

Questionnaire Local Government Employers

Appendix 1

Question	Answer	
	Yes	No
1. Which new scheme option do you support?		
A: Updated current final salary scheme (1/80 th accrual plus 3/80ths lump sum) with RPI revaluation after leaving		
B: New 1/60 th final salary scheme (and lump sum available by commutation) with RPI revaluation after leaving.		
C1: CARE scheme with 1.85% accrual and RPI revaluation both during employment and after leaving (with lump sum available by commutation)		
C2: CARE scheme with 1.65% accrual and RPI + 1.5% revaluation during employment and RPI revaluation after leaving (with lump sum available by commutation)	YES	
D: a new hybrid CARE / final salary arrangement		
Other - please specify:		
2. Which of the extensions to the flexible retirement provisions would you support?		
a. Allow scheme members to make extra contributions to offset any reduction in their pension in the case that they wish to retire early. These extra contributions could be calculated according to cost neutral buy-back factors;	YES	
b. Extend flexible retirement from age 60 to the scheme's minimum retirement age (currently 50, but this will need to increase to 55 by 2010); <i>Comment: there is no need to make this change as the scheme rules already permit flexible retirement from age 50.</i>	N/A	N/A
c. Remove the requirement for employees to obtain employer consent for flexible retirement;		
d. Remove the requirement for employees to take a reduction in hours or grade in order to take flexible retirement;		
e. Benefits accrued <i>after</i> age 65 also to be <i>increased</i> by cost-neutral uplift factors when a member elects to take payment of them after age 65.	YES	
3. Do you agree that in the initial design of the new-look LGPS the employers' contribution rate for future service should be no more than 13%?		NO
If not, what percentage rate would you wish to target? Please specify:	>14%	
4. Do you agree that in the initial design of the new-look LGPS the average employees' contribution rate should be targeted at 7%?	YES	
If not, what percentage rate would you wish to target? Please specify:		

5. Do you support a tiered employee contribution rate?		
If so, do you think the tier should be set at £7185 (the basic rate tax figure)	YES	
Or at £12,000		
Or at some other rate (please specify):		
6. Do you agree that there should be a cost sharing mechanism built into the LGPS?		
If so:		
Do you agree that this should be as set out in this Circular (i.e. Circular 189)?	YES	
Or by some other mechanism (please specify):		
Do you agree that this should be assessed by the Government Actuary following every second valuation and based on all Funds experience?	YES	
What size increase / decrease in the demographic assumptions should trigger a review – please specify (e.g. changes which, cumulatively, would change the underlying employee contribution by at least 0.5%)	At least 0.5%	
Should any resulting change in cost be met by:		
a. a change in the accrual rate for future scheme membership (but not accrued membership)?		
b. a change in the normal retirement date for future scheme membership (but not accrued membership)?	YES	
c. a change in the employees' contribution rate?		
7. Do you support a move to a two-tier ill health arrangement?	YES	
If yes:		
Should ill health enhancement at the top tier be based on 50% of prospective membership between leaving and age 65?	YES	
If not, what should it be based on (please specify)		
Do you agree there should be no enhancement at the second tier?	YES	
Do you support a review mechanism for the top tier?	YES	
Do you support a review mechanism for the second tier?		NO
Do you think there should be more than two tiers?		
If so, how many (please specify)		
Should any movement into the top-tier be allowed?	YES	
Should members be able to apply for ill health retirement whilst they are still employed (rather than the current system of the employer terminating employment and then deciding whether ill health benefits are / are not payable)?	YES	

Do you agree that to fall within the top tier an employee's earnings capacity should be reduced by more than a specified percentage?	YES	
If so, should that percentage be a 75% reduction?	YES	
Or some other percentage (please specify):		
If not, how do you think the assessment of whether or not an employee falls into the top-tier should be assessed (please specify):		
8. Do you agree that cohabitees' pensions should be introduced into the new-look LGPS?		
If so, should this be from		
a. the beginning of the new-look scheme?	YES	
b. the date the "law of the land" is changed to recognise cohabitees?		
9. Do you agree that spouse's pensions should accrue at a specified rate (e.g. 1/160th)	YES	
10. If Option A (retention of the existing Scheme) is not the scheme taken forward by the DCLG, do you agree that existing scheme members should be compulsorily moved into the new look scheme for future service?	YES	
If yes, which of the options set out in the consultation paper would you support in relation to existing members accrued service		
a. give all existing members at 31 March 2008 an actuarially equivalent period of service in the new-look Scheme, according to a formula to be set by the Government Actuary?		
b. give existing scheme members at 31 March 2008 more credit in the new-look scheme than they would receive under (a)?	YES	
c. treat all accrued service of existing scheme members at 31 March 2008 as a benefit to be payable on retirement, under terms of the current scheme, based on the final salary at retirement?		
d. Other – please specify:		
11. Do you agree with the LGPC position that there should be no facility for individual employers to opt to provide specific additional benefits (above the national core benefits)?	YES	