

Lump Sum Retirement Benefit (LSRB) guide



What is the LSRB Scheme?

The LSRB Scheme was set up in 1982 and closed in 2001. It's a scheme where employers contributed towards a lump sum payment for employees once they turned age 65.

Before the scheme was closed, there was also the option to make 'additional voluntary contributions' to build up extra benefits.

Do I qualify for a LSRB payment?

According to the LSRB Scheme rules, you'll need to have worked a minimum of 80 weeks with an employer who ran the LSRB Scheme between 6 April 1982 and 8 April 2001. This benefit is normally paid once you're age 65, even if you haven't yet retired, as a one-off tax-free lump sum.

You can take your LSRB sooner but may get a reduced amount if:

- a) you're retiring early and are between the ages of 60 and 65
- b) you're retiring because of ill health*, from the construction industry, and are between the ages of 50 and 65
- c) you've left work to become a full-time carer** and are between the ages of 55 and 60.

You can take the full amount of your LSRB:

- d) from your 65th birthday, even if you are (or are not) currently working***
- e) at the discretion of the Trustee, if you're unable to return to work of any kind, at any age. You'll need a medical practitioner to have confirmed this at least 1 year before you can send us your request.*

* We'll need you to send us medical evidence to confirm points 'b' and 'e' above.

** We'll need evidence from your doctor or the Department for Work and Pensions to confirm that you're a full-time carer.

*** Please note, under the Scheme rules, you need to take your benefit within 6 years of turning 65.

How much could I be paid?

We'll work this out by multiplying the recorded number of weeks you worked for your employer by the LSRB benefit rate, noted in table A. This is the amount you'll receive for each week of service you had, if you claim your benefit at age 65. Table B shows the percentage of your benefit you'll receive if you claim your LSRB early.

Table A - LSRB benefit rate per week of service

Date of retirement		LSRB benefit rate
From	To	
1 April 2006	31 Dec 2006	£6.70
1 Jan 2007	31 July 2007	£6.95
1 Aug 2007	31 July 2008	£7.25
1 Aug 2008	31 July 2010	£7.55
1 Aug 2010	31 July 2011	£7.85
1 Aug 2011	31 July 2012	£8.25
1 Aug 2012	31 July 2013	£8.25
1 Aug 2013	31 July 2014	£8.40
1 Aug 2014	To date	£8.50

Table B - percentage of benefit received if claiming early

Age at retirement	Percentage payable
64	96.3%
63	92.8%
62	89.4%
61	86.1%
60	83.0%
59	79.9%
58	77.0%
57	74.2%
56	71.5%
55	68.9%
54	66.3%
53	63.9%
52	61.6%
51	59.3%
50	57.2%

Transferring your LSRB to another pension arrangement

As a member of the LSRB scheme, you have the option to transfer your benefits to another pension arrangement, such as The People's Pension.

If you decide to transfer out before age 65, the value you receive will be calculated on a best estimate basis using the Gilt¹ rate at the end of the previous month from the time of the claim. We'll then compare this against the amount you would receive using the % payable shown in Table B. You'll receive the higher of the 2 amounts.

You should be aware that if you do decide to transfer out, you'll receive less than you would if you were to claim your benefit at age 65, it's also likely that you'll lose your 100% tax-free entitlement to this amount.

We recommend you seek financial advice or guidance to help you decide whether transferring your benefit is the right decision for you, you can find out more information at thepeoplespension.co.uk/guidance-and-advice-for-members

¹Gilts are bonds issued by the UK government and are a kind of asset we can invest your pension savings in.

Claiming your benefit before age 65

If you decide to take your benefits from the scheme early, you may receive a lower amount than claiming your LSRB at age 65. To determine the amount you're entitled to, we'll calculate your Cash Equivalent Transfer Value in the same way that we would if you were to request a transfer out of the scheme, we'll then compare this amount against the percentages outlined in Table B and automatically pay you the higher of the 2 amounts.

The LSRB benefit rate and charges

You might have noticed that the LSRB benefit rate has stayed at £8.50 (per week of service) since 1 August 2014. The Trustee decided to keep the rate at this amount to protect the interests of all members. Although, the Trustee reviews the LSRB benefit rate annually, there are currently no plans to increase this rate.

Like many pension schemes, there's a charge for managing them. So, the LSRB Scheme has:

- a monthly administration fee of 0.5% per annum which is calculated against the value of the total assets held by the Scheme
- other costs such as legal fees, regulatory fees and investment management fees.

These fees will indirectly affect the amount a member, with LSRB, could get when they retire. This is because these fees can influence the overall value of the scheme assets which affects whether the LSRB benefit rate increases or stays the same.

For more information about the Scheme, please read the 'B&CE Benefits Scheme' annual report and 'Summary Funding Statement' on the 'Financial reports' webpage.

Visit: bandce.co.uk/LSRB-guide-reports

What if I die before taking my LSRB?

Your LSRB could be paid to your dependants or personal representative. This is based on:

- your age
- the percentage payable (shown in table B)
- the LSRB benefit rate at the time you died.

How do I make a request to take my LSRB?

Simply visit our contact us webpage at bandce.co.uk/contact-us and complete our short form to get in touch about your request.