

# HBG UK Ltd

How the company exercises discretion under the Local Government New Look Pension Scheme (LGPS) 2007

## Contribution Bands

Employees are to pay contributions according to the following table based on their whole-time equivalent pensionable pay (salary plus contractual payments) as follows.

Band	Range (2008/09)	Contribution Rate
1	£0 - £12,000	5.5%
2	more than £12,000 – £14,000	5.8%
3	more than £14,000 – £18,000	5.9%
4	more than £18,000 – £30,000	6.5%
5	more than £30,000 – £40,000	6.8%
6	more than £40,000 – £75,000	7.2%
7	more than £75,000	7.5%

These bands will be enhanced by the cost of living (Retail Price Index) each year. Employees will be reassessed at the 1 April annually to determine any re-allocation to a new band is necessary.

Existing manual workers who pay contributions at the protected 5% contribution rate will be brought into line with all other Scheme members from 1 April 2011. Their contributions will rise from 5% to 5.25% on 1 April 2008, to 5.5% on 1 April 2009, and from 1 April 2010 the lower of 6.5% and the figure from the contribution table. On 1 April 2011 they will then pay on the standard bands as shown.

For ease of administration and implementation and to ensure a fair and consistent transition to the new rates, HBG UK Ltd, has determined the following arrangements will apply for 2008/09.

- a. Existing Scheme members will be placed into one of the above bands on the basis of their actual pensionable pay as at 1 April 2008.
- b. Scheme members, who have an increase in salary part way through the year as a result of a change in post or regrading that takes them into a higher band, will be moved into the higher band.
- c. Scheme members, who have a decrease in salary that places them in a lower band, will be moved to the lower band. This will not apply to someone who has a reduction in salary through working fewer hours as their whole-time equivalent pay will not have changed.
- d. In both b) and c) the changes will be effective from the date of the change in pensionable pay.
- e. The contribution band for a part-time employee will be assessed with reference to their whole-time equivalent pay, normally based on a 37 hour week.
- f. Term-time members will be placed in a band based on their full-time equivalent term-time pay (not grossed up to 52 weeks pay).

Power of employing authority to increase total membership of active members (Benefits Regulation 12)

HBG do not intend to allow any increase in the total membership of active members.

Power of employing authority to award additional pension (Benefits Regulation 13)

HBG have no intention of making use of this power in the foreseeable future.

Flexible Retirement (Benefits Regulation 18)

A member who is aged 55 or over (50 until 31 March 2010, age 55 from 1 April 2010), can request access to their pension benefits whilst still remaining employed by the Council. These benefits will be reduced in accordance with guidance issued by the Government Actuary.

Such a request for access to pension benefits may only be made in situations where the employee wishes to reduce hours and/or move to a lower graded post, and must be agreed by the company.

Voluntary early retirement between the ages of 55 and 59 (Benefits Regulation 30)

An employee aged 55 or over (50 until 31 March 2010, age 55 from 1 April 2010) but not yet 60, who wishes to voluntarily resign, may apply to the company for approval to the early payment of accrued pension benefits. The company has decided that such applications will only be accepted where it can be demonstrated as being in the company's interests.

If the company agrees to permit early retirement with the immediate payment of pension benefits an actuarial reduction will be applied to the person's accrued pension benefits. (For employees born before 1 April 1956, if the sum of their age and pensionable service is 85 or more, pension benefits are paid without an actuarial reduction for early payment, if they retire before 1 April 2016.)