

**PRIVATE AND CONFIDENTIAL**

Direct Dial: 01463 702441  
Our Ref:  
Date: 17<sup>th</sup> March 2017

Dear

**LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) REGULATIONS  
CHANGE TO THE LATE RETIREMENT FACTORS**

The retirement benefits you receive from the Local Government Pension Scheme are increased if you retire **later** than your normal pension age.

Your normal pension age will be:

- For service before 01/04/2015: Age 65
- For service from 01/04/2015: Age 65, or your state pension age if later.

You can use the Government's State Pension Age calculator to find out your State Pension Age at: [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension) .

The Scottish Government have recently announced that they are changing the factors that the LGPS (Scotland) uses for revaluing benefits which are put into payment after a members' normal pension age. As a result, the increases applied will be less for pensions taken after that date.

Please note that the factor changes will have no impact on:-

- Any pensions which are already in payment
- Pensions Increases that are applied to deferred pensions and pensions in payment.

Therefore if you have received an estimate of benefits for a retirement date which is both after 23<sup>rd</sup> June 2017 and after your normal retirement date then the changes referred to may affect the amounts shown on that estimate.

The factors are applied separately to pension and lump sum elements and are applied prior to any conversion options.

The percentage increases applied relating to the number of years beyond age 65 you wait to claim your pension will change for benefits coming into payment on or after 24<sup>th</sup> June 2017 as follows:

Years late	Increase to pension			Increase to lump sum	
	Now		From 24 June	Now	From 24 June
	Men	Women	All	All	All
0	0%	0%	0.0%	0%	0.0%
1	5%	5%	3.5%	2%	0.3%
2	11%	10%	7.2%	4%	0.6%
3	17%	16%	11.3%	6%	0.9%
4	24%	22%	15.7%	8%	1.2%
5	31%	29%	20.5%	10%	1.5%
6	39%	36%	25.7%	13%	1.8%
7	48%	44%	31.3%	15%	2.1%
8	58%	52%	37.4%	17%	2.4%
9	69%	62%	44.1%	20%	2.7%
10	80%	72%	51.2%	22%	3.0%

This information may therefore be of interest to those members who will be over or near to their normal retirement date and are considering taking their benefits.

If you have any queries on the information contained in this letter, please do not hesitate to contact the Pension Section on 01463 702441 or by email to [pensions.section@highland.gov.uk](mailto:pensions.section@highland.gov.uk), please remember to quote your national insurance number in any correspondence.

Yours sincerely



Charlie MacCallum  
Payroll & Pension Manager