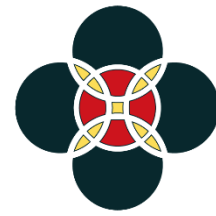


lgps

Local Government
Pension Scheme



Cronfa Bensiynau
CLWYD
Pension Fund

Local Government Pension Scheme

Understanding your Deferred Annual Benefit Statement

June 2023

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Why have I received a Deferred Benefit Statement?

Deferred members

You have received a statement because you have a deferred pension in the Clwyd Pension Fund. A deferred pension is awarded to a pension scheme member who has stopped paying pension contributions into the Local Government Pension Scheme (LGPS) but is not yet in receipt of their pension. You may have stopped paying pension contributions because:

- You have left the job you were paying LGPS contributions in, or
- You have opted out of paying pension contributions even though you are still in the job

You may also have a deferred pension with us because you have left your job and are over age 55, but you have decided not to take your pension yet.

Pension credit members

Some of our members have a deferred pension benefit with us because they have been awarded a share of an ex-spouse's pension as part of a divorce or dissolution of a civil partnership. If you are a pension credit member, you have not actually paid the pension contributions yourself to build up this pension with us.

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 the deferred pension details section of your statement. For example, if your date of birth is incorrect, it will affect the date when your unreduced benefits become payable from. If your marital status is wrong, the value of your survivor's pension may be incorrect. 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

Employment details

Below is a table which explains the information held in the employment details section of your statement. These details have been given to us by your former employer and have been used to calculate your pension benefits.

For pension credit members, these details show information such as when the pension credit was awarded to you by the Law Courts.

Please read the column that is relevant to you.

Heading on Deferred Benefit Statement	Members who have previously paid LGPS contributions	Pension credit members
Employer (If applicable)	This states who your employer was at the time you were paying pension contributions into the LGPS	This will be the name of your ex-spouse's employer
Your reference number	Your reference number is usually the payroll number which was given to you by your employer for this employment	Your reference number will show as 'Pen Credit'
Date joined Fund / Date pension sharing order applied	The date when you started paying pension contributions into the LGPS	The date shown on your Pension Sharing Order document which was supplied to us by the Law Courts
Date of leaving (if applicable)	The date when you stopped paying pension contributions into the LGPS	If you have been awarded a pension credit via a pension sharing order, this will be blank
Pensionable pay used in calculation for pre April 2014 (if applicable)	This is your full time equivalent pay that has been used to calculate your pension benefit value. Please note that if you were part time or term time, we still use your full time equivalent pay to calculate your benefits	As your pension credit has been calculated based on a Pension Sharing Order, this box is not relevant for you. It will show as £0.01

Deferred pension details

If you stopped paying 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.

For all members receiving a Deferred Benefit Statement, the pension figures on your statement include the cost-of-living increase of 10.10% applicable from 10th April 2023. The value of your pension will change every April. LGPS uses the Consumer Price Index (CPI) to add cost of living increases to your pension.

How your pension has been calculated

There have been changes to how your LGPS pension benefits are calculated over the years. Depending on when you started and stopped 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:

<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, your annual pension is calculated as follows: 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>

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

In case you've shared your pension with your ex-spouse as part of your divorce or dissolution of your civil partnership, your pension value on your statement is what is left after the deduction of pension awarded to your ex-spouse.

Unreduced pension benefits

Your unreduced benefits date shows when your pension can be paid to you without any reductions. However, reductions will be applied if you choose to take your benefits before your normal retirement date.

Annual survivor's pension

Your statement also includes the value of any surviving partner's pension that could become payable if you pass away and leave behind a spouse or eligible partner.

If you have a deferred pension with us because you are a pension credit member, no surviving partner's pension would be payable upon your death.

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 shows who you have currently nominated to receive any death grant payable and the percentage you have instructed to be paid to each person. If this section of your statement 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 get a form from us either by calling the phone number on the first page of your statement or by downloading a form from our website:

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

Alternatively, you can update your expression of wish via Member Self-Service:

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

If a deferred LGPS member passes away before becoming a pensioner with us, the value of the death grant would be calculated as follows:

If you stopped paying pension contributions or were awarded your pension credit before 1 April 2008	A death grant of 3 times your deferred annual pension value
If you stopped paying pension contributions or were awarded your pension credit on or after 1 April 2008	A death grant of 5 times your deferred annual pension value

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 your LGPS pensions can be paid out.

Frequently asked questions

I read in last year's Deferred Diaries 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 paid pension contributions into LGPS for

+

The number of years that have passed since you stopped paying LGPS contributions

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 former employer's consent for it to be switched on. If your former 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 former 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 considering transferring your LGPS benefits 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.

I have a deferred pension with Clwyd Pension Fund but have now rejoined the LGPS. Is there anything that I need to do?

You need to tell the Clwyd Pension Fund that you have started to pay LGPS contributions again and also let us know which LGPS Fund you are paying those contributions to.

You also need to tell your new LGPS Fund that you have a deferred pension with the Clwyd Pension Fund.

You need to do this to make sure that you are given the correct options about combining your LGPS benefits.

Are my Additional Voluntary Contributions (AVCs) included in the figures on my statement?

No. If you have an AVC 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.

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 702940 / 01352 702980

Email: pensions@flintshire.gov.uk

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



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.