



Local Government Pension Scheme

A 2025 guide for Newham Council employees





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Zarka's story

I have worked for Newham for over 10 years and before the last re-enrolment window I never joined the pension scheme because I always thought it was too expensive.

But then I heard about the LGPS 50:50 pension scheme. This meant I could join a scheme and was able to contribute a more manageable monthly amount whilst attracting many of the same benefits as a full LGPS members which offer me and my family peace of mind.

By contributing to the LGPS I am not just the one contributing to my pension and benefits Newham are also paying a fixed contribution each month.

I would recommend that others opt into the Newham pension scheme because the additional benefits are great.



“ I have peace of mind about my financial future and life after retirement. ”



Planning for your future

Enrolling into a pension scheme is a great way to help provide financial security for yours and your family's future, after your retirement.

A Local Government Pension Scheme (LGPS) provides security with its life cover benefits payable to you and your family in the event of serious illness or death in service.

Newham employees* are entitled to join the LGPS. It will offer a secure, flexible and tax efficient way of making sure you have a decent pension to look forward to in retirement.

Newham council will also contribute a fixed percentage to your pension and because the LGPS is protected by the government you are guaranteed to receive a secure pension, independent of share prices and future stock market changes.

It is adjusted for the cost of living meaning that your pension will be increased each year with the cost of living to ensure it keeps its value.

* Scheme is open to Newham employees with at least a three month contract of employment and aged 16 to 75.

“ Pension contributions attract tax relief, so if you are a 20% tax payer you will save 20% on all your contributions. ”



How much will it cost - joining options

There are two joining options for the Local Government Pension Scheme (LGPS).

You can join the full scheme or

Take the 50/50 option which means that you only pay half of the contributions and get half of the benefits.

How much you pay towards your pension is made up from a percentage of your salary. Your benefits are based on your contributions, but regardless of what you pay in, Newham will also pay a fixed rate for all members to secure their Pension Benefits.

Annual Salary	Employee full contribution rate	Employee 50/50 contribution rate
Up to £17,800	5.50%	2.75%
£17,801 to £28,000	5.80%	2.90%
£28,001 to £45,600	6.50%	3.25%
£45,601 to £57,700	6.80%	3.40%
£57,701 to £81,000	8.50%	4.25%
£81,001 to £114,800	9.90%	4.95%
£114,801 to £135,300	10.50%	5.25%
£135,301 to £203,000	11.40%	5.70%
£203,001 or more	12.50%	6.25%

Banding effective from 1st April 2025

If you are eligible for the Teachers or NHS pension scheme, please see the back page for further Information.

How much will my pension be worth if I join today

For an employee who earns £30,000 p.a. and is a 20% tax payer, if they join the LGPS today;

They will pay £162.50 per month pension contribution, however they will receive 20% tax on it, meaning the actual cost they will pay is £130 per month.

Based on the current 1/49th of Pensionable Pay entitlement. An employee who works for a year whilst paying into the LGPS will increase the value of their accrued annual pension by £612.24.

Excluding inflation and cost of living increases, each year the employee continues to contribute they will further increase their annual pension by an additional £612.24.

*Note LGPS pension pots are increased in line with cost of living increases.



State pension

Did you know that the maximum basic state pension is far below what most people say they hope to retire on?

The Retirement Living Standards carried out research and estimated the level of pension to achieve a minimum lifestyle in London is £15,700
www.retirementlivingstandards.org.uk/details#examples

The Local Government Pension Scheme is a secure, flexible and tax efficient way of making sure you have a decent pension to look forward to in retirement.

More than half of people in the UK either aren't saving at all for their retirement or they aren't saving nearly enough to give them the standard of living they hope for when they retire.

From April 2025 the maximum State Pension of £230.31 per week (£11,976 p.a.) this is far below what most people say they hope to retire on.



More than just a pension

An LGPS Pension is not just for you, it is protection for you and your family.

The LGPS provides valuable life cover and financial protection for your family.

Death grant

If you die while still paying into the LGPS, a lump sum death grant of three times your assumed pensionable pay at your date of death will be paid, no matter how long you have been a member of the LGPS.

Partner's pension

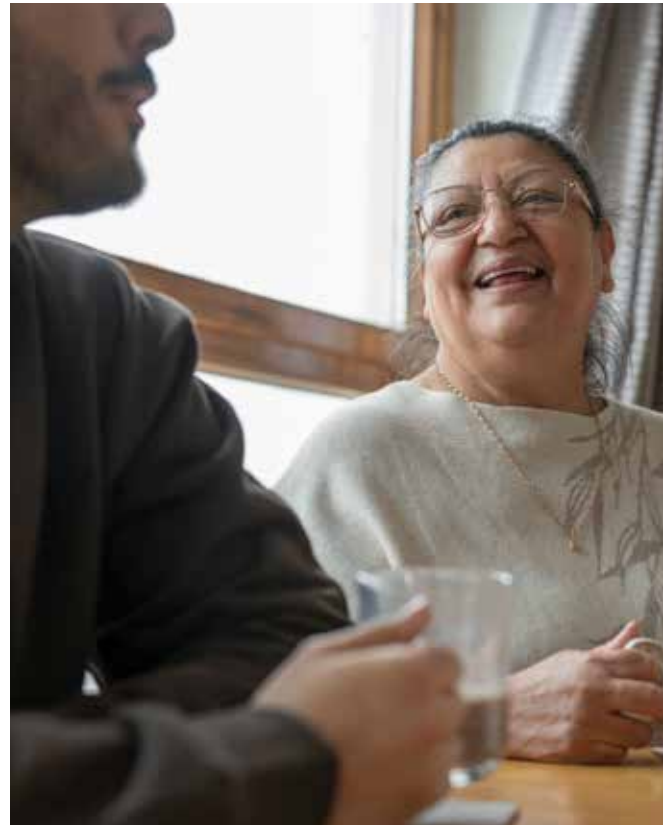
In the event of your death, an ongoing pension may be provided for your spouse, civil partner or nominated cohabiting partner.

Children's pensions

A pension is also payable to eligible children in the event of a member's death.

Ill health benefits

If you have to leave work due to illness you may be able to receive immediate payment of your benefits.



What are the additional benefits of being in a scheme?

In addition to the option of a cash lump sum or regular payments after retirement, the Local Government Pension Scheme also includes the following additional benefits:

Redundancy and business efficiency

If you are made redundant or lose your job for business efficiency reasons when aged 55 or over, your pension will be payable immediately, with no reduction for early payment.

Flexible payment options

There is the possibility to reduce your hours or pay grade when aged 55 or over and draw some of or your entire pension whilst remaining in work.

Flexible retirement age

You can choose to retire and take your pension at any time between the age of 55 and 75. If you choose to take your pension before your normal pension age it will normally be reduced, as it's being paid earlier but if you take it later than your normal pension age it will be increased because it's being paid later.

Tax efficient now and in the future

As a member of the LGPS, you receive tax relief on the contributions that you pay plus you have the option when you draw your pension to exchange part of it for tax-free cash.



When can I take my pension?

You are able to choose to retire and draw your pension at any time between age 55 and 75.

If you choose to take your pension before your Normal Pension Age

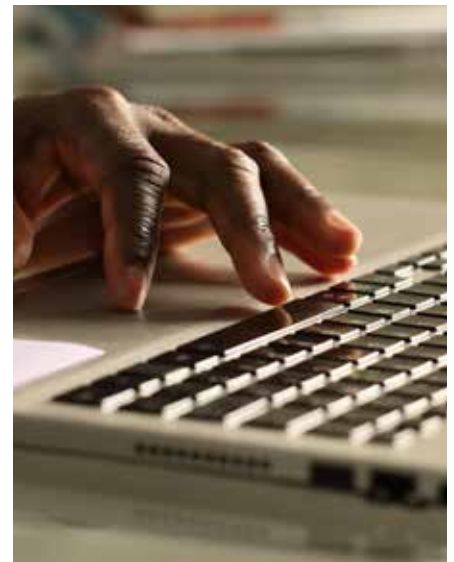
it will usually be reduced as it is being paid earlier. If you take it later than your Normal Pension Age it's increased because it's being paid later.

Your Normal Pension Age is the same as your State Pension Age. You can look up your State Pension Age online at www.gov.uk/calculate-state-pension

What if I change my mind?

You can leave the LGPS at any time by contacting the Newham pensions team. If you opt-out, you can opt back into the scheme as long as you have a contract of employment that's for at least three months and you are aged under 75 years.

If you leave with less than two years' membership of the scheme you will receive a refund of your pension contributions unless you choose to transfer your pension out to another pension scheme.



How do I join?

All new employees and employees aged 22 or over earning more than £10,000 per year will be auto enrolled from 1st April 2025.

If you are not currently enrolled or have opted out, you can ask to join by contacting Newham's LGPS Pension Administrators Local Pension Partnership Administration (LPPA)

Further information

For information on the LGPS 2014 scheme, including explanatory videos, various modellers and online calculators, please visit LPPA's website www.lppapensions.co.uk or if you would like to speak to an advisor please call their helpline on **0300 323 0260** or make use their online contact form www.lppapensions.co.uk/contact/contact-lppa

You can also visit the LGPS website at www.lgpsmember.org

Not eligible for the LGPS, for information on;

- The Teachers Pension Scheme, please visit the pension's website www.teacherspensions.co.uk
- The NHS Pension Scheme, please visit the pension's website www.nhsbsa.nhs.uk/nhs-pensions