

# Pension Update

Cambridgeshire  
Pension Fund



For members of the Local Government Pension Scheme (LGPS) | **Summer 2020**

## ➤ Welcome

Welcome to this newsletter for contributing members of the Local Government Pension Scheme (LGPS).

The LGPS is an important part of your employment benefits. It has been a career average revalued earnings (CARE) scheme since 1 April 2014. Every year, you build up a pension based on a proportion of your pensionable pay and this is added into your pension account. At the end of the year, this is added to any total pension pot you have built up in previous years and revalued to make sure it keeps up with the cost of living. The 2019/2020 pay shown on your statement affects how your pension builds up. It's important to check the pay shown on your statement. Please contact your employer if you have any questions about the pay used to work out your benefits.

The pension benefits you've built up in the LGPS from 1 April 2014 increased by 2.4% in 2019/2020. The increase is worked out in line with the Consumer Price Index (CPI) and is included in the 'your total CARE account' section on your annual benefit statement.

## ➤ An update from your pension fund – Covid-19



We know that the past few months have been an uncertain time for many of you. We want to remind you that the LGPS is a defined benefit pension and your benefits are not linked to stock-market changes or how investments perform. Benefits are set out in law. Although short-term investment values may change, the LGPS as a long-term investor is securely managed to deal with any longer-term effects, such as those of the coronavirus.

Pension benefits for LGPS members are set out in law and are guaranteed, whether they are being paid or are yet to be paid.

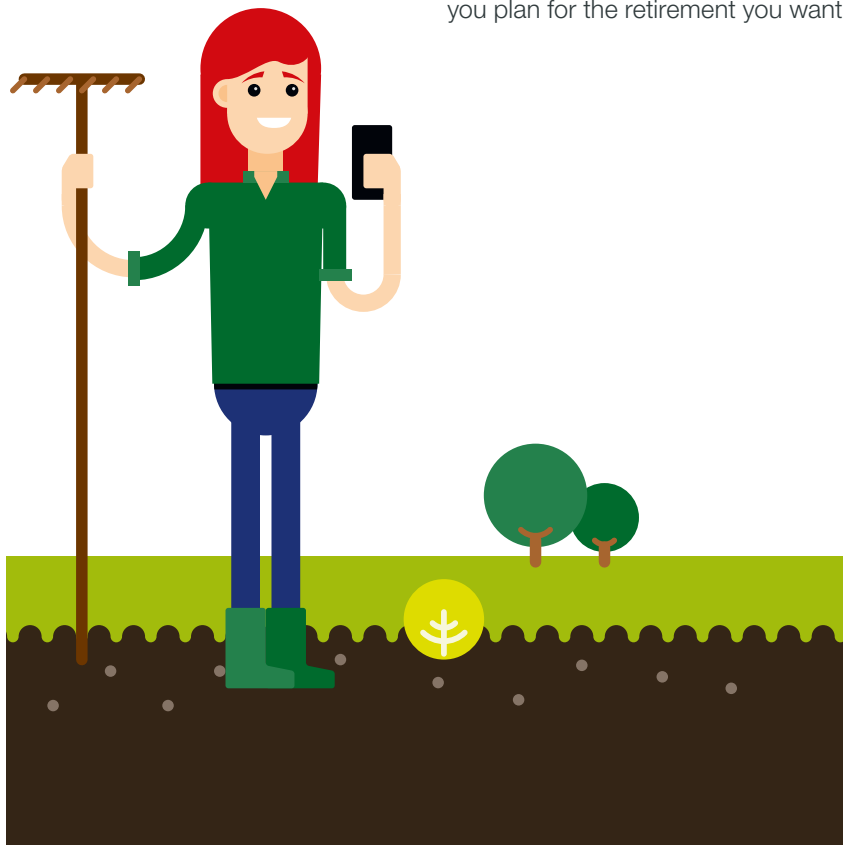
**We hope that you keep safe and well during these times.**

## ➤ Picture your retirement

**What kind of lifestyle do you picture for yourself when you retire?** The new Retirement Living Standards, published by the Pensions and Lifetime Savings Association, will help you to picture what kind of lifestyle you will be living in retirement.

The Standards aim to give you a realistic starting point to help you develop your own savings targets and plan for the retirement you want.

They feature three different 'lifestyles' – minimum, moderate and comfortable – and illustrate what goods and services you could afford at each level, for a single person and then also for a couple.



They show that (at today's prices) to have:

- a minimum standard of living when you retire, you need to have a pension of £10,200 a year;
- a moderate standard of living, you need to have a pension of £20,200 a year; and
- more financial freedom and some luxuries, you need to plan to have an income of £33,000 a year.

Don't forget these amounts will include your State Pension (full State Pension is currently around £9,110 a year) and any other pensions or benefits you receive. If you're part of a couple, the amount you need to achieve a certain standard of living for each person is likely to be less.

Your LGPS pension benefits explained on your benefit statement will help to pay for your retirement lifestyle. Visit [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk) and explore the categories to help you plan for the retirement you want.

## ➤ McCloud court case



**When the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced.**

Similar protections were provided in other public sector pension schemes. The Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension Schemes have been discriminated against because the protections do not apply to them. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often called the 'McCloud judgment'.

The Government is still considering exactly what changes need to be made to remove the discrimination from the LGPS. This means it has not been possible to reflect the effect of the judgment in your annual benefit statement this year. If you qualify for protection it will apply automatically - you do not need to make a claim. For more information, see the frequently asked questions on the national LGPS website - [www.lgpsmember.org/news/story/mccloud\\_qanda.php](http://www.lgpsmember.org/news/story/mccloud_qanda.php)

# ➤ Digital communications

**How we communicate with you is changing.** Instead of sending lots of paper by post, we now send you an email or text when we upload new documents to your account.



## How we communicate with you

We've written to you a couple of times to let you know that we're changing our communications.

Instead of sending lots of paper by post, we now send you an email or text when we upload new documents to your account. All of your pension information is stored securely on your [online pension account](#) so you can see it anywhere at any time you want. Saving trees and saving you storage space.

If you've asked us for something, you'll also be able to track your case, contact us or send us information and documents using the tools inside your account.

If you don't have access to a computer or mobile phone please let us know and we'll arrange for a paper statement to be sent in these exceptional circumstances.

## Sign up to your online pension account

If you haven't already registered for your [online pension account](#), why not do this today? You'll need your National Insurance number handy.

With your [online pension account](#) you can:

- see the current value of your pension
- use our benefits projector to see how much your pension could be in the future
- update your personal details
- access any documents you've asked us for in one handy place;
- if you've asked us for something, track your case
- nominate beneficiaries (people you want to benefit from your pension if you die).

Check out your pension today at [pensions.cambridgeshire.gov.uk](https://pensions.cambridgeshire.gov.uk)

## Pensions made simple videos

We appreciate that pensions can sometimes be difficult to understand. That's why we teamed up with the Local Government Authority (LGA) and some other LGPS Pension Funds to make seven short and simple [videos](#) to help you to understand your pension better.

If you're hard of hearing, or your workplace disables sound on videos, you can click CC in the bottom right hand corner of the screen and it will bring up subtitles.

Here's some of the videos below. Right click on the image to open the hyperlink:



The importance of saving for later life, how you join the LGPS and your employer pays in too.



How pension accounts work and what happens if you leave the LGPS before you take your pension.

## ➤ Your LGPS benefits are one of the most valuable assets you own.

### However, this makes them attractive to criminals.

Pension scams are on the increase. Fraudsters posing as businesses are becoming more convincing in the methods they use to trick people out of their life savings. Contacting people out of the blue (often referred to as cold-calling) about their pension is now illegal and is usually a sign that the company involved is not what they seem.

The Pensions Regulator has produced a useful guide which tells you what to look out for if you are considering transferring your LGPS benefits to a company offering to manage your pension savings. For more information, please visit the Pension Regulator's website at: [www.thepensionsregulator.gov.uk/en/pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams)



### Help and support on your pension

- 📄 online pension account
- 📄 [pensions.cambridgeshire.gov.uk](http://pensions.cambridgeshire.gov.uk)
- 📧 [pensions@northamptonshire.gov.uk](mailto:pensions@northamptonshire.gov.uk)

Cambridgeshire  
Pension Fund

For you, for now, for the future  
**lgps**

## ➤ Would you like a say in the governance of your pension?

**The Local Pension Board's role is to help Cambridgeshire County Council to manage the Local Government Pension Scheme (LGPS).** The board has three scheme member and three employer representatives. Their responsibility is to make sure the scheme is compliant with the regulations and other governance and administration legislation set by the Pensions Regulator.

We'll have a vacancy for a scheme member representative in early 2021 and are looking for people who may be interested in filling this role.

If successful, you'll review the decisions of the Pension Fund Committee and Investment Sub-Committee, and review and recommend changes to draft policies.

The board meets a minimum of four times a year. You don't need to have any previous knowledge of pension scheme management, just an ability to be objective, able to work in a team and to analyse information effectively.

This is a voluntary role and you'll be given full training and all reasonable expenses will be paid for.

You can find more information on our [website](#).

## ➤ Employer outsourcing – the effect on your pension

**If your employer plans to outsource your job (move it to a private contractor), you'll need to know what will happen to your pension.** In most cases there are protections in place and you should check with your employer about how your pension will be affected.

There are different rules depending on the type of employer outsourcing your job, as follows.

### Local authority employer (including members in local authority maintained schools and other best-value authorities)

Your new employer has two choices. They can:

1. continue your LGPS membership by becoming an active employer in an LGPS fund; or
2. provide a government-approved 'broadly comparable' pension scheme.

The benefits must be at least as good as those provided by the LGPS.

The government is looking into whether to remove the 'broadly comparable' option and guarantee continued LGPS membership.

### Public sector employers (including members in academies, voluntary-aided, foundation and free schools)

Your new employer must continue your membership of the LGPS.

### Private sector (Including members in further and higher education corporations)

You're not covered by the same protections as local authority and public sector members. Your employer will tell you what will happen to your pension.