



# ACTIVE MEMBER NEWS



## WELCOME TO THE 2024 NEWSLETTER

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

We've produced this newsletter jointly with other LGPS funds. If you'd like more information about your pension benefits, contact Warwickshire Pension Fund.

Since 1 April 2014, the LGPS has been a career average revalued earnings (CARE) pension scheme. A proportion of your pensionable pay is added to your pension account each year. Your pension account is adjusted in line with the cost of living, and the revalued amount is added to your total pension pot.

A cost-of-living adjustment is applied each April to your pension benefits. For April 2023, this was an increase of 10.1%. You'll see this increase on your annual benefit statement. This adjustment is in line with the Consumer Price Index (CPI).

Please check that all the information in your statement is correct. Most importantly, check the 2023/2024 CARE pensionable pay figures shown on your statement, as these are the figures that affect how your pension builds up. Your employer gives us information about your pay, so if this is wrong, you should contact them.

The increase for April 2024 has been confirmed as 6.7%, but this will be included on your 2025 annual benefit statement because your statement is produced on 31 March.

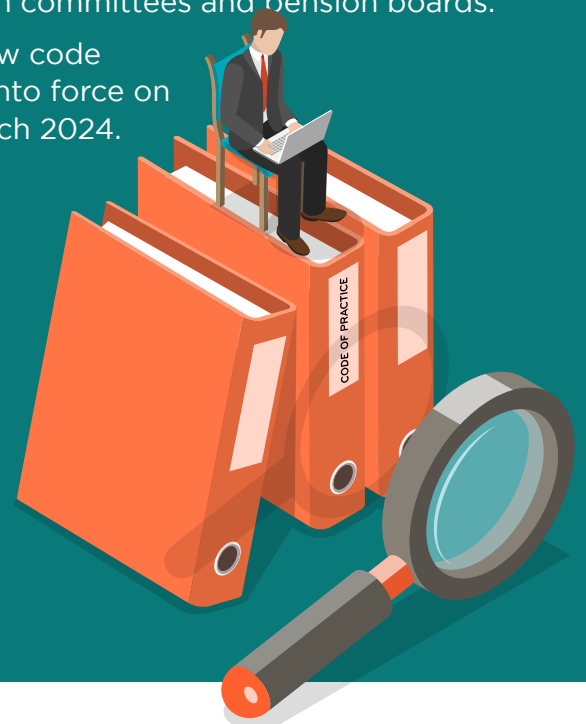
## NEW CODE FOR PENSION SCHEMES

The Pensions Regulator (TPR) has published a new code of practice for pension schemes. The new **General Code of Practice ('the code')** replaces **Code of Practice 14 for public service pension schemes** and brings together **10 previous TPR codes into one code.**

TPR's research on governance and administration shows that the LGPS already has high standards of governance in place. The new code gives an opportunity for funds to look at their current working practices and make sure that they meet the standards of the new code.

The code sets out a 'single set of clear, consistent expectations on scheme governance and administration' to give guidance to governing bodies such as pension committees and pension boards.

The new code came into force on 28 March 2024.



## UPDATE ON PENSIONS DASHBOARDS

**Last year we gave you an update about LGPS funds taking part in a new initiative called pensions dashboards.**

Pensions dashboards will allow people to access information about their pensions online, through a secure website. This means you will be able to see details about

all your pension benefits, from all your pension providers, in one place. This will help you with planning your retirement.

Pension providers must connect to the new dashboard by 31 October 2026.

LGPS funds are putting plans in place and are working with specialist companies to connect to the dashboard. We will keep you updated on our progress.

For more information on pensions dashboards, please visit

[www.pensionsdashboardsprogramme.org.uk](http://www.pensionsdashboardsprogramme.org.uk)

## MCCLLOUD UPDATE

**The LGPS rules changed from 1 October 2023. The changes made are called the 'McCloud remedy' and remove age discrimination which was highlighted in the McCloud court case.**

Here is a brief overview of the McCloud case and what it could mean for members.

### Background

In December 2018, the Court of Appeal ruled that younger members of the judicial and firefighters' pension schemes had been unlawfully discriminated against because pension protections (or 'underpin') that had been put in place for older scheme members did not apply to them.

This ruling is called the 'McCloud judgment', after a member of the Judicial Pension Scheme involved in the case. Because of the ruling, there are now changes to all public service pension schemes that provided protections, including the LGPS.

The changes are intended to remove the age discrimination found in the McCloud court case.

### What does the McCloud remedy mean?

The McCloud remedy means two main changes for LGPS members.

1. Qualifying younger members are now protected by the underpin too. This removes the discrimination found in the McCloud judgment.
2. The new underpin rules are much more detailed. This means that the underpin works fairly and consistently for all protected members.

### How will the remedy affect me?

The new underpin rules are very complex and we expect only a small number of scheme members will have an increase to their pension benefits. We will check all members' records to work out if they are due an increase as a result of the McCloud remedy. If you are affected, we will contact you direct.

### How do I get more information?

For more information, please visit the McCloud remedy web page on the LGPS member website at The McCloud Remedy: [www.lgpsmember.org/mccloud-remedy/](http://www.lgpsmember.org/mccloud-remedy/)

### Do I need to do anything?

We will look at your pension record to find out if you are protected by the underpin. You do not need to contact us. Your 2025 benefit statement will include information about how you are affected by the changes.



## STANDARDS OF RETIREMENT

**The Pensions and Lifetime Savings Association (PLSA) have published the latest study on the Retirement Living Standards. Based on independent research by Loughborough University, the standards aim to remove uncertainty around planning for retirement and explain what retirement could be like at three different standards, as follows. The figures shown are the yearly amounts you'd need to achieve a certain lifestyle.**

### • Minimum

Single: £14,400

Couple: £22,400

Covers all your needs, with some left over.

### • Moderate

Single: £31,300

Couple: £43,100

More financial security and flexibility.

### • Comfortable

Single: £43,100

Couple: £59,000

More financial freedom and some luxuries.

Now in its fifth year, this research has become a benchmark for the pensions industry and the Government. Focus groups made up of UK residents from different backgrounds took part in the research. They talked about their expectations for retirement, and the opportunities and choices they need to take part in society, not just survive.

Spending costs were worked out for each of the three standards, in line with the Consumer Price Index (CPI), in the following categories.

- House
- Food
- Transport
- Holidays and leisure
- Clothing and personal
- Helping others

The research suggests that retired people value doing things more than having things. Being able to help others (family or charities, for example) has become more important, not just for the expensive items but for little things such as:

- helping with everyday costs;
- treating loved ones to a meal; and
- helping pay for activities and treats (especially for grandchildren).

For more information, visit

[www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)

## PENSIONS MADE SIMPLE

If you want to find out more about your LGPS pension and your options as a scheme member and you're short on time, take a look at the Pensions Made Simple videos. These nine short videos will give you quick introductions to topics such as 'How your pension works', 'Transferring your pension', 'Protection for you and your family' and 'Life after work'. Watch the videos now on [www.lgpsmember.org/help-and-support/videos/](http://www.lgpsmember.org/help-and-support/videos/)



# PENSION AWARENESS WEEK – TIME TO GET ON BOARD



The following statements show that many people are not prepared for retirement and are not taking steps to plan their pensions and communicate with their pension providers.

Research showed that

**77%** of savers don't know how much they'll need in retirement

Source: PLSA

**1 in 6**

over 55s have no pension savings yet

Source: unbiased

**5 million**

people approaching retirement are at risk of not having 'adequate' pension income

Source: Centre for Aging Better

During Pension Awareness Week, organisations from across the pensions industry hold free events, webinars and pension clinics to help members understand pensions and how to achieve the retirement they want. The aim is to boost people's interest in their pensions.

Pension Awareness Week returns from 9 September 2024. Support ranging from webinars to toolkits will be available on the website at [www.pensionawarenessday.com](http://www.pensionawarenessday.com)

You may be able to help a colleague, family member or friend by encouraging them to get in touch with their pension providers. If they have lost contact with them, help is available at [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details). Or, you may want to do something as simple as checking your State Pension ([www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension)).

## ARE YOUR NOMINATED BENEFICIARIES UP TO DATE?

You are covered for death in service from day one of paying pension contributions. If you die in service before the age of 75, and you are still paying contributions into the LGPS, an amount equal to three times your assumed pensionable pay can be paid as a death grant to someone you nominate. Assumed pensionable pay is an estimated figure used to make sure your pension is not affected if your pensionable pay reduces when you are away from work, for example due to sickness.

If you also have deferred benefits or are receiving a pension (or both) from a previous period of membership of the LGPS, the lump sum death grant we pay will be:

- the total of any lump sum death grants payable from the deferred benefits or pension; or
- three times your assumed pensionable pay at the date of your death (the death-in-service grant); whichever is higher.

You can let us know who you would like us to pay the death grant to by filling in an expression of wish form on our website or logging on to our online portal.



## KEEP YOUR PENSION SAFE

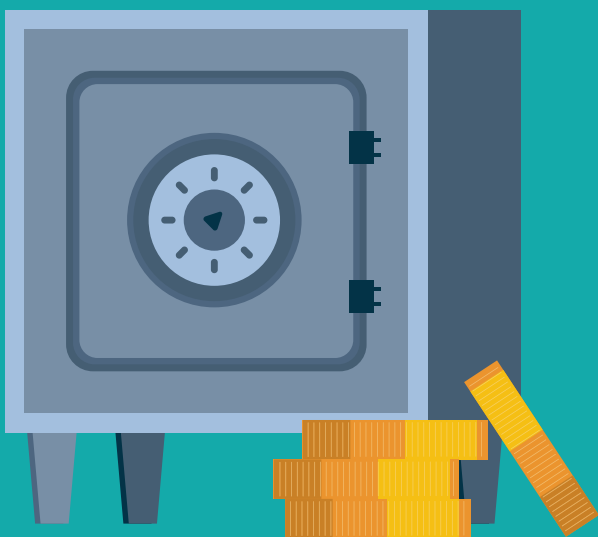
The number of pension scams continues to rise. It's more important than ever to understand how to protect your funds and the signs to look out for if you think you might be dealing with a scam.

Scammers often claim to be from genuine pension providers. They may contact you unexpectedly, through methods such as email, text message, social media or illegal cold-calling. They may offer you a 'free review' to discuss your finances. Their aim is to persuade you to transfer your pension savings to them, by promising access to high-earning, low-risk benefits.

If you want to find out more about how you can protect yourself against scams, visit the Financial Conduct Authority's (FCA) website at [www.fca.org.uk](http://www.fca.org.uk)

You can find more advice at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

If you receive a phone call or email which you think may be from us but you're not sure, don't give out your details. Please contact us to find out if the call or email is genuine.



## THE LOCAL GOVERNMENT PENSION SCHEME (LGPS) BENEFITS

**The LGPS is one of the best public-sector pension schemes in the country. Membership provides you with a secure, regular income, linked to inflation, when you retire. There are also other valuable benefits, including the following.**

- A reliable pension for life when you retire, based on your membership and pay and not linked to the ups and downs of financial markets.
- The option to convert some of your pension to a tax-free lump sum within set limits when you retire (an automatic lump sum is paid for service up to 31 March 2008).
- A pension for your dependants after you die.
- You may be able to retire from age 55 onwards (this rises to age 57 from 6 April 2028).
- Valuable 'peace of mind' life cover at no extra charge. If you die while you are an active member of the scheme, your nominated beneficiary may receive a lump sum death grant based on three times your assumed pensionable pay (see the note below).
- You may qualify for an early pension if you have to retire due to ill health (but you must have been a member of the scheme for at least two years).
- If you are over the age of 55 (57 from 6 April 2028) and are made redundant, you will receive your benefits without any early-payment reductions.
- If you stopped paying LGPS contributions before you retired and you met the two-year qualifying period, you will have deferred benefits in the LGPS. Your benefits are reviewed every April and kept in line with the cost of living, until they start to be paid.

*Note: If you have a separate deferred benefit or are receiving an LGPS pension when you die, this may affect the amount you are paid.*

## CARE AND FINAL SALARY

In 2014 the scheme changed from a final salary scheme to a career average revalued earnings (CARE) scheme. This means any of the pension you have built up in the scheme after 1 April 2014 is based on the pay you earn each year, rather than on your final salary when you leave.

- All benefits you earned up to April 2014 remain protected as final salary benefits.
- For each year you are in the CARE scheme, we will add pension equal to 1/49th of your pensionable pay into your pension account, or 1/98th of your pay for any period spent in the 50/50 section. (The 50/50 section allows you to reduce your contributions by half, and in return build up half your normal pension benefits). This is then revalued each year in line with inflation.

*Note: If you were in the scheme before 1 April 2014, your final pension benefits will be a combination of final salary and career average benefits.*

Your normal pension date – when you can retire and take your benefits in full – is linked to your State Pension age.

You can choose to retire and take your LGPS pension any time from age 55 (see note below). Your benefits will be reduced if you choose to retire before your normal pension date or increased if you retire later.

Note: This is rising to age 57 from 6 April 2028. In order to take flexible retirements you must meet the two-year qualifying period and must have your employer's approval.

## AGM INVITE

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

**Friday 15 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)




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