

Penpal

The newsletter for active members of the Clwyd Pension Fund

Issue No. 22, Summer 2019



Dear Member,

Welcome to Issue 22 of Penpal, the Clwyd Pension Fund newsletter for active members.

This issue includes information which will help you understand recent changes which have been made to the scheme. It also explains the importance of reading your Annual Benefit Statement when it is made available to you in August.

If you have any queries regarding any information included in this newsletter, please find our contact details in the 'Contacting Us' section.

Regards,

Karen Williams

Pensions Administration Manager

Employee Contribution Band Changes - 1st April 2019

The table below shows the employee contribution bandings for the 2019/2020 scheme year. Your employer applies the rate for each separate employment you have with them. This table allows you to check your contribution rate against your actual pensionable pay per employment. Your pensionable pay is the pay you have paid pension contributions on.

Band	Actual Pensionable Pay Per Employment	Contribution Rate	
		Main Scheme	50/50 Scheme
1	Up to £14,400	5.50%	2.75%
2	£14,401 to £22,500	5.80%	2.90%
3	£22,501 to £36,500	6.50%	3.25%
4	£36,501 to £46,200	6.80%	3.40%
5	£46,201 to £64,600	8.50%	4.25%
6	£64,601 to £91,500	9.90%	4.95%
7	£91,501 to £107,700	10.50%	5.25%
8	£107,701 to £161,500	11.40%	5.70%
9	£161,501 or more	12.50%	6.25%

1-2-1 Appointments

From September, Clwyd Pension Fund would like to offer 1-2-1 sessions for you to discuss your Annual Benefit Statement and any other queries you have.

Please speak to your employer about the possibility of these sessions being held at a suitable time and location.

Early Retirement Reduction Factors

On 8th January 2019, the reduction factors changed for members taking their pension benefits early. All members can take their pension benefits from the age of 55 and anywhere in between, up until the day before their 75th birthday.

Anyone who wishes to take their pension benefits before their Normal Retirement Age of 65 or State Pension Age (whichever is furthest away), may suffer a reduction*. This means that your pension is reduced to take into account it will be paid for a longer period of time.

Years Early	Annual Pension Reduction	Automatic Lump Sum Reductions
0	0.00%	0.00%
1	5.10%	2.30%
2	9.90%	4.60%
3	14.30%	6.90%
4	18.40%	9.10%
5	22.20%	11.20%
6	25.70%	13.30%
7	29.00%	15.30%
8	32.10%	17.30%
9	35.00%	19.20%
10	37.70%	21.10%
11	41.60%	N/A
12	44.00%	N/A
13	46.30%	N/A

* If you joined the scheme before October 2006, protections may be applied to your pension benefits, which means your pension may not be fully reduced by the percentages shown above.

This information is available in alternative formats for example Braille, large print, BSL Video/DVD, audio tape and other languages on request.

Annual Benefit Statements (ABS)

Each August, Annual Benefit Statements are issued. This year's statement will show the value of your pension benefits at 31st March 2019. It is important for you to check the information on your ABS as the figures on your statement are calculated based on information from your employer. Any incorrect information would have an impact on the value of your pension benefits. Alongside the statement, a guide on how to read your ABS will be provided and additional guidance notes will also be available on our website under 'Publications, Forms & News'.

These notes will explain the statement and show you how different parts of your pension are calculated. One of these sections on your ABS will be your Lifetime Allowance (LTA).

Lifetime Allowance & Annual Allowance Limits

The Lifetime Allowance (LTA) and Annual Allowance (AA) have existed since April 2006. They were created by Her Majesty's Revenue & Customs to make sure pension scheme members would pay tax charges if their pension benefits increased by more than the limits put in place. These tax charges could happen either at retirement/leaving the scheme or on an annual basis at the start of a new tax year.

LTA and AA limits apply to all UK pension schemes, not just Local Government Pension Scheme (LGPS). Currently the LTA 2019/2020 limit is **£1,055,000** and the AA limit is **£40,000**.

Originally very few pension scheme members were affected by the limits, and those that were affected tended to be employees with high earning levels. This is because the LTA and AA limits used to be higher than those mentioned above. Now that these limits have decreased, this means that situations such as a one-off job role promotion can now affect employees and they may go over their LTA or AA limit. It is important to read your ABS to check your LTA percentage that you have used with Clwyd Pension Fund and to make sure you have not used more than 100% of this allowance across all of your pensions.

If you are affected by the AA limit, Clwyd Pension Fund will contact you later in the year with a separate Pension Saving Statement, showing you your used AA.



Member Satisfaction Survey 2019

In April this year, we gave all of our members the option to complete our Annual Satisfaction Survey. This survey was provided to our members over a two week period to help the Fund measure its performance against

the objectives in its Administration and Communication Strategies. The results of this survey are reported to the Fund's Pension Committee and the Pension Board.

As a result of the feedback from the

survey, we will be sending out more communications to our members and reviewing the language used.

The results of this year's survey will be available on our website if you wish to take a look.

Member Self Service

Manage your pension on our online portal!

For those of you who have informed us that you would like to opt out of Member Self Service, you will continue to receive all correspondence in paper format (including your ABS).

Those of you who have registered for MSS will continue to have your documents (including your ABS) uploaded onto your MSS account.

If you have not registered and would like to, please contact Clwyd Pension Fund to obtain an activation key. We can also continue to send paper copies once you register if you wish, but please remember that by going paperless, this small change can make a big difference to the environment.

What can you do once you are registered?

- Change your passwords and security questions.
- Message the Fund using the 'Contact Us' facility.
- View all of your pension accounts.
- Pensioners can study historic payslips, P60s and tax information.
- Project your retirement pension, also survivor's and children's pensions where applicable.



Contacting Us

Local Government Pension Queries:

Monday to Friday: 9am - 5pm

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/ 01352 702761

Email: pensions@flintshire.gov.uk

Website: mss.clwydpensionfund.org.uk

Address:
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