

Deferred Councillor Annual Benefit Statement Guidance Notes 2021

Career Average Pay

Your pension benefits are based on your Career Average Pay (CAP). This means that your pension benefits are calculated by using a revalued average of your pensionable earnings during your membership of the scheme. The earnings, when being assessed for pension purposes, are revalued to make sure that your career average pay takes inflation into account.

Example:

An elected member has been a member of the LGPS for 5 years. He is retiring at age 65. His pensionable earnings and the revaluation factors are as follows:

Year 1 Earnings £9,400	X Revaluation Factor 1.12	= £10,528
Year 2 Earnings £9,600	X Revaluation Factor 1.08	= £10,368
Year 3 Earnings £9,900	X Revaluation Factor 1.05	= £10,395
Year 4 Earnings £10,400	X Revaluation Factor 1.02	= £10,608
Year 5 Earnings £11,000	X Revaluation Factor 1.00	= £11,000
	Accumulative Total	= £52,899
	Career Average Pay	= <u>£10,579</u>
	(£52,899 ÷ 5 Years)	

Total Membership

Your pension benefits are calculated using the service during which you paid pension contributions in the pension scheme. Your total membership is based on the amount of years and days from your start date to your leave date of the pension scheme.

Value of LGPS as at 12/04/2021

When you retire, you will receive an 80th of your Career Average Pay for each of the years and days membership you have built up in the scheme. This section on your statement displays the value of your pension benefits as at 12/04/2021 and is calculated as follows (but also includes revaluation due to inflation proofing):

Annual Pension: Career Average Pay ÷ 80 x total membership

Lump Sum: 3 x annual pension

Survivor's Pension: Career Average Pay ÷ 160 x total membership

Normal Retirement Age from the Councillor's scheme is age 65. Your pension benefits can be paid however, from age 55 provided that you are no longer in office as a Councillor. Your benefits will be reduced to reflect early payment. If your Local Authority agrees, and under specific circumstances, you may be allowed to access your pension at the earliest from age 50.

Death Benefits

- A death grant is payable irrespective of marital status but is only payable if you pass away before your 75th birthday. The level of death grant payable is:
 - 3 x accrued pension plus accumulative pensions increase in respect of a deferred member, or
 - 5 x annual pension less any payments already made in respect of a pensioner member
- Please note that you are able to inform us of a beneficiary to receive this death grant by completing the Death Grant Expression of Wish form enclosed
- Please note that the Clwyd Pension Fund is NOT legally bound by this form, because in order for the tax advantages to apply, it must retain absolute discretion with regards to the allocation of your death grant payment
- The advantage of making an Expression of Wish is that the death grant will be paid quickly, without having to wait possibly several weeks for your Estate to be settled. Another advantage is that the payment will not form part of your Estate, therefore avoiding any liability to Inheritance Tax
- If there is more than one beneficiary please ensure that the percentage totals 100%. You cannot give us instructions that substitutes one beneficiary if the original beneficiary dies e.g. 100% paid to beneficiary A, but in the event of beneficiary A dying, 100% paid to beneficiary B

Contact Details

If you have any queries about your pay details or membership on your statement, please contact your Local Authority.

If you have any general LGPS queries, please contact pensions@flintshire.gov.uk stating your name and NI number in your email query.

Please note that Flintshire County Council is the administration 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.