

Within the LGPS members can purchase extra pension via ARC deductions (additional regular contributions) to purchase a fixed amount of pension revalued per and post retirement in line with RPI. The relevant cost takes into account the RPI linkage.

No action had been taken to change the factors relating to ARC provision until there was some clarity around the challenges to the Government move to indexation linked to CPI. This was done since members had entered into a contract at a set price.

Following discussions with GAD it has now been decided that for new contracts entered into on and after the 1 April 2012 new factors linked to the use of CPI for both pre and post retirement periods will be used. Existing contracts will continue and further discussion will continue in the light of any wider ranging changes to the LGPS.

Any queries should be passed in the first instance to Brian Town, and copied to Lynda Jones and Andy Lankester.

WPP Division
7 March 2012