per annum over the last ten years since Schroders took over the management of the Pension Fund. This has outperformed other typical Local Government Pension Funds over that ten year period and puts the Isle of Wight Pension Fund into the top 30% of these funds.

# *New rates of employer contribution*

Following the actuarial valuation of the Isle of Wight Council Pension Fund as at 31 March 2001, the Fund actuary has certified a new rate of contributions for each of the employers participating in the Fund. During the period 1 April 2002 to 31 March 2005 each employer must pay the following rate expressed as a percentage of pensionable payroll costs –

Employer	Contribution rate for the year ending		
	31 March 2003	31 March 2004	31 March 2005
Isle of Wight Council	10.5%	12.0%	14.0%
Isle of Wight College	11.1%	11.8%	12.5%
Yarmouth Harbour Commissioners	12.3%	13.7%	15.0%
Cowes harbour Commissioners	12.3%	13.7%	15.0%
St Catherines' School Ltd	12.3%	13.7%	15.0%
Trustees of Carisbrooke Castle Museum	12.3%	13.7%	15.0%
Isle of Wight Society for the Blind	12.3%	13.7%	15.0%
Isle of Wight Rural Community Council	12.3%	13.7%	15.0%
Riverside Centre Ltd	11.00%	13.0%	15.0%
OSEL Enterprises	11.0%	13.0%	15.0%
South Wight Housing Association	18.4%	19.6%	20.8%
Medina Housing Association	13.1%	13.4%	13.7%
Island Group 90 Ltd	10.5%	10.5%	10.5%
Planet Ice (IOW) Ltd	10.0%	10.0%	10.0%
Island 2000 Trust Ltd	10.0%	10.0%	10.0%

## *New Employer Joins the Fund*

Atlantic Housing Association Ltd has recently entered into an 'Admission Agreement' with the Isle of Wight Council. The staff who have transferred to Atlantic Housing can therefore continue to contribute into the Local Government Pension Scheme and still enjoy the benefits provided by the Scheme.

# *Transferring AVCs into Scheme Membership*

Following recent amendments to the Local Government Pension Scheme Regulations 1997, those employees who commenced paying AVC's on or after 13 November 2001 do not have the option of using their accumulated AVC Fund to purchase an additional period of membership. They will still, however, be able to buy an additional pension in the Local Government Pension Scheme but it will not affect the period of entitlement.

There is protection for those employees who commenced paying AVCs before 13 November 2001 and those employees retain the right to transfer their accumulated AVC Fund into the Local Government Pension Scheme to purchase an additional period of membership.

## *Pensions and Divorce*

Recent amendments to the Local Government Pension Scheme now give members ex-spouses the right to a proportion of their pension rights. If you get divorced and the Court issues a Pension Sharing Order, a percentage of your rights will be allocated to your ex-spouse at the point of divorce. Your pension, lump sum and contingent spouse's pension, but not contingent children's pensions, will be reduced accordingly. Your ex-spouse will hold benefits in his/her own right and those benefits will normally be paid from age 65. The reduction to your benefits is known as a Pension Debit and the benefits allocated to your ex-spouse is known as a Pension Credit.

All correspondence received by the Isle of Wight Council Pensions Office in connection with divorce proceedings will be acknowledged in writing. The cost of supplying information and complying with any Court Order imposing obligations on the Local Government Pension Scheme will be recovered from you and/or your ex-spouse in accordance with a schedule of charges published by the Isle of Wight Council.

## *Stakeholder and Personal Pensions*

Although your employer is not obliged to offer a Stakeholder Pension arrangement, and indeed cannot for legal reasons, you may be eligible to contribute to a Stakeholder or Personal Pension from 1 April 2001 as well as contributing to the Local Government Pension Scheme. You can find out more information by contacting any Insurance Company.

# Useful Web Sites

The Local Government Pensions Committee, which is part of the Employers Organisation, has a comprehensive web site covering all aspects of the Local Government Pension Scheme from latest circulars and bulletins to an up to date set of Regulations and an employees guide to the Scheme. All this and more useful links can be found at [www.lg-employers.gov.uk/pensions](http://www.lg-employers.gov.uk/pensions).

Also in the near future the Isle of Wight Council's Intranet will have a section on pensions which will include leaflets, various election forms etc.

## Pensions Office Staff

Due to the ever increasing work loads within the Pensions Office we now have an extra member of Staff. Contacts for pension queries are as follows:

Graham Fahy - Pensions Manager	Ext 3696
Brenda Flynn - Pensions Officer	Ext 3627
Pam Wood - Pensions Assistant	Ext 3626
Angela Burton - Pensions Assistant	Ext 3626
Heather Roach - Pensions Assistant	Ext 3627

Pensions Office Fax Number 01983 823637

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This leaflet has been prepared by the Pensions Office for employees who are members of the Local Government Pension Scheme.

If you have any queries about the Scheme, please contact the Pensions Office - telephone number 823626 or 823627. The Office is part of the Council's Directorate of Finance and Information and is located in Room 208 on Floor Two of County Hall directly above the Customer Service Centre.

This leaflet is for the attention of: