

BACKGROUND

The current pension provider for staff at Laverstock and Ford Parish Council is NEST. As a local government employer, the Parish Council is eligible to join the Local Government Pension Scheme LGPS.

SUMMARY

A brief summary of both schemes with links to their websites is below:-

NEST	LGPS
Defined Contribution Pension. Money is paid in by employee or employer over time and is invested by the pension provider. The size of an individuals pension pot at retirement depends on how much was paid in and how well the investments have done.	Defined Benefit Pension with accrual rate of 1/49th. The LGPS is a public service pension scheme and its rules are made with the approval of Parliament. The Scheme is administered locally by pension funds across the country who make decisions about the pension. Those pension funds decide how pension contributions are invested. A Local Pension Board helps each pension fund administer the LGPS and comply with the Scheme rules.
About pensions Nest Pensions	About Us - Wiltshire Pension Fund
3% Employer Contribution	Wiltshire LGPS 'pool' all Town and Parish Councils to average the employers contribution rate. Currently 18.7% and reviewed every 3 years. This pool means there are no individual cessation fees.
5% Employee Contribution	Rates for employee contributions are between 5.5% and 12% dependant on earnings

LGPS provision is widely accepted as a much better scheme, but clearly more expensive for employers. Laverstock and Ford Parish Councils current annual salaries budget is £129K per annum (including £14K currently in 'Community Centre Support' to finance additional staff hours). 3% of this figure is £3,870 per annum, 18.7% is £24,123 (assuming all staff wished to enrol).

In terms of staff recruitment and retention alone, a good pension provision is important to consider. At the latest valuation, Wiltshire LGPS is 102% funded.

Strain costs

Because of the pool, strain costs are generally spread across the pool and not levied against the individual employer. The exception to this would be if the Council made an individual aged over 55 years redundant. In this case, the Council would be expected to meet these strain costs.

RECOMMENDATION

That Laverstock and Ford Parish Council resolve to join Wiltshire Local Government Pension Scheme and offer all employees the opportunity to become a member of the scheme.