

Active LGPS annual benefit statement notes 2019

Your personal and employment information

It's important that you check the information listed in this section and if anything's not right please get in touch at pensionsabs@northamptonshire.gov.uk

Benefit statement worked out on

This is the date when we work out all the information included on this statement.

Partnership status

Your partnership status can either be single, married, registered civil partnership, cohabiting partner (unmarried), divorced, or widow and reflects our latest records. We'll work out your partner's pension based on your partnership status at the date of your death. If it's not correct or showing as 'Not known', please get in touch.

Employer

This is your employer on 31 March 2019. If you were paying into the scheme for more than one job on this date, you will receive an annual benefit statement for each job. If you left that job after 31 March 2018, you'll get a separate notice of your benefits built up to the date you left.

Scheme section

Since 1 April 2014 the LGPS has been a career average revalued earnings (CARE) scheme and there have been two sections to it – the main section and the 50/50 section. The section you were a member of on 31 March 2019 is shown here.

Your CARE pensionable pay – Main section

This is the pensionable pay you received while paying into the main section of the LGPS in the scheme year to 31 March 2019.

Your CARE pensionable pay – 50/50 section

If you paid into the 50/50 section of the scheme during the year to 31 March 2019, the figure shown here is the pensionable pay you received while paying into the 50/50 section in the scheme year to 31 March 2019.

If you were a member of both the main section and the 50/50 section of the scheme at different times during the scheme year, you will have figures shown for both.

CARE Pay in the scheme year to 31 March 2019

Your CARE Pay is the pay we will use to work out the benefits you have built up during the scheme year. This figure has been provided by your employer.

If you work part-time, your pensionable pay represents your actual pay and is not a full-time equivalent figure.

If you paid into both the main and 50/50 sections of the scheme, this will be the total of the pay received during each of those periods.

You can find a full explanation of how any periods of authorised unpaid leave may affect final-salary and CARE pensionable pay on our [website](#)



Your final-salary pensionable pay for the year to 31 March 2019

If you became a member of the LGPS before 1 April 2014, or have transferred in membership with a final-salary link, your final-salary pensionable pay shown in this section is your full-time equivalent pay for the year to 31 March 2019. This information has been provided by your employer. If you joined the LGPS on or after 1 April 2014 and have not transferred in membership with a final-salary link, this section will show zero. (Your 'pensionable pay' is the pay that your pension is based on.)

Summary of benefits

This section shows separately the values of your final-salary benefits (if this applies) and your CARE pension. Although the final-salary and CARE pension parts are worked out differently, they form a single benefit, with both parts being linked and paid together.

Summary of benefits built up to 31 March 2019

Benefits paid from XXXXXXX

This is the date on which you are able to receive your benefits in full, at your normal pension age.

Annual pension

This is the total value of your pension on 31 March 2019, including your final-salary pension (for membership up to 31 March 2014) and CARE pension (for membership from 1 April 2014), which we would start to pay at your normal pension age.

Automatic lump-sum retirement grant

This is the lump sum relating to your membership before 1 April 2008 and we pay it at your normal pension age.

You can give up some of your annual pension to increase any lump sum you may already have relating to your membership before 1 April 2008. HM Revenue & Customs (HMRC) limits will apply, but every £1 of your annual pension you give up provides a lump sum of £12.

Lifetime allowance (LTA)

The lifetime allowance is the limit on the total value of pension benefits you can draw from all pension arrangements without paying a tax charge. The standard LTA increased from £1,030,000 to £1,055,000 on 6 April 2019.

If the percentage of standard LTA shown on your statement is more than 100%, you may have to pay a LTA tax charge when we pay your benefits to you. This may also be the case if you have other pension benefits (including in-house additional voluntary contributions (AVCs) which are not included in this statement) that, when combined with your LGPS benefits, have a value of more than the LTA.

If the value of your benefits is greater than the LTA, you may have a choice over how you take your benefits, and this can affect the tax charges that apply.

There is more information about the LTA and the protection that may be available to some members (Individual Protection 2016) on our [website](#)



Benefits after maximum conversion

Reduced annual pension

This is the current value of your reduced pension if you choose to take the maximum lump-sum retirement grant allowed under HMRC rules. We will pay this at your normal pension age.

Increased lump-sum retirement grant

This is the current value of the maximum lump-sum retirement grant available to you if you reduce your annual pension. We pay this to you at your normal pension age.

The maximum conversion figures must keep within HMRC limits, and we will work them out when you retire. Neither the reduced annual pension nor the increased lump-sum retirement grant figures take account of the potentially limiting effect of your available lifetime allowance nor do they include any in-house AVC (additional voluntary contribution) fund you may have. Prudential or Standard Life will issue a separate statement showing any in-house AVC fund value.

Your CARE benefits

You must check the figures quoted in the statement. If you think any of the pay figures are not correct, contact your employer not us, as the figures quoted have been provided by your employer.

This section shows separately the values of your final-salary benefits (if this applies) and your CARE pension. Although we work out the final-salary and CARE pension parts differently, they form a single benefit, with both parts being linked and taken together.

Your CARE pensionable pay – Main section

Since 1 April 2014, we work out your CARE pension on the CARE pensionable pay you received during each scheme year. These pay figures are provided by your employer. If you think they are not correct, please speak to your employer first.

If you paid into the main section of the scheme during the year to 31 March 2019, the figure given here is the pensionable pay you received while paying into the main section in the scheme year to 31 March 2019.

If you work part-time, your pensionable pay represents your actual pay and is not a full-time equivalent figure.

You can find a full explanation of how any periods of authorised unpaid leave may affect final-salary and CARE pensionable pay on our [website](#)

Your CARE pensionable pay – 50/50 section

If you paid into the 50/50 section of the scheme during the year to 31 March 2019, the figure shown here is the pensionable pay you received while paying into the 50/50 section in the scheme year to 31 March 2019.

If a figure is shown here, it means you have chosen to be in the 50/50 section. If you were a member of both the main section and the 50/50 section of the scheme at different times during the scheme year, you will have figures shown for both.

In-year build-up (main section and 50/50 section)

For membership from 1 April 2014, you will have built up CARE pension. Each scheme year you're a member, we divide your CARE pensionable pay by 49 if you're in the main section or by 98 if you are in the 50/50 section. We then add the resulting amount (or amounts) to your pension account for that year. This figure is the 'in-year build-up' for the scheme year to 31 March 2019.



Additional pension bought

Any additional pension that you've bought during the scheme year under an additional pension contribution (APC) or shared-cost additional pension contribution (SCAPC) arrangement will be shown here.

Transfers in

Any CARE 'earned pension' credited as a result of you transferring in previous pension rights from other schemes will be shown in 'Transfers in'.

If you chose to buy additional service or pension, or if you transferred in other benefits before 1 April 2017, these are not shown in this section but we include them in the calculation of your total pension benefits.

Opening balance

Your CARE pension balance from the previous year, including the adjustment applied on 1 April 2018, will be shown here.

Adjustment for the cost of living

We adjust your total CARE pension on 1 April each year in line with HM Treasury revaluation orders. This adjustment can increase or reduce the value of your CARE pension.

In-year build-up

For membership from 1 April 2014, you'll have built up CARE pension. Each scheme year you're a member, we divide your CARE pensionable pay by 49 if you're in the main section or by 98 if you're in the 50/50 section. We then add the resulting amount (or amounts) to your pension account for that year. This figure is the 'in-year build-up' for the year to 31 March 2019.

Total

This is the total amount of pension that's in your 'pension pot'.

Your final-salary benefits built up based on your membership up to 2014

This section shows separately the values of your final-salary benefits (if this applies). Although we work out the final-salary and CARE pension parts differently, they form a single benefit, with both parts being linked and paid together.

Your final-salary pension benefits

If you joined the LGPS on or after 1 April 2014 and haven't transferred in membership with a final-salary link, the final-salary pension amount on your statement will be shown as zero.

We work out your final-salary benefits as shown below. If you worked part-time before 31 March 2014, your final salary is converted to its full-time equivalent and your membership is then adjusted to the contractual hours you worked (including term-time weeks). The membership we use in the final-salary calculation includes any pension rights you transferred in from previous pension schemes that count for final-salary benefit purposes.

Total final-salary annual pension

For membership to 31 March 2008, you get 1/80th of your final-salary pensionable pay for each year you were a member of the scheme.

For membership from 1 April 2008 to 31 March 2014, you get 1/60th of your final-salary pensionable pay for each year you were a member of the scheme.



Automatic lump-sum retirement grant

This is the lump-sum retirement grant based on membership to 31 March 2008. It's 3/80th of your final-salary pensionable pay for each year you were a member of the scheme

Including 60ths

This is the amount of pension built up while you were a member of the LGPS between 1 April 2008 and 31 March 2014.

Including 80ths

This is the amount of pension built up while you were a member of the LGPS up until 31 March 2008.

Additional pension

Any additional pension that you've bought (up to 31 March 2019) under an additional regular contributions arrangement you entered before 1 April 2014 will be shown here.

Value of death-in-service benefits

Benefits paid if you had died on 31 March 2019

This is the date of death in service we use when working out the notional (estimated) benefits in this section.

Lump-sum death grant

If you die while you are an active member of the LGPS, we will pay a death grant. The amount of the death grant will be three times your assumed pensionable pay on the date you die. However, if you die while you are an active member and also have deferred benefits in the LGPS, are receiving an LGPS member pension (that is, not a survivor's pension) or a suspended 'tier 3' ill-health pension (or both), the amount of the death grant will be:

- the total of all death-in-service lump sums; or
 - the total of all death grants from the deferred pension, pension in payment, or suspended tier 3 ill-health pension records;
- whichever is more.

Annual survivor's pension

We will pay a survivor's pension if, when you die, you are married, have a civil partner or eligible 'cohabiting partner' (someone you live with who would be entitled to a survivor's pension because they meet the eligibility conditions).

We have used the partnership status we have on our records to decide the survivor's benefit shown on your statement. If we do not know your partnership status, we have assumed your status is married.

- a. If our records show you are single, no benefit will be shown.
- b. If you have declared an eligible cohabiting partner, the survivor's benefit shown will be based on your membership after 5 April 1988 and any membership before 6 April 1988 you have bought using an additional survivor benefits contribution (ASBC).
- c. If your status on our records is married or in a civil partnership, the survivor's benefit shown will be based on all your LGPS membership.
- d. We may pay children's pensions to eligible children. However, the rates of these pensions are not shown on your annual benefit statement.

If your partnership status is not correct, please get in touch at pensionsabs@northamptonshire.gov.uk or on 01604 366537.



If you've not updated us about your partnership status, when you die we'll still pay any eligible survivor's pension as long as we receive the relevant marriage or civil-partnership certificate or, in the case of cohabiting partners, evidence that they meet the requirements for receiving a survivor's benefit.

The survivor's pension shown in this section is based on the total of your final-salary survivor's pension built up to 31 March 2014, any added years you have bought, any additional regular contributions (ARCs) that included a survivor's pension element, and the survivor's pension due under the CARE scheme. It doesn't take account of any deductions relating to a pension-sharing order.

If you die after leaving the LGPS, we'll still pay a survivor's pension but it could be a lower amount than had you still been in the scheme.

Estimated pension benefits to normal pension age

This section gives you an estimate of what benefits you'd get if you continued working until and then claimed your pension at your normal pension age, based on your current earnings.

Your normal pension age is either your State Pension age or age 65, whichever comes later. Your normal pension age may change if your State Pension age changes before we pay your benefits. The normal retirement date for benefits built up in the final-salary scheme is your 65th birthday.

You can choose to take your benefits before or after this date, and we'll either increase or reduce your benefits to allow for the earlier or later payment.

The estimate is based on your CARE pensionable pay up until 31 March 2019. It assumes that your pay will stay the same until your normal pension age. It doesn't assume pay inflation or inflation under HM Treasury revaluation orders for future benefits built up under the final-salary or CARE schemes.

We've included any additional pension contributions or shared-cost additional pension contributions you've bought.

If you've previously gone over the annual allowance and chose to have the resulting tax charge taken from your pension benefits by making a Scheme Pays election (or have a pension-sharing order in place), we've not taken account of these adjustments in the figures.

The estimate assumes that you stay in the same section of the scheme that you were in on 31 March 2019.

Projection of benefits to your normal pension date of

This is the date that you meet your normal pension age and can take your benefits in full without them being reduced.

Normal pension age

This is your age in years and months when you reach your normal pension age.

Total annual pension

This is the total amount of annual pension you can expect to get when you retire at your normal pension age.

Including CARE pension (annual pension)

This is the amount of your total annual pension that relates to being a member of the CARE scheme from 1 April 2014.



Including final-salary pension (annual pension)

This is the amount of your total annual pension that relates to final-salary-linked membership up until 31 March 2014.

Including actuarial increase (annual pension)

This is the amount that relates to an actuarial increase (based on current guidance) which we'd add to your pension if you have final salary benefits and a normal retirement age greater than 65. This is because the normal pension age for your final salary benefits is 65 but you must take them with your CARE pension benefits, they cannot be taken separately.

Automatic lump sum

This is the amount of automatic lump sum you've built up in the LGPS before 1 April 2008. If this figure is zero, this is because you don't have any LGPS membership before 1 April 2008.

Survivor's pension

This is the amount of pension your husband, wife or partner will receive if you die after retiring on your normal pension age. This figure is shown based on the information we hold on our system. If this figure is zero, it's because we don't hold a relevant partnership status which allows us to work this out.

Including CARE pension (survivor's pension)

This is the amount of your survivor's pension that relates to being a member of the CARE scheme from 1 April 2014.

And final-salary pension (survivor's pension)

This is the amount of your survivor's pension that relates to final-salary-linked membership up until 31 March 2014.

