

Deferred

Members Newsletter 2017

For more information visit the national Local Government Pension Scheme Members website: www.lgpsmember.org

Welcome to the 2017 edition of the newsletter for deferred members of the Local Government Pension Scheme (LGPS).

For more information on the LGPS visit the national Scheme members' website: www.lgpsmember.org
This newsletter was produced jointly with other LGPS Funds. You should contact the Shropshire County Pension Fund directly if you wish to change your personal details or need further information.

➤ Data Sharing

The Fund participates in the National Fraud Initiative and it may share information provided to it with other bodies responsible for auditing, or administering public funds, or where undertaking a public function, in order to prevent and detect fraud.

Your information and fair processing notice

On a regular basis our pensioner payroll and deferred pensioner data is matched with secure national computer systems. The Cabinet Office currently requires us to participate in its anti-fraud initiative. For this initiative, we provide details of deferred pensioners so that they can be compared to information provided by

other public bodies. This will ensure, for example, that no pensions are due to be paid to persons who are deceased or no longer entitled, and that the benefits are paid accordingly to any descendants.

Sometimes payments are made incorrectly because of a genuine error. These exercises, therefore, help ensure the best use of public funds. This is our formal notice to you about this regular process. It is for your information only and you do not need to contact us about it.

However, if you have questions about this exercise, you can contact your Pension Fund for details.

➤ Frequently Asked Questions

What are deferred benefits?

Because you left the Local Government Pension Scheme before becoming entitled to receive immediate payment of pension benefits, they are deferred within the scheme.

How and when is the value of my deferred benefit adjusted?

Your benefits are adjusted in line with inflation from the time you leave the scheme and continue to be adjusted once pensions are in payment. The increases or decreases are linked to the Consumer Price Index, and these are applied to your deferred pension each April.

The Consumer Price Index figure to be applied from April 2017 was 1.0%. This means that if you became a deferred member prior to 1 April 2016 you will receive the full 1.0% increase applied to your deferred benefits. If you left the Scheme after 31 March 2016, you will have a proportion of the increase added to your pension from April 2017.

Can I take my deferred benefits early?

You can take your benefits before your Normal Pension Age (NPA) but your benefits are likely to be reduced for early payment. The earliest age when you can take your benefits depends on the regulations that were in place when you left the Scheme.

- If you left the Scheme before 1 April 2014 the earliest age you can receive payment of your benefits without your former employer's consent is age 60. Payment between age 55 and 60 can only happen with the agreement of your former employer.
- If you left after 1 April 2014 the earliest age you can access your benefits without your employer's consent is age 55.

Any early payment reduction to your benefits is based on how many years and days before your NPA you retire. The early payment reductions affect both your pension and lump sum (where applicable) and are applied when you make the choice to start receiving your benefits. For further information on these reductions please refer to your Fund's website, or visit the national LGPS member website at:

<https://www.lgpsmember.org/more/reductions.php>

If, however, you are still in Local Government employment, remember you may not be able to claim

payment of your deferred benefits until that employment has ended. Always check with your Fund.

Payment could also be made before NPA if, because of ill-health or infirmity of mind and body:

- you become permanently incapable of discharging efficiently the duties of the employment you held when you became entitled to the deferred pension, and
- because of this medical condition you have a reduced likelihood of being capable of undertaking any gainful employment before reaching normal retirement age, or for at least 3 years, whichever is sooner.

You should contact your former employer if you believe that you would be entitled to early payment of deferred benefits on health grounds. Your former employer will then decide whether payment will be made after obtaining a medical opinion from an approved independent medical practitioner qualified in occupational health medicine.

What if I left my job after the change in regulations from 1 April 2014?

Your benefit statement will show the current combined value of your Career Average Revalued Earnings (CARE) pension and your Final Salary pension, and where appropriate, any lump sum retirement grant.

What happens if I die before receiving payment of my deferred benefit?

Under the Scheme rules there will be a death grant payable.

- If you left the LGPS before 1 April 2008, any death grant that may be payable would be the value of your deferred lump sum retirement grant.
- If you left after 1 April 2008, any death grant payable would be 5 times your annual deferred pension.

In either case the value of benefits is increased in line with inflation to the date of your death.

If you are still contributing to the LGPS in another employment, any death grant that may be due is the greater of either the death in service grant or the deferred pension death grant.

If you have completed an expression of wish/nomination form for payment of the death grant then your wishes will be taken into consideration, but the final decision is at the discretion of the Fund.

If you would like to update your nomination, you can do so through the 'My Pension Online' system on the Fund's website, or if you do not have online access, you can complete an 'Expression of Wish' form which can be requested from the Fund.

Can I transfer my benefits out before drawing them?

You can transfer your benefits to another provider as long as you are not still contributing to, or in receipt of, a pension from the LGPS and you are not within 12 months of your NPA.

If you request a transfer out of the LGPS you will be provided with a Cash Equivalent Transfer Value (CETV). If the total transfer value of all LGPS benefits is greater than £30,000 the rules state that you must take Independent Financial Advice from a Financial Conduct Authority approved Financial Advisor.

Upon requesting a transfer you will be asked to sign a declaration confirming whether you have any other LGPS benefit entitlement. If you have more than one deferred benefit, it would be necessary for you to transfer out all LGPS deferred benefits in the Fund, or the transfer cannot proceed.

Remember if you contributed to an AVC (Additional Voluntary Contribution) arrangement while a scheme member, you must include that information with your transfer enquiry to ensure you receive details of your options.

Will my spouse/civil partner receive pension benefits should I die before them?

Your surviving spouse or civil partner may receive a pension in respect of your membership which will be a proportion of your deferred pension in respect of benefits built up prior to 1 April 2008, between 1 April 2008 and 1 April 2014; and on or after 1 April 2014.

If the marriage/civil partnership took place after you left the Scheme, the rate of the survivor pension may be less than it would have been had the marriage/civil partnership taken place before leaving the Scheme.

Can my cohabiting partner receive survivor's pension benefits?

Your cohabiting partner may receive a survivor's pension when you die, normally equal to that payable to a spouse or civil partner, and providing your relationship met certain conditions* at that time.

*For full information on eligibility and entitlement please refer to your Fund's website.

Supreme Court Ruling

You may have heard reports on the Supreme Court ruling on co-habiting partners and nomination forms. The Government is considering the implications of the judgment, if any, for public service schemes. LGPS Funds are therefore awaiting further guidance on this matter.

If I have children, would they be eligible to receive a pension if I die?

Your children may receive a pension based upon a proportion of your deferred benefits if they satisfy one of the following conditions:

- Aged under 18
- Aged between 18 and 23 and still in continuous full-time education or vocational training or has a physical or mental impairment which impacts on their ability to engage in paid employment
- Aged 23 and over, has a physical or mental impairment which impacts on their ability to engage in paid employment, the impairment is likely to be permanent and the person was dependent on you because of that impairment at death.

The specific proportion of your deferred pension payable to each child who is eligible will depend upon whether a pension is also payable in respect of your membership to a surviving spouse, civil partner or cohabiting partner and the number of eligible children. The pension payable to an eligible child will continue for as long as the child remains eligible.

What happens if I rejoin the LGPS in the future?

If you rejoin the LGPS after having previously built up LGPS pension rights (i.e. you previously left an LGPS employment with deferred benefits) then these deferred benefits can be joined with your new LGPS pension account.

For further information of your options, please refer to your Fund's website.

Warning – Pension scams

If you are looking into transferring your benefits to another pension provider, beware of pension scams which are on the increase in the UK. Pension scams can take many forms. Many offer 'one-off pension investments', 'pension loans' or 'upfront cash' to entice savers to transfer their hard-earned pension benefits.

Once you've transferred your pension, it's too late.

Please visit:

www.pensionsadvisoryservice.org.uk
for more advice on pension scams.

Keeping in touch

It is essential that the Fund holds accurate and up-to-date details for you. You should notify the Fund whenever your personal circumstances change such as when your address changes or you have a change in marital status.

Moving house

If you need to tell the Fund about an address change, you can do this through 'My Pension Online'. Alternatively, you can write a signed letter or complete and return the 'Address Change Form' which can be found on the Fund's website.

Change of Marital Status

If you have recently married, entered into a civil partnership, or undergone a divorce, you will need to let the Fund know. This cannot be done online as, to verify the change, the Fund will need to see your original marriage certificate, civil partnership certificate or Decree Absolute.

Are you pensions smart?

Did you know that you can now view your LGPS pension benefits online? The secure members' area, called 'My Pension Online' allows you to:

- View your latest benefit statements
- Update personal details
- View your death benefits

To register, visit the Fund's website:
www.shropshirecountypensionfund.co.uk
You will need your email address and your National Insurance number.

Annual Meeting 2017

Shropshire County Pension Fund is pleased to announce the date for this year's Annual Meeting being held on Friday the 10th November 2017. The meeting will run from 11.00am until 1.00pm in the Council Chamber of the Shirehall, Shrewsbury.

We encourage deferred members to attend the Annual Meeting as it will provide an overview of key issues of interest and all the latest Fund news. Members of the Pensions Team will also be on hand to answer any questions you may have about your LGPS benefits.

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