



LGPS England and Wales

Annual Benefit Statements – Technical Guide

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Part 1 – Introduction

The LGPC working with the Communications Working Group (CWG) have published this guide. Its purpose is to assist administering authorities in producing annual benefit statements for active members of the Local Government Pension Scheme (LGPS).

This guide sets out our understanding of what **must be included** in an annual benefit statement. You can read extracts from and find links to the legislation we have referred to in [Part 5](#). We have also included recommendations of ‘best practice’. This is the information that should be provided to active members in their annual benefit statement to improve understanding and engagement. We have based these recommendations on member research undertaken by administering authorities represented on the CWG and on past practice.

Individual administering authorities can choose the format of their own statements. This guide does not include any recommendations about statement design or the order that data should appear in statements.

In [Part 2](#) you can find a list of data items for inclusion in annual benefit statements for active members. The table shows which data items must be included in an annual benefit statement, and which are optional. Our intention is for the list to be used as the basis for any standard data extract or report for annual benefit statements. The list could also form the basis of any standard statement template produced.

Legislation requires the inclusion of specific data items in annual benefit statements for active members. It also requires that some benefit calculations be explained. To add clarity, administering authorities are likely to provide additional supporting information to members when they issue annual benefit statements. [Part 3](#) of this guide sets out the additional information that must be provided when an annual benefit statement is issued. We have also listed additional information that we recommend administering authorities include.

Regulation 89 of the LGPS Regulations 2013 requires that administering authorities issue a benefit statement to all active, deferred and pension credit members. It specifies that they must issue these statements within five months of the end of the Scheme year – by 31 August.

The regulations are silent on what must be included in an annual benefit statement for a deferred member, deferred pensioner member or a pension credit member. This guide does not cover those statements in detail. Some provisions of the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendments) Regulations 2014 should be communicated to deferred and pension credit members. [Part 4](#) covers briefly what should be communicated in an annual benefit statement for a deferred, deferred pensioner or pension credit member.

Regulation 89(4) states that an annual benefit statement for an active member must be issued in accordance with section 14 of the Public Service Pensions Act 2013. Section 14 of that Act refers us to the Treasury Directions. A copy of The Public

Service Pensions (information about Benefits) Directions 2014 (the Directions) is included in [Part 5](#).

The Directions cover what must be included in an active member annual benefit statement and this forms the basis of [Part 2](#) and [Part 3](#) of this guide.

The Directions also cover **how** a benefit statement may be provided to an active scheme member. It is becoming more common for administering authorities to make annual benefit statements for active members available online. Any annual benefit statement supplied online must comply with the requirements of paragraph 5 of the Directions:

A benefit information statement may only be provided by being sent to a person's electronic address or being made available on a website if the scheme manager is satisfied that the statement is provided in a manner-

- (a) designed so that **the person will be able to get access to, and store or print, the statement;** and
- (b) that takes into account the requirements of disabled persons.

Paragraphs 6 and 7 of the Directions cover what an administering authority must do the first time and each subsequent time an annual benefit statement is supplied by email or online.

Part 2 – Data for active member benefit statements

The table that follows is colour-coded and sets out:

- data administering authorities must include in an active member annual benefit statement (text in **red**)
- data administering authorities may choose to include in an active member annual benefit statement (text in **blue**)
- additional data items that administering authorities may need to distribute or allocate the statements to the correct member or pension record (text in **green**)

It is specified in the table which category a data item falls into. The 'Notes' column includes a further explanation of the definition or calculation of a data item where this is needed.

Table 1: Data for active member annual benefit statements

Data item	Notes
Personal Details	
Title	
Initials	Legislation does not specify what personal data must be included in the statement.
First name(s)	<p>Sufficient data must be included in the statement or in the report to ensure that:</p> <ul style="list-style-type: none"> • the member can be identified • if the member has multiple active pension accounts, the member can identify which pension account the statement relates to • the statement can be matched with the correct record on the pension administration system and • the statement can be distributed. <p>Administering authorities should consider data protection when deciding what information to include in a statement. It may be beneficial to include certain information such as date of birth for verification purposes. Doing so gives the member an opportunity to check whether these details are correct and inform the administering authority of any inaccuracies.</p> <p>Administering authorities may choose to move away from including a national insurance number, particularly if statements are posted to home addresses, but this data must be included in the data extract for matching purposes.</p>
Surname	
Address 1	
Address 2	
Address 3	
Address 4	
Address 5	
Post code	
Date of birth	
NI number	
Payroll number	
Reference number	
Employer on 31 March 20xx	
Job title	
Email address	For distribution purposes.

Items in **red** are compulsory, **blue** are optional, **green** are likely to be used for distribution purposes only.

Data item	Notes
Section of scheme on 31 March 20xx	If a projection is provided, it is important that the member is informed what section of the Scheme that projection has been based on. Including section also allows the member to check this information is correct.
Normal Pension Age	If a projection to Normal Pension Age (NPA) is provided, the member must be informed what age or date the projected benefits are payable from.
Normal pension date	Even if no projection is provided, benefits at 31 March, payable at NPA are quoted. The statement should include the age or date that these benefits are payable from.
Partnership status (recorded)	<p>Administering authorities may have a choice on what survivor pension to quote in benefit statements for certain members.</p> <p>It is our recommendation that the survivor pension quoted in respect of a member who, according to records held by the administering authority, is married, in a civil partnership or has an eligible cohabiting partner is based on that relationship status.</p>
Partnership status (used in calculation of survivor benefits)	<p>No survivor pension (other than a pension for an eligible child) is payable in respect of a member whose relationship status is single, divorced, widowed, widowered, civil partnership dissolved or civil partner deceased at the time of their death. Administering authorities may choose not to quote a survivor pension in respect of these members, nor in respect of those members whose relationship status is unknown. Alternatively, an administering authority may choose to quote the survivor pension that would become payable if the member died as an active member of the Scheme and left a spouse.</p> <p>The statement must explain how survivor benefits are calculated. This explanation must include what relationship status the survivor pension quoted has been based on.</p>

Items in **red** are compulsory, **blue** are optional, **green** are likely to be used for distribution purposes only.

Data item	Notes
Pensionable pay for year ending 31 March 20xx	
Final salary pay for year ending 31 March 20xx	
Date pensionable service started	The date the member joined the LGPS in their current employment. This should be the latest date if the member has multiple periods of non-continuous membership in the same employment.
Death benefits	
Lump sum death grant	Death grant payable if the member had died on 31 March 20xx, based on 3 x APP
APP used in death grant calculation	<p>It is unlikely that employers will supply an APP figure in their end of year returns. Estimated APP should be based on:</p> <ul style="list-style-type: none"> • annual pensionable pay (if the member worked a full year) or • part year pensionable pay scaled up to a full year (if a part year worked).
Annual survivor's pension (before debit applied)	Annual survivor pension payable if the member had died as an active member on 31 March 20xx.
Divorce debit to survivor's pension	Including revaluation to 31 March 20xx.
Annual survivor's pension	As above, after deduction of divorce debit.
Final salary survivor pension	If member had died on 31 March 20xx, not adjusted for any divorce debit.
CARE survivor pension	
Expression of wish details	Name of nominee(s) and percentage share.

Items in **red** are compulsory, **blue** are optional, **green** are likely to be used for distribution purposes only.

Data item	Notes
Benefits at 31 March	
Annual pension at 31 March 20xx (before divorce or Annual Allowance (AA) debit applied)	<p>For a member under NPA on 31 March 20xx:</p> <ul style="list-style-type: none"> • unreduced benefits built up to 31 March 20xx • including late retirement increases on pre 2014 benefits for members with a NPA greater than 65 • including additional pension (APC and ARC) purchased or awarded on or before 31 March 20xx, including revaluation up to 31 March 20xx • including late retirement increase to pension derived from an ARC that would apply at NPA • including added years purchased up to 31 March 20xx <p>For a member over NPA on 31 March 20xx, as well as the above: Including late retirement increases that would have applied on 31 March 20xx.</p>
Automatic tax free lump sum at 31 March 20xx (before divorce debit applied)	
Annual survivor's pension	Survivor pension that would be payable if the member left 31 March 20xx and then died as a deferred member. Not including any adjustment for a divorce debit.
Divorce debit to pension	<p>For a member under NPA on 31 March 20xx: Debit that would apply at NPA including pensions increase to 31 March 20xx and any adjustment for late retirement.</p> <p>For a member over NPA on 31 March 20xx: Debit that would have applied had the member retired on 31 March 20xx including pensions increase and adjustment for late retirement.</p>
Divorce debit to lump sum	
Annual Allowance Scheme pays debit	
Divorce debit to survivor pension	Including pensions increase to 31 March 20xx.
Annual pension at 31 March 20xx	As above, but after the deduction of any divorce or AA Scheme pays debit.
Automatic tax free lump sum at 31 March 20xx	
Survivor pension at 31 March 20xx	

Items in **red** are compulsory, **blue** are optional, **green** are likely to be used for distribution purposes only.

Data item	Notes
Reduced pension at 31 March 20xx if maximum lump sum option taken	Based on figures after divorce or AA debit applied.
Increased tax free lump sum at 31 March 20xx if maximum lump sum option taken	
Only to be provided for a member who was between age 55 and NPA on 31 March 20xx:	
Annual pension at 31 March 20xx	Benefits payable on 31 March 20xx: <ul style="list-style-type: none"> • after early payment reductions applied (and late retirement increase on pre 2014 benefits if member is between 65 and NPA) • Including additional pension or added years purchased up to 31 March 20xx • After the deduction of any divorce or AA debit applied
Automatic tax free lump sum at 31 March 20xx	
Reduced pension at 31 March 20xx if maximum lump sum option taken	
Increased tax free lump sum at 31 March 20xx if maximum lump sum option taken	
Benefits at 31 March – supporting data	
80ths service	There is a requirement to supply details of how the member benefits are calculated. This section includes data that administering authorities may use to explain the calculation of the figures at 31 March – before any adjustment for early / late retirement or deduction of a divorce or AA scheme pays debit.
Added years purchased (80ths)	
80ths pension	
60ths service	
Added years purchased (60ths)	
60ths pension	
ARC purchased (inc PI to 31/03/20xx)	

Items in **red** are compulsory, **blue** are optional, **green** are likely to be used for distribution purposes only.

Data item	Notes
Total FS service	Continued from previous page
Total final salary pension	
Automatic lump sum	
CARE pension at 31 March previous year	
Revaluation amount 1 April previous year	
CARE pay in year main section	
CARE pension in year main section	
CARE pay in year 50/50 section	
CARE pension in year 50/50 section	
APC bought / awarded in year	
CARE transfer in completed in year	
Total CARE build-up in year	
Total APC purchased / awarded (inc revaluation to 31/03/20xx)	
Total CARE pension at 31 March 20xx	
Final salary survivor pension	That would be payable if the member had left on 31 March 20xx and died as a deferred member.
CARE survivor pension	

Items in **red** are compulsory, **blue** are optional, **green** are likely to be used for distribution purposes only.

Data item	Notes
Projection to NPA	
Annual pension at NPA (before divorce or AA debit applied)	<p>There is no requirement in regulations for administering authorities to provide a projection, but many will continue to do so because Scheme members value this information and to promote understanding of the Scheme.</p> <p>Figures at NPA for a member under NPA on 31 March 20xx should include:</p> <ul style="list-style-type: none"> • late retirement increase on final salary benefits • total APC pension that would be credited if ongoing contract(s) completed and including revaluation to date • total ARC pension that would be credited if ongoing contract(s) completed and including revaluation to date and late retirement increase • added years that would be purchased if ongoing contract completed • divorce debits including pensions increase to date (and adjusted for late retirement if applicable) • AA Scheme pays debit (adjusted for late retirement if applicable) • survivor pension built up if the member worked to NPA <p>For a member over NPA on 31 March 20xx – repeat member figures provided in ‘Benefits at 31 March’ section, or blank.</p>
Automatic tax free lump sum at NPA (before divorce debit applied)	
Pension divorce debit	
Pension lump sum debit	
Annual Allowance Scheme pays debit	
Annual pension at NPA (after divorce/AA debit)	
Automatic tax free lump sum at NPA (after divorce debit)	
Survivor pension (before divorce debit)	
Divorce debit to survivor pension	
Survivor pension (after divorce debit)	
Projection to NPA – supporting data	
80ths service	<p>There is a requirement to supply details of how the member benefits are calculated. This section includes data that administering authorities may use to explain the calculation of the figures projected to NPA – before any adjustment for late retirement or deduction of a divorce or AA scheme pays debit.</p>
Added years purchased (80ths)	
80ths pension	

Items in **red** are compulsory, **blue** are optional, **green** are likely to be used for distribution purposes only.

Data item	Notes
60ths service	Continued from previous page
Added years purchased (60ths)	
60ths pension	
ARC purchased (inc PI to 31/03/20xx)	
Total FS service	
Total final salary pension	
Automatic lump sum	
Total APC purchased / awarded at NPA (inc revaluation to date)	
Total CARE pension	
Other information	
LTA amount at 31 March 20xx	Based on benefits built up to 31 March 20xx, after any reduction for an AA Scheme Pays or divorce debit.
LTA percentage at 31 March 20xx	No late retirement increase should be added to the member's final salary benefits if they were under their NPA on 31 March 20xx when working out the LTA amount. If the late retirement increases are included, then the notes accompanying the statement should confirm that the figures are estimated.
Service history	Full details of the last ten lines of service history up to 31 March 2014

Items in **red** are compulsory, **blue** are optional, **green** are likely to be used for distribution purposes only.

Part 3 – Notes in active member annual benefit statements

In addition to the data items listed in [Part 2](#), legislation and Treasury Directions require that administering authorities must supply further information in annual benefits statements for active members. This Part covers the additional information that must be supplied, and other information that administering authorities may choose to include to promote understanding of the statement and the Scheme.

Administering authorities may choose to include this information in the statement itself or in accompanying notes. This order of this Part is based on the order that data items appear in [Part 2](#). Administering authorities will need to tailor the contents and order of their notes to suit the format and order of their statements.

The legislation that we have referred to in writing this guide is reproduced in [Part 5](#). Parts 1 and 2 of Schedule 5 to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 stipulate what information must be included in an active member annual benefit statement. Based on our interpretation, any item which must be included in the statement or notes because of those regulations is followed by (Disc2013) in the list below.

In our view, the annual benefit statement for an active member or the accompanying notes should explain the following:

- a) If a member has more than one post in which they are a LGPS member, how they can identify which statement is for which post. This may include a reference to the name of the employer, pensionable start date, payroll number or other reference number.
- b) There are two sections of the Scheme – the main and the 50/50. If a projection has been provided, state which section of the Scheme the projection has been based on. (Disc2013)
- c) What normal pension age (NPA) or normal pension date means, and that this may change in the future if the Government changes State Pension ages. Benefits can be taken any time between 55 and 75, and an actuarial adjustment will apply if the benefits are taken before or after NPA. What benefits have been quoted if the member was already over their NPA on 31 March. (Disc2013)
- d) Member and survivor final salary benefits quoted are based on current pay and no pay inflation has been assumed. Actual final salary benefits will be based on final pay on leaving the Scheme, and could be higher or lower than those quoted. Final salary benefits will only be shown for a member who joined the Scheme before 1 April 2014, or has completed a transfer from a Club scheme and all or part of the transfer value bought final salary membership in the LGPS. (Disc2013)

- e) Member and survivor CARE benefits include revaluation up to the previous 1 April only. If a projection has been provided, it is based on pensionable pay for the year ending 31 March 20xx (or an estimated annual rate for mid-year joiners). The projection is based on the section of the scheme the member was in on 31 March and the assumption that the member's pay will remain constant to their NPA. No account has been taken of future wage inflation or future Treasury Revaluation Orders. If the member was on reduced contractual pay or no pay due to sickness or relevant child related leave for any part of the year ending 31 March, that Assumed Pensionable Pay has been included in the pensionable pay figure for that period. (Disc2013)
- f) What to do if a member identifies an error in the personal details or salary information in the statement.
- g) How the death grant is calculated. Including a warning that a different death grant may be payable if the member has previous membership of the LGPS in England or Wales. If the member has:
- a deferred benefit
 - a suspended tier three ill health pension and/or
 - a pension in payment

then the greater of the death in service grant and the total death grants payable from the earlier membership(s) would be paid. (Disc2013)

- h) The administering authority makes the final decision on who will receive any death grant. They will take into account the member's wishes – include what the member should do to check and update expression of wish details.
- i) How the annual survivor pension is calculated, including:
- whether the survivor pension is based on the assumption that the member is married or in a civil partnership (if they are currently single or their marital status is unknown)
 - that no survivor pension (other than to an eligible child) will be paid if the member is single and is not survived by an eligible cohabiting partner
 - a warning that the survivor benefit payable to a surviving pre-leaving spouse or civil partner is based on all membership, the survivor benefit payable to:
 - an eligible cohabiting partner will not include any membership before 6 April 1988 (unless the member made an election before 1 April 2014 to pay extra for some or all of their pre-6 April 1988 membership to count)
 - a widow of a male member who married after leaving the Scheme, a survivor of a same sex marriage if the marriage occurred after leaving, or a civil partner of a post leaving civil partnership will not include any pre-6 April 1978 membership
 - a widower of a female member who married after leaving will not include any pre-6 April 1988 membership

The notes will need to explain the formula for calculating the survivor benefits. The notes should specify that the survivor benefits will be based on any final salary benefits built up before 1 April 2014, added years being purchased, ARCs that include survivors' benefits, plus the survivor benefits due under the CARE scheme (including the CARE enhancement based on $APP \times 1/160th \times$ period from 1 April to member's NPA). (Disc2013)

The notes should explain that there are pensions payable to eligible children. (Disc2013)

- j) Administering authorities may choose to include expression of wish for death grant details. The notes should explain that an expression of wish allows members to let the administering authority know who they would like any death grant to be paid to. The notes should also confirm that the administering authority retains absolute discretion over who to make the payment to. We recommend that information on how to check and update expression of wish details are also included.
- k) Whether the figures / which figures have been adjusted to take account of a reduction due to a pension sharing order and/or an annual allowance scheme pays (AASP) debit. That the pension sharing debit / AASP debit has been based on the assumption that the member retires at their NPA. The debit will be adjusted if the member retires at an earlier or later date to account for the longer or shorter recovery period. (Disc2013)
- l) How the member benefits at 31 March 20xx are calculated and when they are payable. A late retirement increase has been applied to any final salary benefits of a member below NPA, and to all the benefits of a member over NPA on 31 March 20xx. The late retirement increase is based on the factors currently in force, which may be different when the member takes their benefits. (Disc2013)
- m) Member option to exchange pension for tax-free cash when they take their pension (if post-commutation figures have been provided).
- n) Members require two years' Scheme membership to qualify for a pension in the LGPS, unless they have completed a transfer of pension benefits. Benefits at 31 March 20xx are provided for information only. If a member leaves with less than two years' membership, they will not qualify for benefits and will generally be able to opt for a refund of contributions.
- o) If reduced benefits on 31 March 20xx have been quoted, confirm that these have only been supplied for members who were over 55 and under their NPA on 31 March 20xx. The early payment reduction has been based on factors currently in force, which may be different when the member takes their benefits.

- p) A transfer of previous pension rights will be reflected in the figures only if it was completed by 31 March 20xx. A transfer completed after that date will be included in the statement issued in the next year.
- q) If a projection of benefits is provided, these are based on the assumption that the member remains in their current employment with no change in pensionable pay until their NPA. Confirm what figures (if any) are provided in this section for a member who was already over their NPA on 31 March 20xx. (Disc2013)
- r) Any lifetime allowance (LTA) figures are estimated only, and what to do if the member requires further information. (Note that, if the member was under NPA on 31 March 20xx, then it is likely that any LTA figures include the late retirement increase that would apply to the member's final salary benefits at their NPA. The LTA amount or percentage is likely to be over-stated).
- s) Paying extra – figures at 31 March 20xx include any extra pension bought under an APC or ARC contract, or added membership bought under an added years contract by that date. If any contract is ongoing, the figures projected to NPA are based on the assumption that the ongoing contract is completed.
- t) If lines of service history are shown, that only a maximum of ten lines (or however many you have chosen) have been displayed. All membership before 1 April 2014 is used to work out the member's final salary benefits, even if it has not been possible to display the entire membership history.

Part 4 – Annual benefit statements for deferred members

Regulation 89(4) of the LGPS Regulations 2013 only specifies that a benefit statement for an active member must comply with Treasury Directions issued under section 14 of the Public Service Pensions Act 2013. The regulations are silent on what must be included in an annual benefit statement provided to a deferred member.

Regulation 16 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 does not apply to benefit statements for deferred members because that regulation only applies to individual requests for a 'statement of benefits'. It does not apply to automatically produced annual benefit statements. Neither the requirements set out in parts 2 to 4 of Schedule 5 to those Regulations (information to be included in the 'statement of benefits') nor the requirements of regulations 26 to 30 of those Regulations (how the information is to be communicated to the member) have to be complied with when automatically producing an annual benefit statement.

There are a number of issues that administering authorities need to consider when they produce annual benefit statements for deferred members.

It is not possible to quote a specific NPA on annual benefit statements issued to deferred members who left after 31 March 2014. These statements will have to state that:

- the normal payable age for benefits built up after 31 March 2014 is the member's State Pension age (with a minimum of age 65)
- the member's normal pension age is currently [ddmmyyyy] and
- this may change in the future as and when the Government changes State Pension ages.

Any death grant shown should include a warning that the death grant would be payable if the member is not currently a member of the LGPS in England or Wales. If the member has re-joined the LGPS in England or Wales, the death grant payable would be the greater of:

- the total death grant from all deferred benefits, pensions in payment and suspended Tier three ill health pensions, or
- three times their pay (Assumed Pensionable Pay) in the new job.

The annual benefit statement should contain a statement to the effect that if the deferred member re-joins, or has re-joined, the LGPS in England or Wales they must, if they have not already done so:

- a) notify the administering authority of the fund in which they are an active member that they have a deferred benefit in another LGPS fund in England or Wales,

- b) notify the administering authority of the fund in which they are an active member of any intervening service in any other public service pension scheme (even if they have completed a transfer out of their benefits in respect of that service to non-public sector pension scheme) and
- c) notify the fund in which the deferred benefit is held that they are an active member in another LGPS fund in England or Wales.

(a) and (c) are required to ensure the member is given the appropriate options regarding aggregation of their benefits. Failure to comply with (b) could lead to certain statutory rights not being applied to the member. For example, not applying a final salary link if the member aggregates pre 1 April 2014 membership from the LGPS in England or Wales.

Part 5 – Regulations

This section includes extracts from, and links to the legislation that we have referred to in producing this guide.

Local Government Pension Scheme Regulations 2013

89. (1) An administering authority must issue an annual benefit statement to each of its active, deferred, deferred pensioner and pension credit members.

(2) Subject to paragraph (3), the statement must be issued no later than five months after the end of the Scheme year to which it relates.

(3) A statement must be issued before the end of the five month period mentioned in paragraph (2) where a member makes a request in writing to the administering authority, unless that authority is unable to comply with the request because relevant data is not available.

(4) The statement for an active member must be provided in accordance with section 14 of the Public Service Pensions Act 2013

Public Service Pensions Act 2013

14 Information about benefits

(1) Scheme regulations must require the scheme manager for a scheme under section 1 which is a defined benefits scheme to provide benefit information statements to each person in pensionable service under the scheme in accordance with this section.

(2) A benefit information statement must include—

- (a) a description of the benefits earned by the person in respect of his or her pensionable service, and
- (b) such other information as Treasury directions may specify.

(3) The information included in a benefit information statement must comply with such requirements as Treasury directions may specify.

[The Public Service Pensions \(Information about Benefits\) Directions 2014](#)

The Treasury, in exercise of the powers conferred by section 14(2), (3) and (6) of the Public Service Pensions Act 2013(a), make the following Directions.

Citation, commencement and interpretation

1.—(1) These Directions may be cited as the Public Service Pensions (Information about Benefits) Directions 2014, and come into force on 1st April 2015.

(2) In these Directions:

“benefit information statement”, in relation to a scheme under section 1 of the Act or a new public body pension scheme, means a statement issued in accordance with the provisions of section 14 of the Act;

“the Act” means the Public Service Pensions Act 2013; and

any term in these Directions that is defined in the Act has the same meaning as in the Act.

Information to be included in benefit information statements

2. A benefit information statement provided by the scheme manager for a scheme under section 1 of the Act or a new public body pension scheme to a person in pensionable service under such a scheme must include the information listed in Parts 1 and 2 of Schedule 5 (statement of benefits: non money purchase benefits) to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013(b) in relation to pensionable service—

(a) under the scheme, and

(b) under any statutory pension scheme that is connected to it.

Manner of provision of benefit information statements

3. The manner in which a benefit information statement is provided may include any of the following—

(a) by hand;

(b) by sending it to the person’s last known postal address;

(c) subject to the requirements in directions 4 to 6, by sending it to the person’s last known electronic address;

(d) subject to the requirements in directions 4, 5 and 7, by making it available on a website.

(a) 2013 c.25.

(b) S.I. 2013/2734.

4. Where a benefit information statement is provided by being sent to a person's electronic address or made available on a website, the scheme manager must on request from the person concerned provide a copy of the statement to the person free of charge in a paper copy or a similar form capable of being read.

5. A benefit information statement may only be provided by being sent to a person's electronic address or being made available on a website if the scheme manager is satisfied that the statement is provided in a manner—

(a) designed so that the person will be able to get access to, and store or print, the statement; and

(b) that takes into account the requirements of disabled persons.

6. Where a person's electronic address is used for the first time to provide a benefit information statement to a person, the following information must first have been given to the person by hand or sent to the person's last known postal address—

(a) the manner in which the statement is to be provided; and

(b) an explanation of how to get access to and read the statement,

and each subsequent time an electronic address is used to provide a benefit information statement to the person, the information mentioned in paragraphs (a) and (b) must first have been given in such a manner as the scheme manager considers will bring that information to the person's attention.

7. Where a website is used for the first time to provide a benefit information statement to a person, the following information must first have been given to the person by hand or sent to the person's last known postal or electronic address—

(a) the manner in which the statement is to be provided; and

(b) an explanation of how to get access to and read the statement,

and each subsequent time a website is used to provide a benefit information statement to the person, the information mentioned in paragraphs (a) and (b) must first have been given in such a manner, including by sending it to the person's last known electronic address, as the scheme manager considers will bring that information to the person's attention.

8. A benefit information statement may be provided by the scheme manager in accordance with these Directions either directly or indirectly, through a third party.

11 March 2014

Julian Kelly
Director, Public Spending
For H.M. Treasury

Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

Schedule 5

PART 1 Information for active members

1. The amount of any benefits (and how they are calculated) that would be payable on a date specified by the trustees or managers of the scheme if the member of the scheme were to die in service.

2. One of the following amounts, chosen by the trustees or managers of the scheme, of the member's benefits and survivors' benefits calculated without regard to possible increases in the member's salary—

(a) the amounts that would be payable from the date benefits are payable if pensionable service were to end on a date specified by the trustees or managers of the scheme,

(b) the amounts that would be payable from the date benefits are payable if pensionable service were to end on the member attaining normal pension age, or

(c) the amounts that would be payable from the date benefits are payable if pensionable service were to end on a date agreed between the member and the trustees or managers of the scheme.

3. The amount of the member's pensionable remuneration on a date specified by the trustees or managers of the scheme.

PART 2 Information for active and deferred members

4. The date on which the member's pensionable service started.

5. A summary of the method for calculating the member's benefits and any survivors' benefits.

6. Details of how any deduction from benefits is calculated.

In a Scheme the size of the LGPS, it would not be feasible for administering authorities to provide a projection based on a date 'agreed between the member and the trustees or managers of the scheme' (2(c)).

Administering authorities must provide details of the benefits payable at 31 March (2(a)).

Administering authorities may also choose to provide a projection of the benefits payable from the member's Normal Pension Age (2(b)).

Earlier regulations required a projection of benefits at normal retirement age to be provided, but this requirement was not replicated in the 2013 regulations.

Local Government Pension Scheme (Administration) Regulations 2008

Annual benefit statements

68.—(1) An administering authority must issue an annual benefit statement to each of its active, deferred and pension credit members.

...

(3) A statement must contain an illustration of the amount of benefit entitlement, in respect of the rights that may arise under the Scheme, which—

- (a) has been accrued by the member at the relevant date; and
- (b) in the case of an active member, is capable of being accrued by him if he remains in the Scheme until his normal retirement age.

Additional notes about projections to NPA

Research shows that members value the provision of a projection in their benefit statement. Some administering authorities have developed a bespoke data extract for annual benefit statements that includes a wider variety of projected figures. It would not be reasonable to recommend that all administering authorities adopt this approach, due to the technical demands involved.

Annual benefit statements have evolved over time and further developments are likely as the Scheme changes and technology advances. Administering authorities may move away from providing a projection to Normal Pension Age (NPA) over time because:

- online portals allow members to run projections of benefits at their chosen retirement dates
- future changes to the Scheme as a result of the McCloud judgment and the cost management process mean that projections to NPA are less meaningful
- changes in career paths mean that younger employees are less likely to remain in one profession for the whole of their working life
- the NPA of a young member is likely to increase before they reach retirement.

Figures projected to NPA must continue to be available in a standard annual benefit statement extract for those administering authorities that choose to supply a projection to their Scheme members.

Disclaimer

This document has been prepared based on the LGPC Secretariat's understanding of the information presently available including the relevant Statutory Instruments governing the Local Government Pension Scheme, associated overriding legislation and relevant draft legislation. It represents the views of the Secretariat and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any particular piece of legislation. No responsibility whatsoever will be assumed by the Local Government Association for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information in this guide.