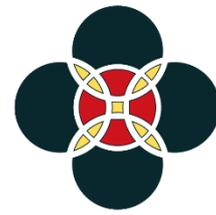


lgps

Local Government  
Pension Scheme



Cronfa Bensiynau  
**CLWYD**  
Pension Fund

# Local Government Pension Scheme (Councillor)

## Understanding your Annual Benefit Statement

August 2024

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## Why have I received an Annual Benefit Statement?

You have received a statement because you are paying pension contributions into the Local Government Pension Scheme (LGPS Councillor). By paying these contributions, you are building up pension benefits in the LGPS. The Clwyd Pension Fund is your pensions administrator and is responsible for looking after your pension record. Your Annual Benefit Statement allows you to keep up to date with your pension benefits.

## Personal details

Please read this section of your statement carefully. This section contains your name, date of birth and marital status. It is important that you check all details are correct, as any errors will affect the pension figures shown on your statement. For example, if your date of birth is incorrect, your normal retirement age will be wrong. If your marital status is incorrect, the value of your surviving partner's pension may be wrong. It is important that we have accurate information to make sure that you receive the full benefits that are due to you when you retire. If any of the details we hold for you are incorrect, please get in touch to let us know and we can update them for you. We will need to see proof for certain changes, such as a relevant certificate for a change of name or date of birth.

You should check that the following pieces of information that we hold for you are correct:

- Home address
- Current surname
- Date of birth
- Marital status

## Employment details

The table below explains the information held in the employment details section. These details have been given to us by your council and have been used to work out your pension benefits shown on your statement. The information on your statement is based on your circumstances at 31st March 2024. If you think any of the information is wrong, please contact your council directly.

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
<b>Council</b>	This shows which council you are a councillor for whilst paying pension contributions into the LGPS
<b>Your reference number</b>	Your reference number is usually the payroll number which has been given to you by your council
<b>Date joined fund</b>	The date you started paying pension contributions into the LGPS

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
<b>Total membership</b>	The total membership on your statement is based on the number of years and days that have passed from your start date of paying LGPS contributions to 31st March 2024. This will allow you to see the current value of your LGPS benefits
<b>Career average pay</b>	Your pension benefits are worked out using a revalued average of the fees or pay you are paying pension contributions on during your time as a councillor. The earnings are revalued to make sure that your career average pay takes cost of living increases into account.

## Summary of Benefits section

For you to understand the pension figures on your statement, it's important to first understand how LGPS works.

### How your pension scheme works

Your pension benefits have been estimated using:

- A build-up rate of 80ths,
- Your career average pay, and
- Your total membership in the LGPS

### Career average pay example

In this example, the councillor has been a member of LGPS Councillor for five years. Their career average pay is based on all of the fees or pay they have paid pension contributions on, as well as cost of living increases, in line with an inflation measure called the Retail Price Index, or RPI. **The figures shown in these notes are for illustrative purposes only. Please read your Annual Benefit Statement for your own career average pay information and pension figures.**

Year 1 Earnings £9,400	x cost of living increase 1.12	= £10,528
Year 2 Earnings £9,600	x cost of living increase 1.08	= £10,368
Year 3 Earnings £9,900	x cost of living increase 1.05	= £10,395
Year 4 Earnings £10,400	x cost of living increase 1.02	= £10,608
Year 5 Earnings £11,000	x cost of living increase 1.00	= £11,000
	Accumulative Total	= £52,899
	<b>Career Average Pay</b> (£52,899 ÷ 5 Years)	= <b><u>£10,579.80</u></b>

## Total membership

When you stop paying pension contributions in the future, your final total membership will be based on the number of years and days that have passed from your start date of paying LGPS contributions to your leave date.

## How LGPS (Councillor) pensions are worked out

<b>Career Average Pension Scheme</b>  Accrual rate of 80ths (also known as a build-up rate)	Your annual pension is worked out using the following sum:  Years and days membership ÷ 80 x career average pay	Your automatic tax-free lump sum is worked out using the following sum:  three x your annual pension value  You also have the option to have a bigger lump sum at retirement by turning some of your annual pension into lump sum	Normal retirement age between 60 and 65 (depends on case-by-case basis)
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## Summary of benefits built up to 31st March 2024

The figures in this section do not take into account early retirement reductions. Instead, the figures show how much your pension benefits are worth if you had stopped paying LGPS contributions on 31st March 2024 but then wait to take your pension until your normal retirement age.

If you have paid additional voluntary contributions (AVCs), they have not been included in your statement. You will receive a separate statement from the AVC provider. Your AVC will be held with either the Prudential or Utmost Life.

Please read the explanations in the table on the next page. They will help you understand the figures in this section of your statement.

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
<b>Payable from (normal retirement age)</b>	This shows the age that is confirmed as your normal retirement age in LGPS. Normal retirement age from LGPS (Councillor) is usually age 65. It is important that you check that we have the correct date of birth for you on the personal details section of your statement, as this will affect your normal retirement age.
<b>Annual pension</b>	This shows the value of your annual pension based on your membership from your start date of paying pension contributions to 31st March 2024.  The figure in this section does not take into account any early retirement reductions.
<b>Automatic lump sum</b>	This shows the value of your automatic lump sum based on your membership from your start date of paying pension contributions to 31st March 2024. Lump sums are always tax free.  The figure in this section does not take into account any early retirement reductions.
<b>Annual surviving partner's pension</b>	This shows what the surviving partner's pension value is so far at 31st March 2024. Surviving partner's pensions are payable to a husband, wife or civil partner.

## Annual allowance

Your annual allowance is the amount the value of your pension benefits can grow in a tax year without you having to pay a tax charge. If the value of your pension savings from 6th April to 5th April is more than your annual allowance, the excess will be taxed as income. This annual allowance check includes pension savings outside of the LGPS. Most members are not affected by annual allowance.

On 6th April 2023, the standard annual allowance limit changed from £40,000 to £60,000. The information on your 2024 statement is based on how much you have used of the £60,000 annual allowance limit during the 2023/2024 tax year.

If the amount in this section of your statement is under £60,000, then you will not have a tax charge on your LGPS pension for the 2023/2024 tax year.

If the amount in this section is close to or over £60,000, then you will receive a Pensions Saving Statement (PSS) from us in October 2024. The PSS will show you information only about your annual allowance and will explain what to do next if you do have a tax charge to pay.

If you think you may be affected and want more in-depth information, you can read our **Pensions Taxation: Annual Allowance** factsheet available on the **forms and resources (LGPS Councillor)** section of our website.

## Death in service benefits

As a member of the LGPS, when you die, there are two possible payments due: a death grant lump sum and a surviving partner's pension. The table below explains the figures on your Annual Benefit Statement.

<b>Death in service lump sum</b>	The figure shown on your statement is based on what the death grant would have been if you had died in service on 31st March 2024. It uses two x the career average pay figure which is shown on the employment details section of your Annual Benefit Statement. This is because the death grant value is worked out as two x your career average pay.
<b>Annual surviving partner's pension</b>	This section states how much the surviving partner's pension would have been if you had died (whilst still a councillor) on 31st March 2024. Surviving partner's pensions are payable to a husband, wife or civil partner.

## Death grant expression of wish details

Your death grant beneficiaries can be one or more family members, friends, or charities. Without a valid expression of wish form, the death grant will be paid to your personal representative, for example, your Estate.

This section of your statement shows who you have currently nominated to receive any death grant payable and the percentage you have said should be paid to each of them. If this section is blank, or the names of your beneficiaries are no longer up to date, it is important that you update your expression of wish. You can do this by completing an expression of wish form which can be found under the **forms and resources (LGPS Councillor)** section of our website. If you need a paper copy, please contact us.

## Frequently asked questions

### What is the earliest age I can take my pension benefits?

You can receive payment of your pension benefits at any time from age 55 onwards. If you are aged 50 to 55, you may be able to receive payment of your pension benefits but only with consent from your council (they have discretion as to whether they will allow a pension to be paid before age 55). If they give their consent to pay your benefits before age 55, this may result in a tax charge on your benefits.

The minimum pension age will increase to 57 from 6th April 2028 across most UK pension schemes. We are waiting for more legal information about whether there will be protected pension ages for some members.

### What is the Rule of 85 and when do I meet it?

If you qualify for the Rule of 85 and retire early, some of your pension will not be reduced.

You only qualify for the Rule of 85 if you were paying pension contributions into LGPS Councillor before 1st October 2006. You meet the Rule of 85 if:

$$\begin{array}{c} \text{Your age when you take your LGPS Councillor benefits} \\ + \\ \text{The number of years you have paid pension contributions into LGPS Councillor for} \\ = \\ \text{85 or more} \end{array}$$

If you meet the Rule of 85, it will automatically apply if you start your pension from age 60.

If you meet the Rule of 85 and want to take your pension before age 60, you need your council's consent for it to apply. If your council does not consent, you can still take your pension but it will be lower than if the Rule of 85 had applied.

The Rule of 85 works in this way:

Birth Date	Pension built up on or before 31st March 2008	Pension built up between 1st April 2008 and 31st March 2016	Pension built up between 1st April 2016 and 31st March 2020	Pension built up on or after 1st April 2020
Between 1st April 1956 and 31st March 1960	Unreduced	Tapered: that is, partially reduced on a sliding scale	Tapered	Fully reduced
On or after 1st April 1960	Unreduced	Fully reduced	Fully reduced	Fully reduced

## Can I transfer my LGPS benefits to another pension scheme and is there anything to be aware of?

If you are thinking of opting out of paying LGPS contributions and transferring your pension to another pension provider, this must be completed 12 months before your normal retirement age. Your normal retirement age is shown on your Annual Benefit Statement.

If you are thinking about transferring your pension, it's important to make sure you can spot the warning signs of a pension scam. Some scammers' tactics include:

- Offering free pension reviews or health checks
- Promising better returns on savings
- Suggesting you try to take your pension benefits before age 55
- Promoting tax loopholes, pension loans or upfront cash
- Forcing you to act quickly with tight deadlines or once-only deals
- Contacting you out of the blue

The Financial Conduct Authority (FCA) can give advice on how to keep your pension safe when choosing a new pension provider. You can view their advice and scam information here:

<https://www.fca.org.uk/publication/fca/pensions-scams-leaflet-bw-print.pdf>

<https://www.fca.org.uk/scamsmart>

If you do decide that transferring your pension is the right option for you, you should contact your new pension provider to start the transfer process.

## How do I get an estimate if I want to see how much my pension will be if I take early retirement?

Early retirement is classed as any age before normal retirement age. If you would like to know what your pension figures could be if you retire early, please get in touch to ask for a pension estimate and one of our pension officers will work this out for you. Estimates can take six to eight weeks before they are sent to you.

Estimates are more useful to you if you are only a few years away from retirement.

## Who do I contact if I have a query on my Annual Benefit Statement?

If you have any queries about your pay details or membership on your statement, please contact the payroll department of your council directly.

If you have any general LGPS queries please get in touch using one of the below options, stating your name and National Insurance number. This will help us to find your pension record and answer your query.

**Tel:** 01352 702940 / 01352 702950

**Email:** [pensions@flintshire.gov.uk](mailto:pensions@flintshire.gov.uk)

**Address:** Clwyd Pension Fund, County Hall, Mold, Flintshire, CH7 6NA

**Website:** <https://mss.clwydpensionfund.org.uk>



[mss.clwydpensionfund.org.uk](https://mss.clwydpensionfund.org.uk)

**Clwyd Pension Fund, County Hall, Mold, Flintshire, CH7 6NA**

Please note that Flintshire County Council is the administrative authority of the Clwyd Pension Fund and we use your personal data in accordance with Data Protection legislation to provide you with a pension administration service. For more information about how we use your data, who we share it with and what rights you have in relation to your data, please visit the Privacy Notice on our website.