



# DEFERRED MEMBER NEWS



## WELCOME TO THE 2023 NEWSLETTER

### for deferred members of the Local Government Pension Scheme (LGPS).

We have produced this newsletter together with other LGPS funds. If you would like more information about your pension benefits, contact [pensions@warwickshire.gov.uk](mailto:pensions@warwickshire.gov.uk)



## YOUR QUESTIONS ANSWERED

### What are deferred benefits?

Deferred benefits are worked out for you if you leave the LGPS before you retire. The figures quoted in annual statements are based on your pension starting to be paid at normal pension age (NPA). If you are older than 65 and your NPA, your annual statement will include increases for retiring after your NPA.

### What is my NPA?

Your NPA is based 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?

You can take your deferred benefits at any age between 55 (see note below) and 75, as long as you have left the job your deferred benefits are linked to.

You can take your benefits:

- reduced at any age between 55 (see note) and your NPA;
- unreduced at your NPA;
- with increases after your NPA and up to age 75 (but if you left the LGPS before 1 April 1998, you can't defer taking your pension past your NPA); and
- unreduced at any age before your NPA if you are given access to them because of ill health.

*Note: You may not be able to take your LGPS benefits at age 55 in the future. Please see our update on page 3.*

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

You can take your deferred benefits before your NPA, but they'll normally be reduced because your pension will be paid for longer. The size of the reduction will depend on how early you take your benefits.

The table below sets out the percentage reduction that will apply to your pension if you take it before your NPA.

### Early retirement reductions (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%	6.9%
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

The early retirement reductions are set by the Government and may change from time to time. The rates in place at the date you take your benefits will apply.

You can use the benefit calculators on our website to find out how much you might get when you choose to take your benefits:

[warwickshirepensionfund.org.uk/](http://warwickshirepensionfund.org.uk/)

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

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

If you think this may apply to you, you should contact your previous employer. Before they can approve your application, they must ask an approved independent registered medical practitioner for an opinion to help make the decision.

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

Each April, your deferred benefits are adjusted by the Consumer Price Index (CPI) as at the previous September. For April 2023, the increase is 10.1%.

If you became a deferred member before 26 April 2022, you'll get the full increase. However, if you became a deferred member after that date, you'll only get part of the 10.1% increase.

### Can I transfer my deferred benefits to another pension scheme?

If you meet certain conditions, you may be able to transfer your deferred benefits to another scheme. Transferring your pension is an important decision and one that you should think about carefully. You can find out more about transferring on our website: [warwickshirepensionfund.org.uk/](http://warwickshirepensionfund.org.uk/)

### What happens to my deferred benefits if I die?

A lump sum death grant may be due to your loved ones.

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 LGPS pension account at the time of your death, only the highest death grant would be paid.

Visit [warwickshirepensionfund.org.uk/](http://warwickshirepensionfund.org.uk/) and log in to the secure members' area {insert name of fund's online system}. 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 a form on our website.

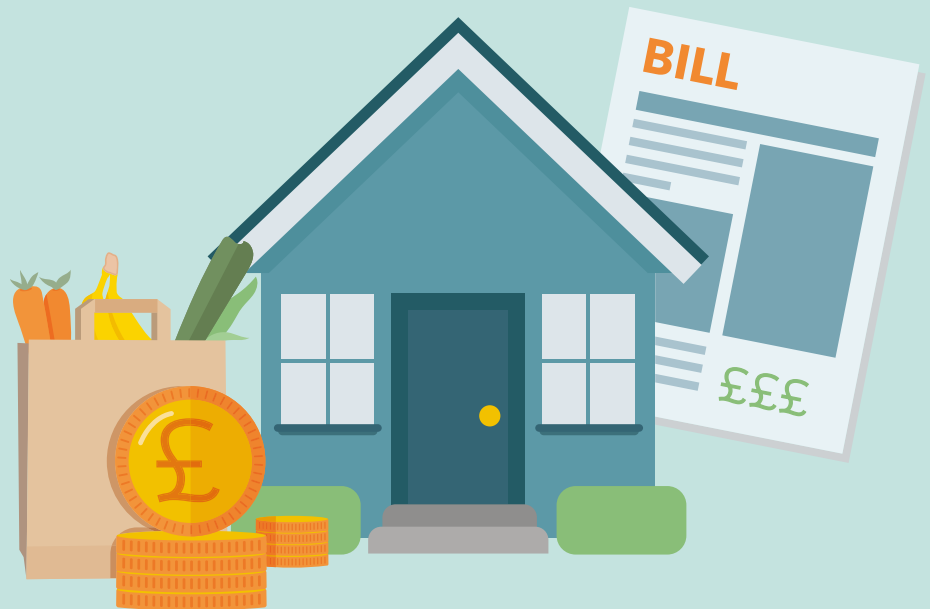
A survivor's pension may also be paid to your dependants, such as:

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

You can use our online system to find out how much your dependants could get.

### How do I update my personal details?

If any of the personal information shown on your annual statement is out of date, you can update this by logging in to your [warwickshire.pensiondetails.co.uk/](https://www.warwickshirepensiondetails.co.uk/) account. If you need to make a change to your name, partnership status or gender, we need to see a copy of the relevant legal document before we can authorise this change



## HELP WITH THE RISING COST OF LIVING

**It's fair to say that we all have noticed the effect of rising costs, whether at the supermarket while doing the weekly shop or from increasing energy bills.**

It can be challenging to make your money stretch further while trying to keep a certain standard of living. This can lead to people feeling vulnerable, anxious and even overwhelmed.

The cost-of-living crisis is a national concern, and the Government has put certain support in place to try to help you if:

- you need support with your housing costs;
- you need support with your bills;
- you need support coping with disabilities; or
- you are generally finding things difficult and need someone to talk to.

For more information about this support, please visit: [www.gov.uk/cost-of-living](https://www.gov.uk/cost-of-living)

You can also visit [www.gov.uk/cost-living-help-local-council](https://www.gov.uk/cost-living-help-local-council) for information about how you may be able to get help with essential costs from your local council. This is sometimes known as 'the Household Support Fund'. This could help if you're struggling to afford things such as energy and water bills, food and essential items.

Other national organisations, such as MoneyHelper, are also providing lots of support. This ranges from sharing tips for cutting back costs and making income go further, to highlighting scams. [www.moneyhelper.org.uk/en](https://www.moneyhelper.org.uk/en)



## CHANGES TO STATE PENSION AGE AND INCREASE TO THE NORMAL MINIMUM PENSION AGE

**The Government has carried out a review of the State Pension age to see if it needs to change and decided it will not be making any changes this parliament.**

If you paid into the LGPS after 1 April 2014, the date your pension can be paid without reductions is the same as your State Pension age. So, if your State Pension age changes, the date your LGPS pension can be paid without reductions will also change.

The date your LGPS pension is paid from without reductions is known as your normal pension age (NPA). You can find this date on your annual benefit statement.

You can choose to take your pension earlier than this date (currently from age 55), but as it will be paid longer than expected, it will be reduced.

The earliest date you can start receiving your pension is set by the Government and is known as the normal minimum pension age (NMPA). This will increase to age 57 from 6 April 2028. If you started paying in before 3 November 2021, you may have a protected NMPA of age 55, and future changes will not affect you.

## MC CLOUD AND THE LGPS

**In 2014, the LGPS changed from a final salary scheme to a career average scheme. At the time, protections were put in place for older scheme members, which allowed pension funds to work out if their benefits would've been better in the final salary scheme or the new scheme and then the higher of the two was paid.**

Similar rules were also brought into other public service pension schemes, such as the NHS and Teachers' Pension Schemes.

Following a court ruling (commonly known as the McCloud judgement) it was decided that the rules were unlawful and unfair to younger members. Revised rules are expected to be brought into the LGPS later this year.

### **What this will mean for you**

Protections will apply to all qualifying members regardless of their age. They will apply to you if you were a member of the LGPS before 1 April 2012 and at any time between 1 April 2014 and 31 March 2022, as long as you didn't have a disqualifying break. Pension funds are working hard to identify the members who qualify.

You won't need to do anything for the new rules to apply to you. If the protections increase the value of your pension benefits, we will make any changes and let you know. However, it's expected that most members' pension benefits won't be affected.

## PROPOSED CHANGES TO REVALUATION DATE

**You may have heard about a consultation that was released in February 2023 by the Department for Levelling Up, Housing and Communities to change the date that the cost-of-living adjustment is applied to CARE benefits in the LGPS.**

If you're a deferred member, these proposed changes won't affect you as long as you left the scheme before 1 April 2022. This is because your benefits are adjusted to keep pace with the cost of living by Pensions Increase Orders rather than revaluation by the Treasury. The suggested changes won't affect your pensions increase or the date on which it applies.

If you left the scheme after 1 April 2022, the proposals also won't affect you and you won't see any change to the benefits you received. This is because the adjustment is awarded on 6 April but is backdated to 1 April.





## INTRODUCING PENSIONS DASHBOARDS

In the future, LGPS funds will be taking part in a new initiative that is most likely going to be called 'Pensions dashboards'. This is a government programme designed to give you quick, easy and secure online access to information about all of your pension savings in one place. To access the pensions dashboards website, you will need to confirm your identity, so you know your information is safe and secure.

The hope is that, by having all of your pension information in one place, it will be easier for you to plan for your retirement. It may also help you find any lost pensions. Pensions dashboards will be free to use.

A date has not yet been set for when the project will be available for public use, but we will keep you updated as the project develops.

## RULES ON TRANSFERRING YOUR LGPS PENSION

**You can transfer your deferred benefits out of the LGPS to a different pension scheme if you want to.**

However, there are certain rules that have to be followed, especially if you are transferring your benefits from a 'defined benefit' scheme (such as the LGPS) into a 'defined **Rules on transferring your LGPS pension**

You can transfer your deferred benefits out of the LGPS to a different pension scheme if you want to. However, there are certain rules that have to be followed, especially if you are transferring your benefits from a 'defined benefit' scheme (such as the LGPS) into a 'defined contribution' scheme. You need to think carefully about whether transferring your benefits is the right choice and what this might mean for you in the long term.

You can't transfer your LGPS benefits to another pension scheme if you're within a year of your normal pension age (NPA). This is set out in the rules that your LGPS pension fund has to follow. And you can't transfer if you are still paying into the LGPS.

Pension funds have to carry out certain checks and can raise any concerns they have about a transfer under two categories - red flags and amber flags. Red flags are used when there is a clear sign of a scam or fraud. Amber flags are used when certain features of the scheme that you're transferring to show that you might be at risk of being scammed.

If you want to explore your options for transferring, you may need to ask your LGPS pension fund for a cash equivalent transfer value (CETV). (You can only request a CETV once every 12 months at most.)

Deciding whether to transfer out of the LGPS is a serious financial decision. You should only make this decision after taking advice from registered independent financial advisers. In some cases, by law you must take financial advice before you can transfer. Make sure that the company or person giving you the advice is registered with the Financial Conduct Authority (FCA). [www.fca.org.uk](http://www.fca.org.uk)



# APPLICATIONS FOR A NEW PENSION BOARD MEMBER NOW OPEN

**Looking for a new challenge and a chance to make a difference? The Warwickshire Pension Fund is currently seeking an additional member for its Local Pension Board, overseeing the Local Government Pension Scheme (LGPS).**

## **What is the LGPS?**

The LGPS is one of the largest pension schemes in the UK, providing a secure and guaranteed income every year to over 6.1 million members across England and Wales, regardless of how well investments perform. WCC is responsible for looking after the LGPS in Warwickshire, with over 54,000 members and assets of over £2.8 billion, supported by a Pension Board consisting of scheme member and scheme employer representatives.

## **Why is a new board member needed?**

The Pensions Board needs to appoint a new scheme member representative to ensure that the interests of those invested in the scheme are fully represented. By championing the concerns and perspectives of scheme members, the new representative will play a vital role in guiding the direction of the pension fund to ensure that it is fully aligned with the needs and goals of those invested in it.

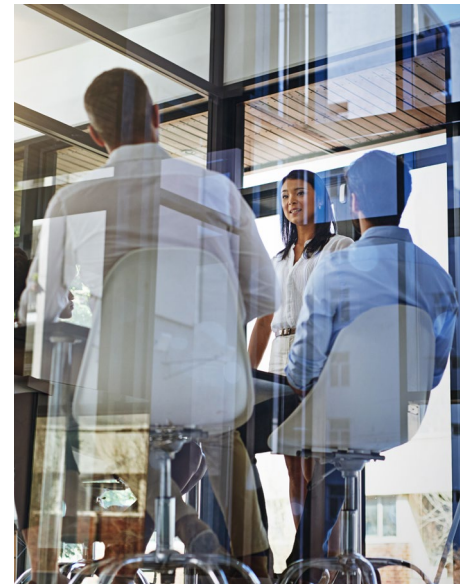
## **Who can apply?**

Current or former scheme members, or those working for a Scheme Employer who participates in the LGPS, are eligible for this unique opportunity to be involved in the administration and governance of the scheme. Applicants must also be available to attend Pensions Board meetings on a quarterly basis.

## **How to apply?**

Please visit <https://bit.ly/4637rwr> or scan the QR code to find out more and download an application form, which should be emailed to [martingriffiths@warwickshire.gov.uk](mailto:martingriffiths@warwickshire.gov.uk) by 21st July 2023. You will also find the Person Specification and Terms of Reference, which outline the required capacity and skills that will form part of the selection criteria.

*Warwickshire County Council (WCC) is committed to equality of opportunity for all employees and is keen to address areas of under representation in its workforce. This is because we understand the importance of different voices, experiences, perspectives, and backgrounds within our workforce. Therefore, we strongly encourage applications from members of underrepresented groups. WCC has a number of staff network groups which provide peer support and safe spaces for employees who hold these and other identities.*



Don't miss out on this exciting opportunity to make a difference and help shape the future of the LGPS in Warwickshire.

***Apply today!***

SCAN TO APPLY



## AGM INVITE

**We are pleased to be able to invite the members of the Warwickshire Pension Fund, for the first time to our annual meeting this year, which will be held on:**

**Friday 24 November at Warwick Racecourse, at 10am.**

Refreshments will be provided from 9.30am and we expect the meeting to finish around 1pm, a light lunch will also be provided.

If you wish to attend in person, places will be limited and will be allocated on a first come first served basis.

The annual meeting will give you an opportunity to learn more about the workings of the Fund, from both officers and advisors.

To book your place please e-mail [pensions@warwickshire.gov.uk](mailto:pensions@warwickshire.gov.uk)

We do hope you can join us.

Please ensure you provide us with an email address so a reminder can be sent to you prior to the meeting or a link to allow you to watch it online.

Confirmation of the agenda will also be provided nearer the time; information will be emailed to you and will be available on the Fund's website: [warwickshirepensionfund.org.uk/](http://warwickshirepensionfund.org.uk/)



## CONTACTING US

**There are various ways you can contact our office.**

### **Write to us at:**

Warwickshire Pension Fund, Warwickshire County Council, Shire Hall, Warwick CV34 4RL

### **Member Self Service Queries:**

Email: [mss@warwickshire.gov.uk](mailto:mss@warwickshire.gov.uk)

### **Articles or feedback about communications:**

Email: [pensions@warwickshire.gov.uk](mailto:pensions@warwickshire.gov.uk)

### **Payroll Queries:**

Email: [hbrandpayroll@warwickshire.gov.uk](mailto:hbrandpayroll@warwickshire.gov.uk)

The logo for LGPS (Local Government Pension Scheme) in a stylized, lowercase, orange font.



**WARWICKSHIRE**  
PENSION FUND