

Penpal 2

The Newsletter for Active members of the Clwyd Pension Fund

Issue 21 b, Summer 2017

Dear Member

Welcome to Volume 2 of the 2017 Penpal, which has been sent to you alongside your active annual benefit statement. The newsletter will provide additional guidance on your statement and also detail alternative ways of enhancing your pension benefits if you wish to do so.

If you have any queries regarding any of the information in this newsletter please find our contact details below.

Regards,
Helen Burnham
Pensions Administration Manager

Active Annual Benefit Statement

Enclosed with this newsletter you will find your active annual benefit statement detailing the value of your active pension benefits at 31st March 2017. If you have multiple active posts you will receive one for each pensionable position.

The statements have been slightly altered this year to provide you with a clearer understanding of the benefits you hold within the Fund. Shaded areas have been used to highlight various elements of your pension, along with various indicators and explanations to help you identify how particular figures have been calculated and which period of membership they relate to.

When reading your statement, if you are unsure of any details please refer to the appropriate section of the “Notes of Guidance Booklet” on our website.

Cost of Living Revaluation

Every year, your CARE pension (post 1st April 2014 benefits) is revalued in line with Consumer Price Index (CPI) which is a Government indicator of price inflation. **Under Section 5A of your annual benefit statement** you will see the revaluation of your post 1st April 2014 benefits. There will be a negative figure in the field illustrating the cost of living revaluation adjustment to your CARE pension, due to the fall in price inflation at 1st April 2016 (-0.1%) and takes effect from the first Monday after the 5th April. **Please be aware that this negative revaluation does not affect any benefits that you’ve built up before 31/03/2014.**



Member Self Service

Please note: This is your second notification that from April 2018 we will not be posting Annual Benefit Statements, as they will be available via Member Self Service, unless formally requested in writing.

Contacting the Clwyd Pension Fund

Telephone:
Monday to Friday
9 am – 5 pm:
01352 702785 or 01352 702876

Email: pensions@flintshire.gov.uk
Website: www.clwydpensionfund.org.uk
Address: Clwyd Pension Fund, County Hall,
Mold, Flintshire, CH7 6NA

Increasing your pension

Most members look forward to a happy and comfortable retirement and in order to have that little bit extra during your retirement years you may wish to consider paying extra contributions, which are a **tax efficient** way of topping up your income when you retire. There are **two** ways which you can pay extra contributions, these are by paying **Additional Voluntary Contributions** or **Additional Pension Contributions**

Additional Voluntary Contributions (AVC's)



Tax Relief - The Prudential Local Government AVC Scheme is an arrangement which allows you to make tax-efficient additional savings on top of your existing LGPS benefits. If you start your AVC plan after 1 April 2014, you can contribute up to 100% of your pensionable pay, whereas before this date it is restricted to 50%.

Flexible - You can increase, reduce or stop and restart your payments whenever you wish. Your contributions are deducted from your salary before tax and passed to the Prudential to be invested.

Investment Choices - You choose which funds you would like to invest your money in, from the fund range available. Each fund has its own level of potential reward and risk, whilst you can move your money in your plan between funds at any time.

100% Tax Free Cash - Your AVC pot can be drawn as a tax free cash lump sum as long as you draw it at the same time as your main scheme benefits and it does not exceed 25% of the combined value of your AVC and main scheme benefits. This means that the contributions you pay are relieved of tax and could be paid to you free of tax also. Alternatively, you can purchase an annuity to increase your annual pension or transfer elsewhere.

If you would like to investigate the possibility of starting your own AVC, please visit www.pru.co.uk/lgpschoices

The Clwyd Pension Fund are currently in the process of reviewing the range of funds on offer to our AVC holders later this year. All active AVC holders will be notified of any changes at the time of the affects.

In addition to the enclosed leaflet, the above website provides further guidance upon the benefits of contributing into an AVC. Various scenarios are covered to aid your understanding, along with an AVC calculator to see what your contributions could turn into once you retire.

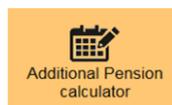
Additional Pension Contributions (APC's)

It is possible to buy an amount of annual pension (up to a maximum of £6,755) with tax relief whilst you are an active member by paying Additional Pension Contributions in regular payments (at any time up to a year before your normal pension age) or as a lump sum through your pay or direct to the Clwyd Pension Fund.

Upon paying an APC, the credited annual pension is added to the CARE annual pension that you have accumulated to date, and will be revalued at the end of each year in accordance with the regulations. Please note it could be subject to reductions or enhancements if taken before or after your Normal Pension Age.

To investigate how much pension you can buy please visit the LGPS member website www.lgpsmember.org

and click the following buttons



and **Buy Extra Pension**

quote and apply

Whether you wish to investigate how much it would cost you to buy a specific amount of annual pension, or alternatively see how much a regular payment of contributions would buy you if you contributed for a set period, the above application allows you to alter details to suit your financial circumstances. Upon clicking the 'Get Results' button you can see how much it will cost you. If you wish to proceed with the application, please make sure you read and understand the terms and conditions, and send the application to the Clwyd Pension Fund who will contact you to initiate the application process.