| **Cambridgeshire**Pension Fund | **Northamptonshire**Pension Fund |
| --- | --- |

**Local Government Pension Scheme – retirement benefit notes RETIRE3**

Please complete the enclosed forms in conjunction with the notes:

RETIRE1 (Application to receive retirement benefits) - compulsory

RETIRE2 (Death grant – expression of wish) - not compulsory

RETIRE5 (Previous benefits declaration) - compulsory

Please return the completed forms and required documentation either by:

* Securely uploading them to your [online pension account](https://lgssmember.pensiondetails.co.uk/home/login/index2.html) on our website;
* Scanning and emailing them to pensions@westnorthants.gov.uk , it is recommended that you password protect any documentation containing confidential information if possible; or
* Sending them to the address below:

Pensions Service

West Northamptonshire Council

The Guildhall

St Giles Square

Northampton

NN1 1DE

If you don’t fill the forms in correctly and return them with copies of the necessary certificate(s), you won’t get your pension on time. Once we have all the information about your retirement from you and your employer, full details of your pension benefits will be uploaded onto your [online pension account](https://lgssmember.pensiondetails.co.uk/home/login/index2.html) and / or sent to your home address.

If you need any help filling in the form(s), please contact us.

Telephone: (01604) 526417

Email: pensions@westnorthants.gov.uk

Please give your full name, National Insurance number and date of birth in all enquiries.

This information can be made available in other languages and formats upon request such as Braille, large print, and audio cassette.

The Cambridgeshire Pension Fund and Northamptonshire Pension Fund are a Data Controller under the General Data Protection Regulations. This means we store, hold, and manage your personal data in line with statutory requirements to allow us to provide you with pension administration services. To help us to carry out our statutory duty, we need to share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your data, who we share it with and what rights you have to request information from the Fund, please visit:

[Cambridgeshire Pension Fund](https://pensions.cambridgeshire.gov.uk/governance/key-documents/cambridgeshire/)

[Northamptonshire Pension Fund](https://pensions.westnorthants.gov.uk/governance/key-documents/northamptonshire/)

**These notes give general guidance only and cannot be treated as a statement of law.**

## **RETIRE1 - Application to Receive Retirement Benefits - compulsory**

### **Section 1 - Personal details**

This must be completed in *all* cases.

**Please remember to enclose all relevant certificates and in all cases please include a self-certified photocopy of your own birth certificate or passport.**

### **Section 2 – Your bank or building society details**

This must be completed in *all* cases.

Your monthly pension and any lump sum retirement grant payable will, if possible, be paid into your bank or building society. Please speak to your bank or building society if you have any queries. If you’d like your pension to be paid into an overseas bank account, you’ll need to fill in an *overseas bank account form.* Please email us at pensions@westnorthants.gov.uk if you need this form.

### **Section 3 – Election to convert pension to increase / provide a lump sum**

This must be completed in *all* cases.

### **Section 4 - Additional voluntary contribution (AVC) options**

This must be completed in *all* cases.

If you have an LGPS AVC, we must have issued you full details of the options available in relation to your AVC fund prior to you making your decision on what option you wish to take. If we have not issued this information to you, please request an estimate by contacting us either by:

Your [online pension account](https://lgssmember.pensiondetails.co.uk/home/login/index2.html).
Email: pensions@westnorthants.gov.uk

Telephone: (01604) 526417

Deciding how to use your AVC plan is one of the most important financial decisions you are likely to make, so we recommend that you get guidance from Pension Wise to help you decide which option is best for you.

Pension Wise is a service from MoneyHelper. It is a free, impartial service sponsored by the Government to help you understand your AVC options.

Because it is such an important decision, we are not allowed to proceed with your application until you tell us that you have either received guidance from Pensions Wise (in connection with your application to take your AVCs in the LGPS) or you do not wish to take Pension Wise guidance. You **must** complete and return the following:

* Risk Warning declaration form.
* Pension Wise guidance declaration form

### **Section 5 - Medical report consent**

This must only be completed if you’re being retired on ill-health grounds.

### **Section 6 - Recycling of lump sums**

This must be completed in *all* cases.

Before answering you should read the guidance on the [gov.uk](file:///C%3A/Users/SGribbin/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/YLRATG0H/Before%20answering%20you%20should%20read%20the%20guidance%20on%20the%20gov.uk%20website%20on%20pensions%20recycling%20and%20the) website on pensions recycling and the information provided below.

**Pension Recycling**

Pension recycling applies to all lump sums paid on or after 6 April 2006 and where those lump sums are used to increase pension contributions, regardless of when the contributions are paid. The recycling rule applies when **all** the following conditions are met:

* You receive a tax-free lump sum (HMRC call this this PCLS).
* Because of the lump sum, the amount of contributions paid into another registered pension scheme is significantly greater than it otherwise would be.
* The additional contributions are made by yourself or by someone else, such as your employer.
* The recycling was pre-planned.
* The amount of lump sum, taken together with any other such lump sums taken in the previous 12-month period, exceeds:
* £7,500 for events on or after 6 April 2015, or
* 1% of the standard lifetime allowance for events before 6 April 2015.
* The total amount of the additional contributions is more than 30% of the tax-free lump sum you received.

Scheme members who breach the recycling rules will be liable to a potential ‘unauthorised payments charge’ of 40% of the lump sum paid and a potential additional unauthorised payment surcharge of 15%.

If you’re thinking about using your lump sum in this way you may want to get independent financial advice before making your decision.

Once you’re clear, you must tick the relevant statement. If you indicate that you’re intending to recycle your tax-free lump sum, we’ll tell the tax office that an unauthorised payment has been made, and you should expect a significant tax bill from the tax office.

### **Section 7 – Previous public service pension scheme membership / LGPS membership details**

This must be completed in *all* cases.

Following the age discrimination case commonly known as McCloud, we must first establish whether or not you are affected by the judgment and protected by the underpin in the LGPS. You may be a protected by the underpin if:

* you were paying into the LGPS or another public service pension scheme before
1 April 2012,
* you were paying into the LGPS at some point between 1 April 2014 and 31 March 2022, and
* you have been a member of a public service pension scheme without a continuous break of more than 5 years.

If you believe that you should be a protected member as a result of membership of a previous public service pension or a different pension LGPS pension fund that has not been transferred into your membership in Cambridgeshire / Northamptonshire Pension Fund, please provide details. If the membership is not with another LGPS pension fund in England and Wales, please also provide documentation to confirm this membership.

### **Section 8 - Declaration**

This must be completed in *all* cases.

### **Calculation of benefits:**

From 1 April 2014 the Local Government Pension Scheme is a career average pension scheme. All of the membership you’ve built up in the scheme before 1 April 2014 will be used to work out your benefits in the final salary scheme, based on your final salary on the date you left.

## **How your benefits are worked out when you retire**

For each year you have built up in the scheme to 31 March 2008, you will get a pension of *1/80th* of your final year’s pensionable pay multiplied by your membership *plus*an automatic tax-free lump sum of 3 times your pension.

For each year you build up from 1 April 2008 to 31 March 2014, your pension will be at the increased rate of*1/60th* of your final year’s pensionable pay multiplied by your membership. There’ll be *no* automatic lump sum for membership built up after 31 March 2008, but you do have the choice to take a tax-free lump sum in exchange for some of your pension.

From 1 April 2014, your pension will build up at a rate of *1/49th* of your pensionable pay or assumed pensionable pay\* in a pension scheme year (1st April to 31st March), this amount is added to your pension account and adjusted each year in line with inflation. (\*Assumed pensionable pay is a notional pay figure that means your pension is not affected if your pay is reduced when you are absent for certain reasons; more information on this is available on the national LGPS member website in the ‘[if you are away from work](https://www.lgpsmember.org/your-pension/paying-in/if-you-are-away-from-work/)’ section.)

Up to 25% of the overall value of the pension benefits can be taken as a lump sum, with £12 lump sum for each £1 of annual pension given up.

### **Protections for a member covered by the McCloud remedy - the underpin check**

If you are covered by the McCloud remedy, an underpin check will be made which compares the career average pension you built up in the remedy period with the pension you would have built up in the final salary scheme. If the final salary pension is higher, the difference is added to your pension.

This underpin check will take into account the differences in the scheme structures. The Normal Pension Age for pension built up in the final salary and career average schemes is different for most members. The underpin check will also reflect any age adjustment to your pension because you are taking it early or late.

### **Getting independent financial advice:**

Any decisions made about your pension are important financial decisions. We always advise that you get independent financial advice before making important financial decisions. You can use your local phone book or type “independent financial services” into any web browser to source advice.

MoneyHelper is a government backed service provided by the Money & Pensions Service. Their website, [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk), has information on a wide range of topics, including getting financial advice.

### **What happens if you don’t return the form?**

If you don’t return the form, payment may be delayed.

**RETIRE2 - Death grant – expression of wish form - not compulsory**

### **The General Data Protection Regulation.**

The Cambridgeshire Pension Fund and Northamptonshire Pension Fund are a Data Controller under the General Data Protection Regulation.This means we store, hold, and manage your personal data in line with statutory requirements to allow us to provide you with pension administration services. To help us to carry out our statutory duty, we need to share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your data, who we share it with and what rights you have to request information from the Fund, please visit:

[Cambridgeshire Pension Fund](https://pensions.cambridgeshire.gov.uk/governance/key-documents/cambridgeshire/)

[Northamptonshire Pension Fund](https://pensions.westnorthants.gov.uk/governance/key-documents/northamptonshire/)

Where you give us personal data about other individuals, such as family members, dependants, or potential beneficiaries under the Fund, please make sure that those individuals are aware of the information in this notice.

### **Potential value of the death grant**

If you die within 10 years of retiring – and you’re under age 75 when you die – your dependants (or whoever you nominated) will get a lump sum known as a death grant. How much they get depends on what options you took at retirement.

* If you chose to take standard benefits, the death grant is 10x your pension minus the amount of pension you already had paid.
* If you chose to take a bigger lump sum, the death grant is 10x your pension (before the lump sum was taken) minus the extra lump sum you had and minus the amount of pension you already had paid.

If you become an active member of the LGPS and die whilst an active member, the lump sum that would be payable from the scheme is the greater of death in service lump sum or the death grant payable from earlier benefits. If the death in service lump sum is the greater, no lump sum death grant will be payable from the scheme for those earlier benefits and if the lump sum from those earlier benefits is greater, no death in service lump sum will be due from the current period of membership.

### **Advantages of making an Expression of Wish**

The advantage of making an expression of wish is that the death grant will be paid quickly without waiting possibly several months for your estate to be settled. Who a death grant is paid to is at the discretion of the Fund; it does not form part of your estate, and therefore is *not* subject to any court fees or Inheritance tax if applying for a grant of probate or letters of administration.

### **Who can be nominated?**

You can make an expression of wish for whoever you’d like to have the death grant – friends, family, partner, even an organisation such as your favourite charity. All we ask is that if naming more than one beneficiary you show what share each should get (making sure the shares add up to 100%).

If you’re making an expression of wish for more than four people or organisations, please continue on a separate sheet. If you’d like to make an expression of wish for someone under 18 years old, you should think about setting up a trust fund. This can be done as part of your Will and a solicitor could help you with this.

### **What happens if you and your nominee(s) die at the same time?**

If you’ve nominated your spouse, civil partner or cohabiting partner and you were both to die at or around the same time you can indicate on the expression of wish form how you’d like the death grant to be split (eg equally between children or other family members etc).

### **Do you have to fill in an expression of wish?**

No you don’t, but please think about it seriously, as it’s the best way of letting us know your wishes. It’s also easy to change your mind at any time, by simply filling in a new nomination form. This is something you should think about if your circumstances change, for example if a beneficiary dies.

### **Will the Pension Fund always comply with your wishes?**

The Pension Fund will always take into account your wishes although we have absolute discretion as to whom we make payment of the death grant. This means that, in theory, it does not have to be paid to the named nominee(s).

This, however, only happens in very unusual circumstances. An example is where someone who is now married with children may have made an expression of wish in favour of their parents many years ago when they were single. In these circumstances we might think it reasonable that the person had forgotten to update their expression of wish and would therefore seek additional information before a decision was made.

**You’re responsible for keeping this form up to date**

### **Can you change your expression of wish?**

Yes, you can change your expression of wish at any time by:

* completing a new form and sending it to us; or
* updating your death grant nomination details on your [online pension account](https://lgssmember.pensiondetails.co.uk/home/login/index2.html) on our member website.

### **How do I register to access my pension account?**

* Visit our website either pensions.westnorthants.gov.uk or pensions.cambridgeshire.gov.uk or using the link above and read the user guide which can be found by clicking on the ‘Help’ option on the member hub.
* Click on login/register at the top of the page.
* Scroll down to the bottom of the page and click on the ‘Register’ button.
* You’ll need your national insurance number handy to complete your registration.

If you can’t find what you want in our user guide or need an activation key, please send an email to MyPension@westnorthants.gov.uk

### **What you should do if your circumstances change**

You should consider completing a new ‘Death Grant – Expression of Wish’ form if:

* Your circumstances change;
* You become divorced or dissolve a civil partnership;
* A person you have chosen dies.

### **What happens to your death grant if you don’t complete a death grant – expression of wish Form?**

As mentioned earlier, the Pension Fund has absolute discretion regarding who to make payment to. If you don’t complete a death grant – expression of wish form, it may be that the death grant will be paid to your estate and will be paid to whoever is legally entitled to receive payment. The probate office decides who that is and will issue a grant of probate or letters of administration, depending on whether you have written a Will or not.

This process can take time and the death grant then forms part of your estate and may be liable for inheritance tax. If you haven’t written a Will, your estate might not be split in the way you’d like.

### **Can an expression of wish form be completed if you have already written a Will?**

You can still complete the death grant – expression of wish form, which will speed up the process and give the advantages listed earlier.

**RETIRE5 - Previous benefits declaration - compulsory**

### **Why do I need to complete this declaration?**

The Government limits the amount of tax-free cash that can be paid to, or in respect of you, from registered pension schemes. If you wish to take a lump sum, we need to know about any pension benefits you have taken previously, to ensure you don’t exceed these limits. We don’t need to know about your state pension or any dependents pensions.

These notes will help you complete the previous pension benefits declaration form.

### **Lump sum limits**

Two lump sum limits were introduced from 6 April 2024, the lump sum allowance (£268,275) and the lump sum and death benefit allowance (£1,073,100). If the total of all lump sums you take from UK pensions is more than one of these allowances, you will have to pay extra tax. Tax on any excess is charged at your marginal rate.

Most members will not be affected because the maximum lump sum they can take is much lower than the allowances. If you have built up a large pension in the LGPS or a different scheme, the new allowances may affect you.

You can find more information about the lump sum allowances at [https://www.lgpsmember.org/your-pension/the-essentials/tax](https://www.lgpsmember.org/your-pension/the-essentials/tax/).

### **Pension terms explained**

**Dependants pension**

This is a pension paid to you, as a dependant, when a pension scheme member dies eg when your partner or spouse dies. You do not need to tell us about these pensions on the declaration form.

**Section 2 - Taking a lump sum** **(RETIRE5)**

**Transitional tax-free amount certificate (TTFAC)**

If you took payment of a pension or lump sum before 6 April 2024, these payments will have used up part of your lump sum allowances. Under HMRC rules, we must assume that you took the maximum lump sum allowed.

If you took less than the maximum tax-free lump sum allowed, you can apply for a transitional tax-free amount certificate. The certificate sets out the total lump sums you have received. We will then use these amounts to calculate how much of the lump sum allowances you have used, rather than assuming you have taken the maximum amount. For most members, a TTFAC will have no effect on the lump sum they can take from the LGPS. The allowances will generally only affect members who have built up very large pensions.

If you hold a TTFAC, you do not need to tell us about pensions or lump sums taken before 6 April 2024. You must send the TTFAC with your declaration form.

If you are thinking about applying for a TTFAC, you may wish to seek specialist independent financial advice. Some members could be worse off if they apply than they would be without a certificate.

In order for a TTFAC to be valid you must have applied for it, and it have been issued to you before you take your first pension lump sum after 5 April 2024.

You may apply for a certificate to any registered pension scheme you are a member of. You may wish to apply to the registered pension scheme under which you crystallised the majority of your pension benefits prior to 6 April 2024, or under which you expect to take your first lump sum after 5 April 2024.

If you would like more information about the application process for the Cambridgeshire Pension Fund and the Northamptonshire Pension Fund, please contact us via either:

Your [online pension account](https://lgssmember.pensiondetails.co.uk/home/login/index2.html).
Email: pensions@westnorthants.gov.uk

Telephone: (01604) 526417

**Section 3 – Previous pension benefits (RETIRE5)**

**Lifetime allowance % (LTA)**

Before 6 April 2024, the lifetime allowance limited the total amount of pension benefits a person could have before they paid extra tax. The lifetime allowance has now been replaced by the new lump sum allowances.

If you took payment of pension benefits before 6 April 2024, you will have used up LTA. Unless you hold a TTFAC, you should tell us the percentage of LTA you have used for any pensions and lump sums taken between 6 April 2006 and 5 April 2024. The pension scheme that pays/paid these benefits to you will have notified you of this. If you do not have this information, tell us the amount of yearly pension at the date it was first paid, and any tax-free lump sum paid.

If you took an UFPLS before 6 April 2024, tell us the LTA% used or the whole UFPLS amount ie the taxable and tax-free amounts paid.

If you took an UFPLS from 6 April 2024, we only need to know about the tax-free amount. Enter this in the ‘Lump sums paid from 6 April 2024’ table.

**Section 4 – Other lump sums and transfers (RETIRE5)**

You do not need to complete this section if you hold a TTFAC.

**Serious ill health lump sum**

A lump sum paid where your life expectancy is expected to be less than one year.

**Stand-alone lump sum**

A special type of lump sum paid to individuals who, on 5 April 2006, had the right to have all their pension scheme benefits paid as a tax-free lump sum. These are not common and are not payable from the LGPS.

**Section 6 – Lifetime allowance (LTA) protections and enhancements (RETIRE5)**

**LTA protections**

The Government reduced the lifetime allowance three times after it came into force in 2006. Each time it reduced, those people who had already built-up large pensions could apply for protection from the reduction. If you have an LTA protection, your lump sum allowances could be higher than the standard limits.

You can still apply to protect your lifetime allowance by applying to HMRC for Fixed or Individual Protection 2016. The deadline for making an application is 5 April 2025. See <https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance> for more information.

**LTA enhancements**

You may have applied for these if you transferred a pension to the UK from overseas or you were awarded a pension credit as part of a divorce/dissolution of a civil partnership.