

The background of the slide is a landscape photograph. The top half shows a clear blue sky above a distant horizon line where several wind turbines are visible. The bottom half shows rolling green hills with a dirt path, some trees, and a few cows in the distance. In the foreground, there are some brown, leafless branches of a tree.

Local Government Pension Scheme

Understanding your Annual Benefit Statement

August 2024

Contents

| | |
|---|----|
| Why have I received an Annual Benefit Statement? | 3 |
| Personal Details | 3 |
| Employment Details..... | 3 |
| Your Membership as at 31st March 2014 | 5 |
| Summary of Benefits and Projection to Normal Retirement Age | 5 |
| How your pension is worked out | 5 |
| Paying LGPS contributions up to and including 31st March 2008..... | 6 |
| Paying LGPS contributions between 1st April 2008 and 31st March 2014 | 6 |
| Paying LGPS contributions since 1st April 2014..... | 6 |
| Summary of benefits built up to 31st March 2024..... | 7 |
| Projection to normal retirement age..... | 7 |
| Additional contributions | 7 |
| Transfers in | 7 |
| Pension debits..... | 7 |
| Annual allowance..... | 10 |
| Death in service benefits | 10 |
| Death grant expression of wish details..... | 11 |
| Frequently asked questions | 11 |
| What is the McCloud Remedy and will it affect me? | 11 |
| What is the earliest age I can take my pension benefits? | 12 |
| What is the Rule of 85 and when do I meet it? | 12 |
| Can I transfer my LGPS benefits to another pension scheme and is there anything to be aware of? | 13 |
| How do I get an estimate if I want to see how much my pension will be if I take early retirement? | 13 |
| How do I contact the Clwyd Pension Fund? | 13 |

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 a separate statement for each job.

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 employer 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 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 job. |
| Date joined fund | The date you started paying pension contributions into the LGPS for this job. |
| Employer | Who your employer was at 31st March 2024. |

| Heading on Annual Benefit Statement | Members who are currently paying LGPS contributions |
|-------------------------------------|--|
| Scheme section | <p>The LGPS has a main section and a 50:50 section.</p> <p>In the main section you pay full rate pension contributions and build up pension at full rate (49ths).</p> <p>In the 50:50 section you pay half rate pension contributions and build up pension at half rate (98ths).</p> <p>This part of your statement shows you what section of the scheme you are in at 31st March 2024.</p> |
| Final salary pay | <p>The pay shown in this section is only relevant for members who were paying pension contributions before 1st April 2014.</p> <p>Page 6 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 work out some of the pension figures on your statement. If you have ever worked part-time or term-time, we always use your full-time equivalent pay to work out your pension benefits.</p> |
| CARE pay in main section | <p>This section shows you the gross salary you have earned from 1st April 2023 to 31st March 2024 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 section to 50:50 section mid-way through the year, you will have a salary figure in this section and in the CARE pay 50:50 section too.</p> |
| CARE pay in 50:50 section | <p>This section shows you the gross salary you have earned from 1st April 2023 to 31st March 2024 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 section to main section 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 31st March 2014

There will only be information in this section of your statement if you started paying LGPS contributions before 1st April 2014. If you paid contributions before then, this means you have built up some final salary pension benefits. We use your membership at 31st 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 in your job with them and what breaks you have had from work, for example strike breaks or child related absence. If you think any of the information is wrong, please get in touch with your employer directly.

The chart on [page 6](#) of these notes explains how this membership is used in the 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 through Member Self Service

To see a breakdown of the hours you have worked and breaks you have had, please log into your [Member Self Service](#) account, click on the **Employment Details** section, and then **Membership Details**.

Summary of Benefits and Projection to Normal Retirement Age

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

How your pension is worked out

The LGPS is a defined benefit pension scheme. This means that the value of your pension is not based on the pension contributions you pay. Instead, we work out your pension based on:

- How long you pay contributions for;
- Your pensionable salary during your job;
- The hours you've worked, for pension you built up before 1st April 2014 only; and
- Any absences you have.

Depending on when you joined LGPS, your pension may be made up of 1, 2 or 3 parts because of changing LGPS rules over time. To understand what your pension is made up of, please read across the chart shown on the next page.

| | | | | |
|---|---|--|---|---|
| Paying LGPS contributions up to and including 31st March 2008 | Accrual rate of 80ths (also known as a build-up rate) | <p>Your annual pension is worked out using the following sum:</p> <p>Years and days membership in scheme \div 80 x salary you have paid contributions on</p> <p>(Salary pro-rated to full-time if you worked part-time or term-time)</p> | <p>Your automatic tax-free lump sum is worked out using the following sum:</p> <p>Three x your annual pension value in this 80ths scheme</p> <p>You also have the option to have a bigger lump sum at retirement by turning some of your annual pension into lump sum</p> | Normal retirement age between 60 and 65 (depends on case-by-case basis) |
| Paying LGPS contributions between 1st April 2008 and 31st March 2014 | Accrual rate of 60ths (also known as a build-up rate) | <p>Your annual pension is worked out using the following sum:</p> <p>Years and days membership in scheme \div 60 x salary you have paid contributions on</p> <p>(Salary pro-rated to full-time if you worked part-time or term-time)</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 | Normal retirement age of 65 |
| Paying LGPS contributions since 1st April 2014 | <p>Accrual rate of 49ths if you pay full contributions (also known as a build-up rate)</p> <p>Accrual rate of 98ths if you pay half contributions (also known as a build-up rate)</p> | <p>Using 1st April to 31st March as a pension scheme year, an example of how your annual pension is worked out is shown below:</p> <p>Scheme year 1: gross actual salary you have paid contributions on \div 49*</p> <p>Scheme year 2: gross actual salary you have paid contributions on \div 49*</p> <p>Scheme Year 3: gross actual salary you have paid contributions on \div 49*</p> <p>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</p> <p>*If you pay half contributions, your gross actual salary that you have paid contributions on will be divided by 98 instead</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 | Normal retirement age is your State Pension age (or age 65), whichever is the later |

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.

Projection to normal retirement age

The figures in this section 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 retirement age. The estimate is based on:

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

If you have already passed your normal retirement age, this section will show as £0.00. If you would like a pension estimate for any retirement age up to 75, please get in touch. Our contact details can be found at the end these guidance notes.

Additional contributions

If you have paid extra pension contributions for added years, additional pension contributions (APCs) or additional regular contributions (ARCs), they have been included in your statement.

If you have paid additional voluntary contributions (AVCs) with the Clwyd Pension Fund, they have not been included. 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 31st March 2024. If your transfer in was completed after this date, the figures will be included in next year's statement.

Pension debits

You may have a debit on your pension because:

- A pension sharing order has been applied due to divorce or dissolution of a civil partnership, so you have given a share of your pension to your ex-partner
- You have received an annual allowance tax charge because your pension has significantly grown year on year and you have gone over HM Revenue & Customs limits. If you have chosen for us to pay the tax bill through scheme pays on your behalf, you will have a pension debit with us. This tax payment is then taken off the value of your LGPS benefits

Please read the explanations in the table below. They will help you understand the figures in the "Summary of Benefits built up to 31st March 2024" and "Projection to Normal Retirement Age" sections of your statement.

| Heading on Annual Benefit Statement | Summary of Benefits built up to 31st March 2024 | Projection to Normal Retirement Age |
|--|---|---|
| Payable from (normal retirement age): Normal retirement date: Normal retirement age (years/days): | <p>These sections show you the date and age when you will reach your normal retirement age in the 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 the normal retirement age shown on your statement.</p> | |
| Annual pension: | <p>This shows the value of your annual pension based on your membership from your start date of paying pension contributions to 31st March 2024. It takes into account 80ths final salary, 60ths final salary and the career average pension scheme as explained earlier.</p> <p>The figure in this section does not take into account any early retirement reductions.</p> | <p>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 retirement age. It takes into account 80ths final salary, 60ths final salary and the career average pension scheme as explained earlier.</p> |
| Annual pension less pension debit: | <p>Most members will not see this section on their Annual Benefit Statement. Types of debts are explained earlier in this guide.</p> <p>If you are a pension debit member, 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.</p> | <p>Most members will not see this section on their Annual Benefit Statement. Types of debts are explained earlier in this guide.</p> <p>If you are a pension debit member, 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 retirement age, but after the debit has been taken off your annual pension value.</p> |
| Automatic lump sum (if in scheme before 1st April 2008): | <p>This shows the value of your automatic lump sum at 31st March 2024. The automatic lump sum is based on final salary 80ths membership only. The figure in this section does not take into account any early retirement reductions. Lump sums are always tax free.</p> | <p>This shows the possible value of your automatic lump sum if you were to take it at your normal retirement age. The automatic lump sum is based on final salary 80ths membership only. Lump sums are always tax free.</p> |

| Heading on Annual Benefit Statement | Summary of Benefits built up to 31st March 2024 | Projection to Normal Retirement Age |
|--|--|--|
| Automatic lump sum less pension debit: | <p>Most members will not see this section on their Annual Benefit Statement. Types of debts are explained earlier in this guide.</p> <p>If you are a pension debit member, 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.</p> | |
| Annual surviving partner's pension: | <p>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, civil partner or eligible cohabiting partner.</p> | <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 retirement age, and • If you were to die at your normal retirement age while still working for your employer <p>Surviving partner's pensions are payable to a husband, wife, civil partner or eligible cohabiting partner.</p> |
| Annual pension after maximum conversion: & Total lump sum after 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. For every £1 of annual pension you choose to give up, you will increase your tax-free lump sum by £12. 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> <ul style="list-style-type: none"> • You decide to turn annual pension into a lump sum, and • You stopped paying LGPS contributions on 31st March 2024, and • You wait to take your pension benefits until normal retirement age | <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. For every £1 of annual pension you choose to give up, you will increase your tax-free lump sum by £12. 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> <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 retirement age |

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

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** 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.

| | |
|---|--|
| Death in service lump sum | 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 three 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 three x your assumed pensionable pay. |
| Annual surviving partner's pension | This section states how much the surviving partner's pension would have been if you had died (while still employed) on 31st March 2024. Surviving partner's pensions are payable to a husband, wife, civil partner or eligible cohabiting partner. |

Any death grant must take into account if you have any other pensions in other LGPS Funds. We will check with the other LGPS Funds in England and Wales to see if you have:

- Any deferred pension accounts with them: that is, you were no longer paying LGPS contributions but not receiving pension payments yet
- Any pensioner accounts with them: that is, you were receiving pension payments from LGPS

The grant payable will then be the **higher** of:

- The death in service amount of three times your assumed pensionable salary plus the value of any AVCs; or
- The total death benefits from your deferred or pensioner accounts in this or other LGPS funds

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.

I have received my Annual Benefit Statement in the post

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 section** of our website. If you need a paper copy, please contact us.

I have received my Annual Benefit Statement through Member Self Service

To check or update who you have nominated as your beneficiaries and the percentage you have said should be paid to each person, please log in to your [Member Self Service](#) account and click on the **Death Grant Nomination(s)** section.

Frequently asked questions

What is the McCloud Remedy and will it affect me?

When public sector pension schemes changed from final salary schemes to career average schemes in 2014 and 2015, older members were protected from the changes. In 2018, the Courts found that younger members had been discriminated against because the protection did not apply to them. Changes made to the LGPS from 1st October 2023 removes the discrimination found in the court case. These changes are called the McCloud Remedy. Not all LGPS members are affected by the changes.

To help us work out if you might be affected by the McCloud Remedy, it is important that the Clwyd Pension Fund know of any previous LGPS or other Public Sector pensions you have. If you have received a paper version of these guidance notes, a form has been included for you to complete and return in the pre-paid envelope provided. If you have received your guidance notes through MSS, please download the form from the **forms and**

resources section of our website or get in touch to request a copy. You can upload the completed form to your MSS account, or you can email it back to us. You do not need to follow up on your completed form. If you are affected, we will contact you.

If a third-party organisation tries to contact you to sell you their services to help you claim additional pension, you should not speak with them. If you have any concerns, you can call us directly on the contact details at the end of these guidance notes.

You can read more about the McCloud Remedy and watch a short video on the national LGPS website: www.lgpsmember.org/mccloud-remedy

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 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 the LGPS before 1st October 2006. You meet the Rule of 85 if:

| | | | | |
|--|----------|---|----------|-------------------|
| Your age when you take your LGPS benefits | + | The number of years you paid pension contributions into LGPS for | = | 85 or more |
|--|----------|---|----------|-------------------|

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 employer's consent for it to apply. If your employer 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. 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. These estimates take into account early retirement reductions.

Alternatively, you can 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.

How do I contact the Clwyd Pension Fund?

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

Tel: 01352 702880 / 01352 702940 / 01352 702950

Email: pensions@flintshire.gov.uk

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

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



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.