

Deferred Member News

For more information visit: www.lgpsmember.org | Summer 2022

Welcome to the 2022 newsletter for deferred members of the Local Government Pension Scheme (LGPS). We have produced this newsletter jointly with other LGPS funds. For more information about your pension benefits, contact log in to your online pension account.

➤ Your questions answered

What is a deferred pension?

A deferred pension is a pension that you no longer pay into. Your fund works out the value of your deferred benefits and looks after them until you can start to take them. The figures quoted in annual statements are based on your pension starting to be paid at normal pension age (NPA).

What is my NPA?

Your NPA is the standard date we use to quote your unreduced deferred benefits. It's individual to you, depending on when you left the LGPS. If you left:

- after 1 April 2014, your NPA is linked to your State Pension age;
- between 1 October 2006 and 1 April 2014, your NPA is age 65; or
- before 1 October 2006, your NPA is normally 65 but could be as early as age 60.

When can I take my deferred benefits?

If you leave the job your deferred benefits are tied to before retirement, you can, under current rules, choose to take your deferred benefits at any age between 55 and 75. You can take your benefits:

- reduced at any age between 55* and your NPA at a date you choose;
- unreduced at your NPA;
- increased after your NPA and up to age 75, at a date you choose (but if you left before 1 April 1998, you can't defer past your NPA); and
- unreduced at any age before your NPA if your former employer agrees that you meet the rules for permanent ill health, which means you can't work again.

*Please see our update about how you may not be able to take your LGPS benefits at 55 in the future, on page 3.

How much will I get if I take my benefits before my NPA?

If you decide to take your deferred benefits before your NPA, they'll normally be reduced. This is because your pension will normally



be paid for longer. How much they are reduced by will depend on how early you take them.

The current early retirement reduction factors are shown in the following table.

Early retirement reductions (as at January 2019)

Years early	Pension reduction	Lump sum reduction
0	0%	0%
1	5.1%	2.3%
2	9.9%	4.6%
3	14.3%	6.9%
4	18.4%	9.1%
5	22.2%	11.2%
6	25.7%	13.3%
7	29%	15.3%
8	32.1%	17.3%
9	35%	19.2%
10	37.7%	21.1%
11	41.6%	Doesn't apply
12	44%	Doesn't apply
13	46.3%	Doesn't apply

You can use the benefit calculators on *your online pension account* to find out how much you might get when you choose to take your benefits.

Can I take my deferred benefits if I can't work because of ill health?

You may be able to have your benefits paid at any age without them being reduced if you can't work because of ill health. You must be permanently incapable of doing the job you were in when you left the LGPS.

You can contact your previous employer if you think this may apply to you. They'll ask their approved occupational physician to give an opinion before they decide if they can approve your application.

How do my deferred benefits keep up with the cost of living?

Every April, your deferred benefits are adjusted by the Consumer Price Index (CPI) as at the previous September. For April 2022, this is a 3.1% increase.

If you became a deferred member before 1 April 2021, you'll get the full 3.1% increase. If you became a deferred member after 1 April 2021, you'll get part of the 3.1% increase.

Can I transfer my deferred benefits to another pension scheme?

You may be able to transfer your deferred benefits to another scheme if you meet certain conditions.

Transferring your pension out of the LGPS is an important decision and one that you should think about carefully. You can find out more about transferring out, including time limits, on our *website*.

What happens to my deferred benefits if I die?

A survivor's pension may be paid to your dependants, such as:

- your husband, wife or registered civil partner;
- any eligible children; or
- if you were a member of the LGPS on or after 1 April 2008, someone you live with as if you were married.

A lump sum death grant may also be due to anyone you've nominated to receive it or to a charitable trust. This amount is separate to the survivor's pension.

If you left the LGPS before 1 April 2008, the death grant is three times your deferred pension. If you left on or after 1 April 2008, the death grant is five times your deferred pension.

If you also have an active pension account, only the highest death grant would be paid.

To find out how much your dependants could get, log in to *your online pension account*. You can also use this system to tell us who you'd like the death grant to be paid to. Or you can let us know by filling in the 'Death grant expression of wish' form on our *website*.

How do I update my personal details?

If your personal details shown on your annual statement are out of date, you may be able to update them by logging in to *your online pension account*. Or let us know by filling in the update form on our *website*.

If you choose to fill in a form, you should scan it or take a photo and email it to:

pensions@westnorthants.gov.uk

If your name, marital status or gender has changed, we need a copy of the legal document changing your details.

➤ New national Local Government Pension Scheme website

The Local Government Pension Scheme (LGPS) has updated its website to make it easier for you to understand your pension. The new site is mobile-friendly and fully accessible, allowing you to plan for your retirement, find key information and easily access support.

Their new website has:

- simple navigation;
- easy-to-use tools and calculators;
- useful links, hints and tips;
- helpful videos;
- new pages and updated content; and
- a faster and more detailed search function.

To use these new features, go to the LGPS website:
www.lgpsmember.org

Did you know you can also check your pension details by logging in to your *online pension account* on your local Cambridgeshire Pension Fund website? If you haven't already *registered* for this service, why not do so today?

➤ Pensions made simple

If you want to find out more about your LGPS pension and your options as a scheme member but you're short on time, take a look at the Pensions Made Simple videos. These eight short videos will give you quick introductions to key

➤ You may not be able to take your LGPS benefits at 55

The Government has announced that the minimum age that LGPS members will be allowed to take their benefits, other than on ill-health grounds, will rise from 55 to 57 from 6 April 2028.

However, if you were a member of the LGPS on 3 November 2021, you should keep the right to take your benefits from age 55.

The details of exactly how a protected minimum age of 55 will work have yet to be finalised. There are many questions at this stage about how the increase in the minimum pension age will affect LGPS members. We don't know yet, for example, exactly what rules will apply if members want to transfer benefits between pension schemes or between different LGPS pension accounts.

We'll provide further information on our website, or in a separate communication when we can. The Government is carrying out a review of the State Pension age. If changes are made to your State Pension age, they could affect your normal pension age.

topics, such as 'How your pension works', 'Transferring your pension', 'Protection for you and your family' and 'Life after work'. Watch the videos now at:
www.lgpsmember.org/help-and-support/videos/

➤ Changes to transfer rules

Late in 2021, the UK Government announced new rules which restrict your right to transfer your pension if any potential risks from scams are identified. These new rules help us to keep your pension savings safe from scammers and criminals.

Of course, most transfers are above board, safe and legitimate. But we can now express any concerns we might have about your transfer under two categories – red flags or amber flags.

Red flags are where there is a clear sign of a scam or fraud. If we identify any red flags while carrying out these additional checks, we can prevent the transfer from going ahead.

Amber flags are where certain features of the scheme that you're transferring to show that you might be at risk of being scammed. These might include unregulated or high-risk investments, unclear fee structure or advice taken from overseas or unregulated advisers.

If we find any amber flags, you'll have to make a free Pension Safeguarding Guidance appointment with MoneyHelper. This service, backed by the Government, helps people understand their money and pension options. Once you've had your appointment, you can decide whether you still want to go ahead with the transfer.

➤ Pension scams are on the rise

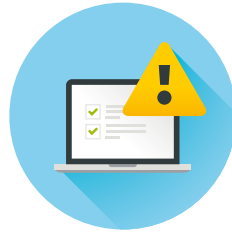
Pension scams are on the rise in the UK. The people behind the scams are good at tricking people into handing over their money. It's important that you've an idea of how to spot a pension scam, even if you think it could never happen to you. Some of the warning signs of a pension scam could be:

- someone calls you out of the blue, offering a free pension review;
- someone promises to get you better returns on your pension savings; or
- you're pressured into making a quick decision about transferring your pension.

You can help to protect yourself by learning how to spot a scam. There is more information on the MoneyHelper website: www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam

If you're thinking about transferring your benefits out of the LGPS, you should always get impartial financial advice. Make sure that the company or person giving you the advice is registered with the Financial Conduct Authority (FCA). www.fca.org.uk

➤ Updates to our privacy notice



As part of our plan to make sure we keep to the Data Protection Act 2018, we've prepared a privacy notice giving details of our responsibilities regarding your personal information. The notice sets out what information we hold, who we share it with and your rights to access this information.

We want to let you know that, following the introduction of the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021, we've recently updated our privacy notice. When dealing with transfer requests, and as part of our due diligence process, we must make sure checks are completed before transferring benefits. To check for pension scams, we may need additional information from members. All of the information we collect meets the UK General Data Protection Regulation (GDPR).

You can read the privacy notice on our [website](#).

➤ More about your online pension account

If you haven't already signed up to your online pension account, you can [register now on our website](#).

As mentioned in other articles in this newsletter, by signing up to your online pension account you can:

- update your address;
- update who you want to nominate to receive the lump sum death grant;
- see how much your benefits might be if you take them at a date other than your NPA;
- look at your options for exchanging some of your pension for a larger lump sum; and
- check what benefits your dependants could receive if you die while you have deferred benefits.

You can also use the site's 'Contact Us' option to send us any questions you have about your pension. If you have already registered for an online account, remember to log on to let us know about any changes to your personal details.

Contacting the Pension Team

- ☎ **01604 366537** (Monday-Friday 9am-5pm)
- @ **pensions@westnorthants.gov.uk**
- 💻 **pensions.cambridgeshire.gov.uk**
- ✉ **Pensions Service, West Northamptonshire Council, One Angel Square, Angel Street, Northampton, NN1 1ED**