

APPENDIX 1**Appendix 1 – Questionnaire on Key Points to Draft Response of Green Paper**

Please tick one
 Agree Disagree

Q.1. The Scheme forms part of the overall remuneration package and there is a balance to be struck within that overall package between pay and pensions (deferred pay) ✓

Q.2. The LGPS should have a benefit structure broadly in line with that in other comparator public sector schemes ✓

Q.3. With regard to the cost of the Scheme, please indicate which of the three options below you most support. Within your preferred option please indicate your preferred sub-option (where appropriate):

Q.3. Option 1

We are supportive of targeting an employer contribution rate in respect of future service accrual that is equivalent to that under the current Scheme (after the effects of the removal of the 85 year rule from the current Scheme have been taken into account); or

Q.3. Option 2

We are cautious about targeting an employer contribution rate for future service accrual that is equivalent to that under the current Scheme (after the effects of the removal of the 85 year rule from the current Scheme have been taken into account). Targeting a slightly lower employer rate (of, say, a reduction of 1%) would be justified, would be more acceptable to employers (and to Council tax payers) and would be more likely to ensure the longer term affordability and sustainability of the Scheme. This could be achieved by:

- **Sub-Option 2A:** reducing the value of the benefits package outlined in the Green Paper by a target figure of 1% whilst retaining an average employee contribution rate of 7%; or
- **Sub-Option 2B:** retaining the value of the benefits package outlined in the Green Paper but increasing the average employee contribution rate by 1% (i.e. from 7% to 8%) ✓

Agree

Disagree

Q.3. Option 3

As per option 2 but with a larger reduction in employer contribution to be achieved via:

- **Sub-Option 3A:** target a larger reduction in the benefit package (to save more than 1%), or
- **Sub-Option 3B:** target a larger increase in the employee contribution rate (beyond 8%)
- **Sub-Option 3C:** target both a larger increase in the employee contribution rate and a larger reduction in benefits

Q.4. A new-look LGPS should be a final salary Defined Benefit scheme. This should be open to:

✓

a) employees and

✓

b) councillors

✓

• There should be no Defined Contribution scheme as a top-up to the main scheme

✓

• There should be no Defined Contribution scheme as an alternative to the main scheme

✓

• There should be no facility for members to purchase added years

✓

• There should be a facility for members to purchase additional scheme benefits based on an actuarially set charge for purchasing £100 of annual pension

✓

Q.5. The Scheme should cover the same range of employers as now

✓

Q.6. Employees should be allowed to contribute at any age (subject to the Inland Revenue limit of age 75)

✓

	Agree	Disagree
Q.7. The employee/councillor contribution rate should be the same for all scheme members (not a graded/banded contribution rate dependent on the level of earnings)	✓	
Q.8. We are inclined to retain the current definition of pensionable pay	✓	
Q.9. The accrual rate per year of membership and the commutation rate should be no less favourable than the other main comparator public sector pension schemes	✓	
Q.10. The Scheme should have a Scheme Retirement Age (SRA) of 65. Benefits taken before SRA should be subject to an actuarial reduction, other than in the case of ill health retirement, whilst benefits drawn after SRA should be subject to an actuarial increase	✓	
Q.11. Flexible retirement, linked to down-shifting (i.e. moving to a lower graded post) or a reduction in hours, should be permitted from April 2006 and members availed of this facility should be allowed to continue paying into the Scheme in their remaining employment	✓	
Q.12. The new Inland Revenue flexibilities should be built into the LGPS from April 2006.	✓	
<ul style="list-style-type: none"> • No special provisions should be made for members whose benefits exceed the new lifetime or annual allowances 	✓	
<ul style="list-style-type: none"> • Nor should a Scheme specific earnings cap be retained in respect of the future membership of those employees currently subject to the earnings cap of £102,000 per annum (although a fair and equitable solution will need to be found in respect of their accrued membership) 	✓	
Q.13. Benefits payable on redundancy/efficiency retirement prior to Scheme Retirement Age (SRA) should be payable at the employee's choice, at an actuarially reduced rate.	✓	
<ul style="list-style-type: none"> • The employer should have the option to waive or reduce the actuarial reduction at the employer's cost 		✓

	Agree	Disagree
<p>Q.14. We are in favour of a two tier ill health system <i>[If you disagree with the above statement, go to question 15]</i></p>	✓	
<ul style="list-style-type: none"> • We agree that the benefits of those who are certified as being permanently incapable of any gainful employment should be based on their prospective service to age 65 	✓	
<p>With regard to the second tier, please tick the box which represents your favoured option:</p>		
<p>Q.14. Option 1 We are generally in favour of a second tier of un-enhanced ill health retirement benefits payable for life, but we are not convinced of the equity of a review system; or</p>	✓	
<p>Q.14. Option 2 We are generally in favour of a second tier of un-enhanced ill health retirement benefits but believe these should only be payable for a limited period of time, say 2 years; or</p>		
<p>Q.14. Option 3 We believe there should be no second tier of ill health retirement benefits. Instead, the member would be provided with a deferred pension and the employer could make a one off lump sum termination payment</p>		
<p>Q.15. The death in service lump sum should be 3 times final pensionable pay</p>	✓	
<p>Q.16. There should be no short term survivor pensions</p>		✓
<p>Q.17. We are supportive of the introduction of partners' pensions (particularly if, as seems likely, the other public sector schemes are moving towards their introduction)</p>	✓	
<ul style="list-style-type: none"> • But we feel there are a number of equity issues surrounding the proposals contained in the Green Paper which need to be considered 	✓	

	Agree	Disagree
Q.18. A surviving spouse's/partner's pension should not be reduced if there is a large age differential between the couple	✓	
Q.19. Unless a child is disabled, a child's pension should cease at age 18		✓
Q.20. We are not in favour of adjusting a person's period of accrued membership if they move between jobs in local government, or if they move into a different salary band (if tiered employee contributions are introduced), in order to take account of the differences in pay levels	✓	
Q.21. The transfer of pension rights from other (non-club) pension schemes into the LGPS should purchase a period of membership in the Scheme or, <ul style="list-style-type: none"> • The Scheme should provide that transfers purchase additional benefits based on an actuarially set charge for purchasing £100 of annual pension 	✓	
Q.22. Transferring existing scheme members from the current Scheme to a new-look LGPS has merit, as all contributors would then be in a single Scheme, but only if the service conversion is workable, fair and equitable	✓	
Q.23. On the wider front, we see merit in there being one set of Scheme rules covering, for example, local government, teachers and the NHS	✓	
Q.24. We are in favour of revoking the current Compensation Regulations (i.e. Compensatory Added Years) and replacing them with a general power for employers to make a one off compensation payment to the employee of up to a maximum of 2 years salary.	✓	

Agree

Disagree

Q.25. If you do not agree with the first statement in **Q.4.** above (i.e. the LGPS should be a final salary Defined Benefit scheme for both employees and councillors) what alternative would you prefer? (please tick as appropriate)

- A final salary Defined Benefit scheme for employees plus a career average Defined Benefit scheme for councillors, or

- A career average Defined Benefit scheme for all employees and councillors, or

- Defined Contribution scheme for all employees and councillors, or

- Other (please specify)