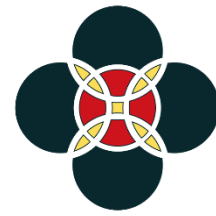


lgps

Local Government
Pension Scheme



Cronfa Bensiynau
CLWYD
Pension Fund

Local Government Pension Scheme

Understanding your Annual Benefit Statement

August 2023

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Why have I received an Annual Benefit Statement?

You have received a statement because you are paying pension contributions from your salary into the Local Government Pension Scheme (LGPS). 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(s). Your Annual Benefit Statement allows you to keep up to date with your pension benefits.

If you pay LGPS contributions for more than one job, you will receive one statement per job.

Personal details

Please take a moment to carefully review this section of your statement. 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 pension age will be wrong. If your marital status is incorrect, the value of your survivor's pension may be wrong. It is important that we have accurate information to ensure that you receive the full benefits that are due to you when you retire.

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

If you need to update or correct your home address, please do so by logging into Member Self Service: <https://mss.clwydpensionfund.org.uk/home/login/>, or emailing us / writing to us. Please confirm your name, National Insurance number, previous address and current address.

If you need to update or correct your name or date of birth, please email or write to us confirming your name and National insurance number. You should also send copies of certificates to show the change, for example, birth certificate, marriage certificate, deed poll for change of name.

If you need to change your marital status, you can make this change either via phone, email or letter.

Our contact details can be found at the end of these guidance notes.

Employment details

The table below explains the information held in the employment details section. These details have been given to us by your employer and have been used to calculate your pension benefits shown on your statement. Please note that the information on your statement is based on your circumstances at 31 March 2023. If you think any of the information is wrong, please contact your employer directly.

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
Your reference number	Your reference number is usually the payroll number which has been given to you by your employer for this employment
Date joined Fund	The date when you started paying pension contributions into the LGPS for this job
Employer	This states who your employer was at 31 March 2023.
Scheme Section	<p>The current version of the LGPS which has been in place since 1 April 2014, has a main scheme section and a 50/50 section.</p> <p>Main scheme means you pay full rate pension contributions and are building up pension at full rate (49ths) as shown on the chart on page 7 of these notes.</p> <p>50/50 scheme means you pay half rate pension contributions and are building up pension at half rate (98ths) as shown on the chart on page 7 of these notes.</p> <p>This section shows you whether you have decided to pay contributions into main scheme or 50/50 scheme.</p>
Final Salary Pay	<p>The pay shown in this section is only relevant for members who were paying pension contributions before 1 April 2014.</p> <p>Page 7 of these notes shows how final salary in the LGPS works.</p> <p>If you have built up some final salary pension benefits before the LGPS changed in April 2014, the final salary pay has been used to calculate some of the pension figures on your statement. Please note that if you have ever worked part-time or term-time, we always use your full-time equivalent pay to calculate your benefits.</p>
CARE pay in Main Section	<p>This section shows you the gross salary you have earned from 1 April to 31 March and had full contributions taken from it.</p> <p>If you have not paid full contributions, this box will be blank.</p> <p>If you changed from main scheme to 50/50 scheme mid-way through the year, you will have a salary figure in this section and in the CARE pay 50/50 section too.</p>

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
CARE pay in 50/50 Section	<p>This section shows you the gross salary you have earned from 1 April to 31 March and had half contributions taken from it.</p> <p>If you have not paid half contributions, this box will be blank.</p> <p>If you changed from 50/50 scheme to main scheme mid-way through the year, you will have a salary figure in this section and in the CARE pay main section too.</p>

Your membership as at 31/03/2014

There will only be information in this section of your statement if you started paying LGPS contributions before 1 April 2014. If you paid contributions before then, this means you have built up some final salary pension benefits. We use your membership at 31 March 2014 as part of the final salary pension calculation. We can work out your membership because your employer tells us what hours you have worked during your employment with them and what breaks you have had from work, for example strike breaks or maternity / paternity leave. If you think any of the information is wrong, please contact your employer directly.

The chart on [page 7](#) of these notes explains how this membership is used in the 80ths and 60ths final salary schemes.

I have received my Annual Benefit Statement in the post

If you have received your Annual Benefit Statement in the post, the bottom of the first page of your statement shows how many years and days membership you have built up in the final salary pension scheme. This is broken down into:

- Years and days you have built up in the 80ths final salary scheme
- Years and days you have built up in the 60ths final salary scheme

I have received my Annual Benefit Statement online via Member Self Service

If you have received an email saying that your Annual Benefit Statement is available to view via your MSS account, please go to: <https://mss.clwydpensionfund.org.uk/home/login/>

To see a breakdown of the hours you have worked and breaks you have had, please click on the **Employment Details** section of your MSS account, and then **Membership Details**.

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 is calculated

There have been changes to how your LGPS pension benefits are calculated over the years. Depending on when you started paying pension contributions will determine how your pension should be calculated and what it is made up of. Your pension may be based on one, two, or all three of the explanations shown on the next page. Therefore, to understand the explanations correctly, please read across the chart shown on the next page.

Please note: if you paid pension contributions between 1 April 2022 and 31 March 2023, you will have had a revaluation of your pension benefits on 6 April 2023. Recently, LGPS regulations changed the annual revaluation date from 1 April to 6 April. These amended regulations came into force from 31 March 2023 but do not affect how your pension is calculated or how much it will be worth at retirement.

<p>Paying LGPS contributions up to and including 31 March 2008</p>	<p>Accrual rate of 80ths (also known as a build-up rate)</p>	<p>Your annual pension is calculated using the following sum: Years and days membership in scheme ÷ 80 x salary you have paid contributions on (Salary pro-rated to full time if you worked part time or term time)</p>	<p>Your automatic tax-free lump sum is calculated using the following sum: three x your annual pension value in this 80ths scheme You also have the option to have a bigger lump sum at retirement by turning some of your annual pension into lump sum</p>	<p>Normal retirement age between 60 and 65 (depends on case-by-case basis)</p>
<p>Paying LGPS contributions between 1 April 2008 and 31 March 2014</p>	<p>Accrual rate of 60ths (also known as a build-up rate)</p>	<p>Your annual pension is calculated using the following sum: Years and days membership in scheme ÷ 60 x salary you have paid contributions on (Salary pro-rated to full time if you worked part time or term time)</p>	<p>There is no automatic tax-free lump sum but there is an option to create one at retirement by turning some of your annual pension into lump sum</p>	<p>Normal retirement age of 65</p>
<p>Paying LGPS contributions since 1 April 2014</p>	<p>Accrual rate of 49ths if you pay full contributions (also known as a build-up rate) Accrual rate of 98ths if you pay half contributions (also known as a build-up rate)</p>	<p>Using 1 April to 31 March as a pension scheme year, an example of how your annual pension is calculated is shown below: Scheme year 1: gross actual salary you have paid contributions on ÷ 49* Scheme year 2: gross actual salary you have paid contributions on ÷ 49* Scheme Year 3: gross actual salary you have paid contributions on ÷ 49* When you stop paying pension contributions, all of the scheme years are added together to confirm how much pension you have built up in total *If you pay half contributions, your gross actual salary that you have paid contributions on will be divided by 98 instead</p>	<p>There is no automatic tax-free lump sum but there is an option to create one at retirement by turning some of your annual pension into lump sum</p>	<p>Normal retirement age is your State Pension Age (or age 65), whichever is the later</p>

Summary of benefits accrued to 31 March 2023

Please note that 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 31 March 2023 but then wait to take your pension until your normal pension age.

Additional contributions

If you are paying extra pension contributions for added years, additional pension contributions (APCs) or additional regular contributions (ARCs), these have been taken into account on your statement.

If you are paying Additional Voluntary Contributions (AVCs) with the Clwyd Pension Fund, you will receive a separate statement from the AVC provider. Your AVC will be held with either the Prudential or Utmost Life.

Transfers in

If you have transferred in previous pensions to your LGPS benefits with the Clwyd Pension Fund, this will also be included in the figures on your statement so long as the transfer was completed by 31 March 2023.

Pension debits

You may have a debit on your pension because:

- You have given a share of your pension to your ex-partner so a pension sharing order has been applied due to divorce or dissolution of a civil partnership.
- You have received an annual allowance tax charge as your pension has significantly grown year on year and you have exceeded His Majesty's Revenue and Customs (HMRC) limits. If you have a pension debit with us, this is because you have chosen for us to pay the tax bill via Scheme Pays on your behalf. This tax payment is then deducted off the value of your LGPS benefits

If you have instructed us to debit your pension value, you will receive your statement in the post if your communication preference is 'post.' If you have told us your communication preference is 'electronic', you will receive an email to let you know that your statement is available for you to view in the **Member Documents** section of your Member Self Service account: <https://mss.clwydpensionfund.org.uk/home/login/>

The table below gives short explanations on how to understand the figures in this section of your statement:

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
Payable from (Normal Pension Age)	This shows the age that is confirmed as your normal pension age in LGPS. This will be either your State Pension Age or age 65 (whichever is later). It's 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 pension age.
Annual pension	<p>This shows the value of your annual pension based on your membership from your start date of paying pension contributions to 31 March 2023. It takes into account 80ths Final Salary, 60ths Final salary and the Career Average pension scheme. To find out more about how your pension is calculated, please see the chart on page 7 of these notes.</p> <p>The figure in this section does not take into account any early retirement reductions.</p>
Annual pension less pension debit	<p>Most members will not see this section on their Annual Benefit Statement.</p> <p>If you are a pension debit member, and have shared your pension benefits with an ex-partner or paid a tax bill to HMRC, the value of the annual pension in this section will be the amount left after the debit has been taken off your annual pension value mentioned above. For more information about pension debits, please go to page 8.</p>
Automatic lump sum (if in scheme before 01/04/2008)	<p>This shows the value of your automatic lump sum at 31 March 2023 based on any membership you have built up before 1 April 2008. This is because you only have an automatic lump sum if you started to pay LGPS contributions before 1 April 2008. Anyone with an automatic lump sum has built this up in the 80ths final salary scheme. To find out more about how your automatic lump sum is calculated, please see the chart on page 7 of these notes. Lump sums are always tax free.</p> <p>The figure in this section does not take into account any early retirement reductions.</p>

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
Automatic lump sum less pension debit	<p>Most members will not see this section on their Annual Benefit Statement.</p> <p>If you are a pension debit member, and have shared your pension benefits with an ex-partner or paid a tax bill to HMRC, the value of the automatic lump sum in this section will be the amount left after the debit has been taken off your lump sum value mentioned above. For more information about pension debits, please go to page 8. Lump sums are always tax free.</p>
Annual survivor's pension	<p>This shows what the surviving partner's pension value is so far at 31 March 2023. Survivor's pensions are payable to a spouse, civil partner or eligible partner.</p>
Annual pension following maximum conversion	<p>When you retire, you will need to decide if you want to turn some of your annual pension into a tax-free lump sum. £1 of your annual pension turns into £12 tax free cash. The figures in this section show you the smallest amount of annual pension and the largest amount of tax-free lump sum you could have if:</p>
Lump sum following maximum conversion	<ul style="list-style-type: none"> • You decide to turn annual pension into a lump sum, and • You stopped paying LGPS contributions on 31 March 2023, and • You wait to take your pension benefits until normal pension age

Annual allowance

Most members are not affected by Annual Allowance (AA). The AA is the amount by which the value of your pension benefits may increase in a year without you having to pay a tax charge. If the value of your pension savings in a year (including pension savings outside of the LGPS) is more than the AA, the excess will be taxed as income.

From 6 April 2023, the AA limit changed from £40,000 to £60,000. Therefore, the AA information on your 2023 statement is based on how much AA you have used from the previous £40,000 limit. This is because the tax year start date on your statement is 6 April 2022 and covers the tax year 6 April 2022 to 5 April 2023.

If you have more than one job and you are paying LGPS contributions into the Clwyd Pension Fund for those jobs, the AA on your statements will be a running total of your AA across all jobs.

If the amount in this section of your statement is under £40,000, then you will not have a tax charge on your LGPS pension for the 2022/2023 tax year.

If the amount in this section is close to or over £40,000, then you will receive a Pensions Saving Statement (PSS) from us in October 2023. 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 on our website:

<https://mss.clwydpensionfund.org.uk/home/lgps-scheme/forms-and-resources/index.html>

Death in service benefits

Death in service lump sum	<p>The figure shown on your statement is based on what the death grant would have been if you had passed away in service on 31 March 2023. It uses 3 x the CARE pay figure which is shown on the employment details section of your Annual Benefit Statement. This is because the death grant value is calculated as follows:</p> <p>3 x your annual pensionable pay</p> <p>(If you work part-time or term-time, the death grant will be calculated based on your actual pensionable pay rather than your full-time equivalent pay).</p>
Annual survivor's pension	<p>This section states how much the surviving partner's pension would have been if you had passed away (while still employed) on 31 March 2023. Survivor's pensions are payable to a spouse, civil partner or eligible partner.</p>

Any death grant that is paid must take into account if you have any LGPS benefits elsewhere. If you have more than one LGPS pension, only the highest death grant across all of your LGPS pensions can be paid out.

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 Clwyd Pension Fund will have to decide who the death grant should be paid to.

How do I update my death grant beneficiaries?

If this section of your statement or MSS account 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 update your expression of wish via Member Self Service:

<https://mss.clwydpensionfund.org.uk/home/login/>

Alternatively, you can get a form from us either by calling the phone number at the end of these guidance notes or by downloading a form from our website:

<https://mss.clwydpensionfund.org.uk/home/lgps-scheme/forms-and-resources/index.html>

I have received my Annual Benefit Statement in the post

Your statement shows who you have currently nominated to receive any death grant payable and the percentage you have instructed to be paid to each person.

I have received my Annual Benefit Statement online via Member Self Service

To see who you have nominated as your beneficiaries and the percentage you have instructed to be paid to each person, please click on the **Death Grant Nomination(s)** section of your MSS account, and then **Death Grant Expression of Wish**. To access your MSS account, please go to: <https://mss.clwydpensionfund.org.uk/home/login/>

Projection to normal pension age

The figures in this section of your Annual Benefit Statement show what your future pension value could be if you continue to pay LGPS contributions and your job does not change from now until your normal pension age. The estimate is based on:

- You remaining in the same job
- You earning the same salary
- You working the same hours

Just like the [Summary of Benefits](#) section of your statement, if you are paying extra pension contributions for added years, additional pension contributions (APCs) or additional regular contributions (ARCs), these have been taken into account. Any transfers of previous pensions will also be included if the transfer was completed by 31 March 2023. If you pay Additional Voluntary Contributions (AVCs), you will receive a separate statement from your AVC provider which is either Prudential or Utmost Life.

If you have a [pension debit](#) on your pension record, this will also be taken into account in this section of your statement.

Please note that if you have already passed your normal pension age, this section will show as £0.00. You can phone, email or write to us to make a request for a pension estimate for any retirement age up to 75. Our contact details can be found at the end these guidance notes.

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
Normal pension date	These sections show you the date and age when you will reach normal pension age in LGPS. This is either your State Pension Age or age 65 (whichever is later). It's 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 pension age.
Normal pension age (years/days)	
Annual pension	This shows the possible value of your annual pension based on your estimated membership from your start date of paying pension contributions to your normal pension age. It takes into account 80ths Final Salary, 60ths Final salary and the Career Average pension scheme. To find out more about how your pension is calculated, please see the chart on page 7 of these notes.
Annual pension less pension debit	<p>Most members will not see this section on their Annual Benefit Statement.</p> <p>If you are a pension debit member, and have shared your pension benefits with an ex-partner or paid a tax bill to HMRC, the value in this section will be the annual pension you could build up from your start date of paying pension contributions to your normal pension age, but after the debit has been taken off your annual pension value mentioned above. For more information about pension debits, please go to page 8.</p>
Automatic lump sum (if in scheme before 01/04/2008)	This shows the possible value of your automatic lump sum if you were to take it at your normal pension age. The lump sum is always based on any membership you have built up before 1 April 2008. This is because you will only have an automatic lump sum if you started to pay LGPS contributions before 1 April 2008. Anyone with an automatic lump sum has built this up in the 80ths final salary scheme. To find out more about how your automatic lump sum is calculated, please see the chart on page 7 of these notes. Lump sums are always tax free.
Automatic lump sum less pension debit	<p>Most members will not see this section on their Annual Benefit Statement.</p> <p>If you are a pension debit member, and have shared your pension benefits with an ex-partner or paid a tax bill to HMRC, the value of the automatic lump sum in this section will be the amount left after the debit has been taken off your lump sum value mentioned above. For more information about pension debits, please go to page 8. Lump sums are always tax free.</p>

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
Annual survivor's pension	<p>This section shows what the surviving partner's pension value could be if:</p> <ul style="list-style-type: none"> • You continue to pay LGPS contributions from now until your normal pension age, and • If you were to pass away at your normal pension age while still working for your employer <p>Survivor's pensions are payable to a spouse, civil partner or eligible partner.</p>
Annual pension following maximum conversion	<p>When you retire, you will need to decide if you want to turn some of your annual pension into a tax-free lump sum. £1 of your annual pension turns into £12 tax free cash. The figures in this section show you the smallest amount of annual pension and the largest amount of tax-free lump sum you could have if:</p>
Lump sum following maximum conversion	<ul style="list-style-type: none"> • You decide to turn annual pension into a lump sum, and • You don't stop paying LGPS contributions until your normal pension age

Frequently asked questions

I read in last year's Penpal newsletter about the McCloud Judgment. Where is this currently up to?

There is a new McCloud remedy factsheet on the latest news section of our website. The factsheet can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1146603/LGPS_McCloud_factsheet.pdf

Please phone us if you want a copy of the factsheet to be sent to you in the post.

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

The minimum pension age is currently 55. However, this will increase to 57 from 6 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?

You are only eligible for the Rule of 85 if you were paying pension contributions into the scheme before 1 October 2006. To find out if you meet the Rule of 85, you need to see if the following, when added together, equals 85 or more:

How old you are when you take your LGPS benefits + The number of years you have paid pension contributions into LGPS for
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If you meet the Rule of 85 and want to take your pension benefits early, the Rule of 85 will only automatically apply from age 60.

If you decide to take your pension before age 60 and meet the Rule of 85, this Rule will not automatically activate. You would need your employer's consent for it to be switched on. If your employer does not switch on the Rule of 85, then you can still take your pension but with higher early retirement reductions.

If the Rule of 85 is activated either automatically at age 60 or by your employer before age 60, you will have lower reductions applied to your pension.

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 pension age.

If you do decide that transferring to another pension provider is the right option for you, the links below provide guidance from the Financial Conduct Authority (FCA) about how to keep your pension safe when choosing a new pension provider:

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

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

It is important to be aware of scammers when transferring your pension as it can help to avoid life savings being lost and very rarely recovered.

My 2022 Annual Benefit Statement showed me how much Lifetime Allowance I had used. Why is this not on my 2023 statement?

Lifetime allowance was the total value of all pensions you could have without triggering an excess benefits tax charge. If the value of pension benefits at retirement was more than the lifetime allowance limit, members had to pay tax on the excess benefits. Lifetime allowance has now been removed from all UK pension schemes. For this reason, there is no need to include this information on your statement anymore.

How do I request an estimate if I want to see early retirement reductions applied to the pension benefits?

Early retirement is classed as any age before normal pension age. To see what your pension figures could be if you retire early, you can log onto Member Self Service to use the **pension benefits and projectors** and run your own estimates:

<https://mss.clwydpensionfund.org.uk/home/login/>

These estimates take into account early retirement reductions.

Alternatively, you can phone, email or write to us asking for a pension estimate and one of our Pension Officers will calculate it for you. Please provide us with your name, National Insurance number and prospective retirement date when you request the estimate. Estimates can take 6-8 weeks before they are sent to you.

Please note that estimates are more useful to you if you are only a few years away from retirement.

How do I contact the Clwyd Pension Fund?

Please feel free to contact the Clwyd Pension Fund with any queries you may have, stating your name and National Insurance number. This will help us to locate your pension record and answer your query.

Tel: 01352 702950 / 01352 702940 / 01352 702980

Email: pensions@flintshire.gov.uk

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



Cronfa Bensiynau
CLWYD
Pension Fund

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.