

# Members' Forum

## **Presentation by the Pensions Shared Service (PSS) November 2024**

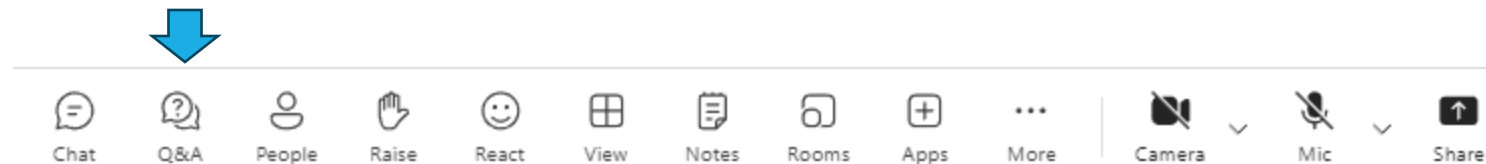
Martin Doyle - Assistant Director - Pensions Shared Service  
Carrie Adubofour - Pensions Administration Manager

# Housekeeping

- The webinar is being recorded on MS Teams - a link to the recording will be posted on our webpage along with today's presentation slides:

<https://pensionssharedservice.org.uk/news/member-webinars/>

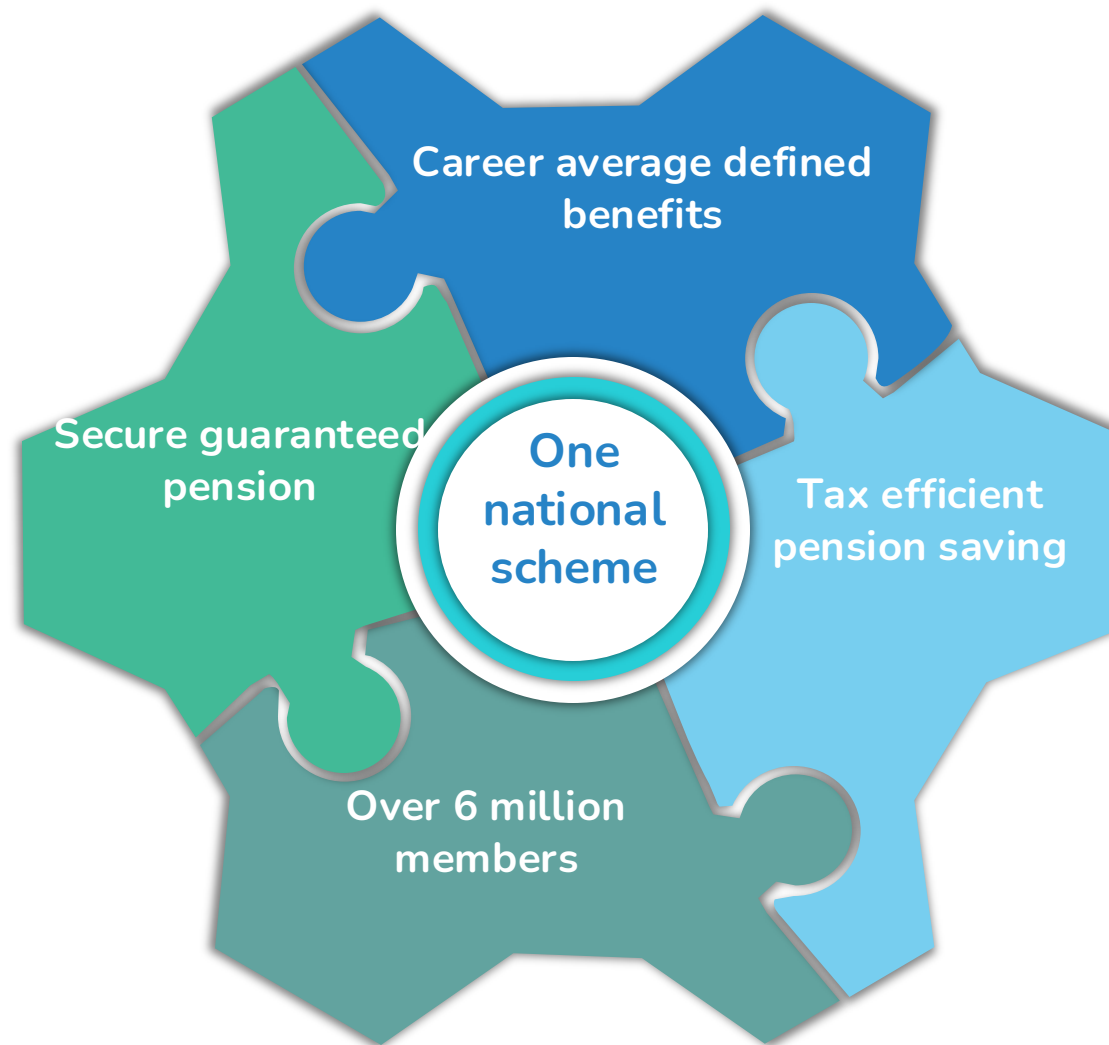
- Please turn off your microphone and camera
- Please submit your questions using the 'Q&A' facility



# Agenda

- What is the LGPS?
- Protection for you and your family
- What does it cost?
- Thinking of paying extra?
- Working out your pension
- Thinking of retiring?
- What is an Annual Benefit Statement?
- Member Self Service
- Useful links

# What is the LGPS?



# What is the LGPS?



- The LGPS regulations are nationwide and made in Acts of Parliament
- 86 funds across England and Wales administer the Scheme locally
- Pensions Shared Service
- 4 Pension Funds covering 5 London Borough hosted at Wandsworth Town Hall
  - Around 108,000 members
  - More than 230 employers

## Quiz Question

Q. Collectively what is the total value of Camden, Merton, Waltham Forest and Wandsworth Pension Funds?

A: Market value of the fund at 31 March 2024 over £7bn - Camden £2.1bn; Wandsworth £3.1bn; Merton £930K and Waltham Forest £1.1bn

# What is the LGPS?



- One of the largest pension schemes in the UK
- 2 million people paying into the scheme
- 1.9 million people being paid a pension
- 2.4 million have a pension they have not yet taken

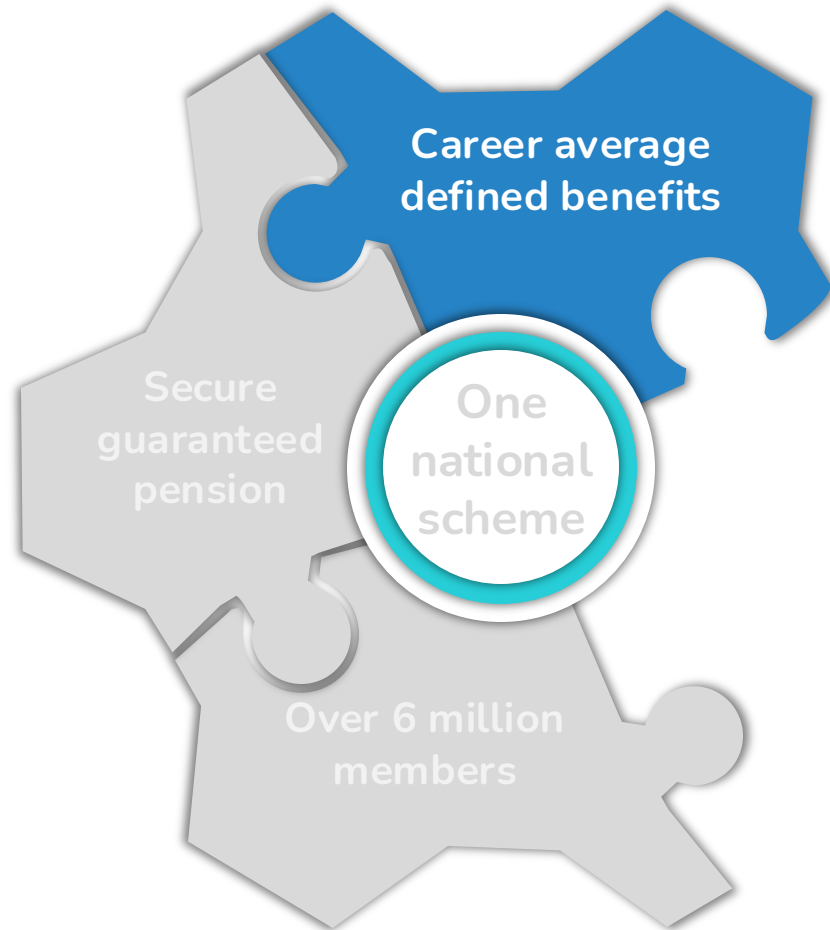
# What is the LGPS?



- Your pension builds up each year based on your pensionable pay
- Your pension is guaranteed by law and not linked to investment markets
- Both you and your employer contribute towards the cost of your pension



# What is the LGPS?



- Your pension builds up on a Career Average basis
- Each year 1/49th of your pensionable pay is added to your pension account
- Your pension at retirement is the amount in your pension account plus increases for the cost of living

# What is the LGPS?



- The LGPS is a great way to save for retirement
- You receive tax relief on the contributions you pay
- You can choose to take a tax-free lump sum when you retire

# Protection for you and your family



Death grant of three  
times your pay



Security for your  
family



Ill health retirement

# What does it cost?

Sam earns £30,000 a year, so has a contribution rate of 6.5%.

The monthly cost to Sam would be £162.50, but with tax relief the net cost is **£130**.

Pensionable pay	Contribution rate
Up to £17,600	5.5%
£17,601 - £27,600	5.8%
£27,601 - £44,900	6.5%
£44,901 - £56,800	6.8%
£56,801 - £79,700	8.5%
£79,701 - £112,900	9.9%
£112,901 - £133,100	10.5%
£133,101 - £199,700	11.4%
£199,701 or more	12.5%



Your employer also contributes towards your pension

## Did you know...

...in times of financial hardship, you can join the 50/50 section of the scheme?

Contribution rate

5.8%

Yearly pension build up

£500

Death in service lump sum

£73,500



Howard's salary £24,500

# Did you know...

...in times of financial hardship, you can join the 50/50 section of the scheme?

Contribution rate

2.9%

Yearly pension build up

£250

Death in service lump sum

£73,500



Howard's salary £24,500

# Thinking of paying extra?

## Additional Pension Contributions (APCs)

- APCs are extra contributions to buy extra annual pension
- APCs taken directly from your pay
- Extra pension is paid with your LGPS pension
- APC calculator

[www.lgpsmember.org/help-and-support/tools-and-calculators/buy-extra-pension-calculator/](http://www.lgpsmember.org/help-and-support/tools-and-calculators/buy-extra-pension-calculator/)



## Additional Voluntary Contributions (AVCs)

- AVCs are taken from your pay and transferred to your own personal account with an AVC Provider
- Use AVCs to purchase extra annual pension from the LGPS or another provider, or take up to 100% of AVCs as tax-free lump sum

## Additional Pension Contributions (APCs)

- Pay monthly or make a one-off lump sum payment
- Cost depends on how much extra pension you want to buy, your age and how you spread payments
- Increases/decreases in line with inflation
- No investment opportunity
- No option to buy additional survivor's pension or benefits

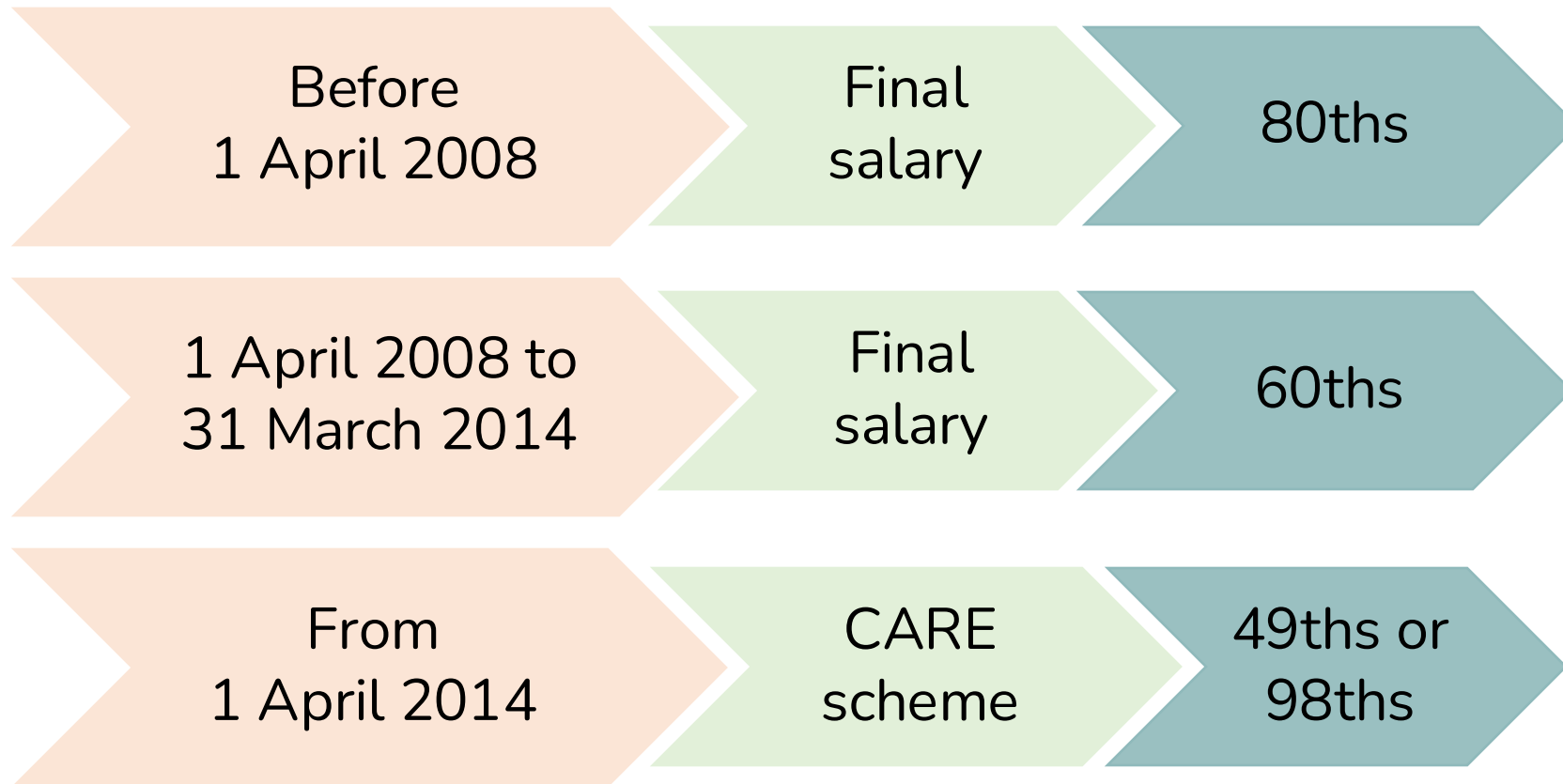


## Additional Voluntary Contributions (AVCs)

- You decide how much you pay
- You can change the amount at any time
- You decide where to invest your money – review your choices regularly
- AVCs will increase/decrease in line with investment performance
- Option to increase survivor's pension or life cover



# Working out your pension



# The McCloud Remedy



# Leaving the LGPS

Leave your pension in the LGPS until you choose to take it

Transfer your benefits to another pension arrangement



Combine your pension benefits with a new LGPS pension account

Take a refund of contributions

# Prepare, but be aware...

## Beware of pension scams

- Reject unexpected offers
  - Cold calls about pensions are illegal
- Check who you're dealing with
  - [Financial Services Register](#)
  - Financial Conduct Authority: 0800 111 6768
  - [FCA Warning List](#)
- Don't be rushed or pressured
- Get impartial information or advice



# Thinking of retiring?

## Normal Pension Age

- State Pension age (or 65 if later)
- No employer consent needed

## Early Retirement

- Between age 55 and Normal Pension Age
- Minimum age 57 from 6 April 2028
- Pension reduced for taking it earlier than normal retirement age
- No employer consent needed

## Late retirement

- No later than age 75
- Pension increased for taking it after Normal Pension Age
- No employer consent needed

# Early payment

Years early	Annual pension reduction	Automatic lump sum reduction
0	0%	0%
1	4.9%	1.7%
2	9.3%	3.3%
3	13.5%	4.9%
4	17.4%	6.5%
5	20.9%	8.1%
6	24.3%	9.6%
7	27.4%	11.1%
8	30.3%	12.6%
9	33.0%	14.1%
10	35.6%	15.5%
11	39.5%	Does not apply
12	41.8%	Does not apply
13	43.9%	Does not apply

Rule of 85 protects benefits built up before 01/04/2008 if you joined LGPS before 01/10/2006 – lower reductions apply. Your Member Self Service projector will include this in forecasts

**Reduction factors are regularly reviewed**

## Flexible retirement from age 55

- Employer policy and consent needed
- Reduce hours or grade of job
- Pension benefits reduced if taken earlier than Normal Pension Age
- Rule of 85 will be taken into account (if you are protected and under age 65)
- Take some or all of the pension already built up and continue to build up a second pension in the reduced pay/hours post

## Redundancy / Efficiency of the service from age 55

- Pension paid immediately and **unreduced**
- Based on benefits you have built up to retirement date
- No option to defer payment, transfer to a different scheme or combine your benefits if you re-join the LGPS
- Previous Government planned to restrict exit costs in the public sector
- Rules could change if current Government adopts the policy





## Ill health retirement – any age

Based on the opinion of an independent doctor, your employer determines if:

- You are permanently incapable of discharging efficiently the duties of employment that you currently have, **and**
- You are not immediately capable of undertaking gainful employment

‘Gainful employment’ is paid employment for 30 hours a week for a year

# Ill health retirement

## Tier 1

- Unlikely to be capable of gainful employment before Normal Pension Age
- Pension paid with no reduction
- Pension enhanced – based on period to Normal Pension Age

## Tier 2


- Unlikely to be capable of gainful employment within three years of leaving, but likely to be able before Normal Pension Age
- Pension paid with no reduction
- Pension enhanced - 25% of tier 1 award

## Tier 3

- Likely to be capable of gainful employment within three years of leaving
- Pension paid with no reduction, but not enhanced
- Paid for a maximum of three years, employer review after 18 months

## Thought about taking a lump sum?

At retirement, you can turn some of your annual pension into lump sum:

- £1 annual pension turns into  £12 tax-free cash
- You cannot turn your whole pension into a tax-free lump sum
- You can generally take up to 25% of the value of your pension as tax-free cash
- Lump sum calculator on MSS – register or login:

<https://mss.pensionssharedservice.org.uk//>



# What is an Annual Benefit Statement (ABS) and what should I do with it?

A yearly statement published in MSS that shows you:

- 1 The LGPS pension benefits that you have built up at 31 March
- 2 An estimate of the pension benefits you might receive if you retire at your Normal Pension Age



What  
should I  
do with my  
statement?



Check that your pay,  
employment and  
personal details are  
correct



Review your forecast of  
where you are likely to be  
at your Normal Pension  
Age. Remember, this  
does not include any  
other pension benefits  
you may be entitled to.



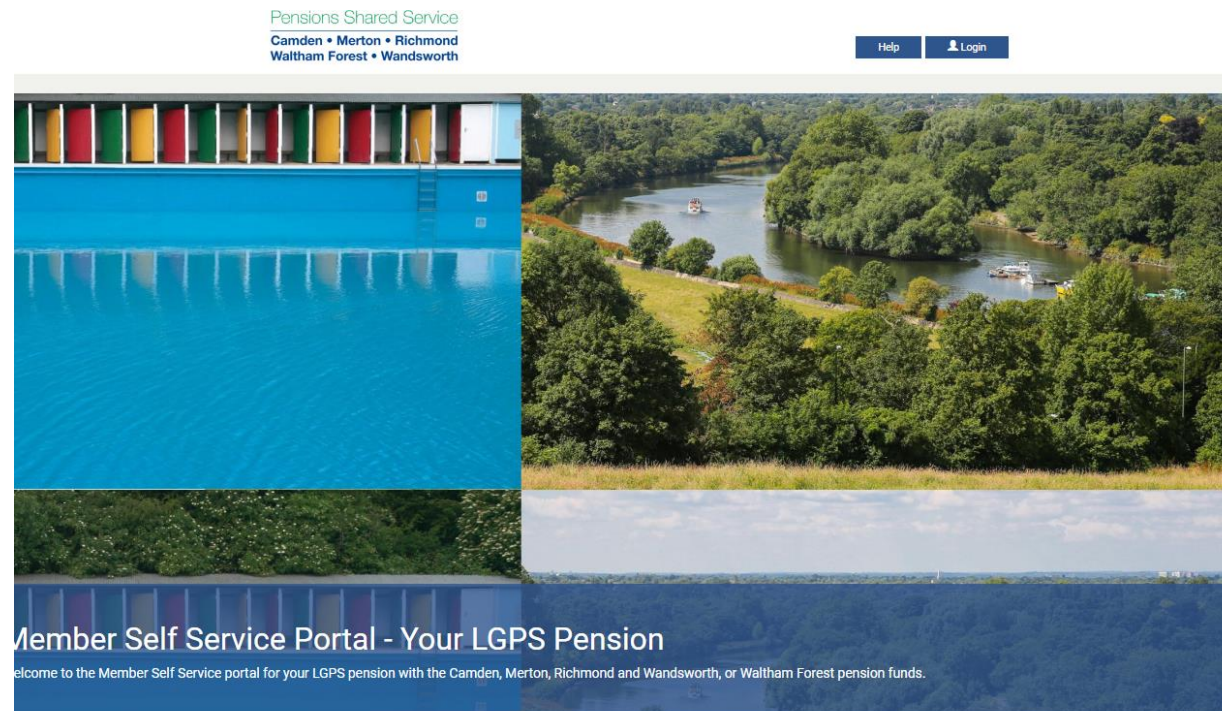
Use your ABS as a  
springboard for future  
retirement planning


# Poll

Q. How many of you have registered for Member Self Service?


# Registration

# <https://mss.pensionssharedservice.org.uk/>



 **Activate Your Account**  
If you have received an Activation Key from us, click here to complete your registration

[Activate Your Account](#)

 **I'd like to Register**  
Click here if you haven't received an activation key, but would like to register

[Register](#)

# Sign Up

## Sign Up

To request an activation key complete the form below and click the Sign Up button

If the email address you enter matches our records, your activation key will be emailed to you. If you have not received this within 24 hours, please contact us. If the email address you enter does not match our records, you'll be notified, and we'll be in contact with you to advise how to complete your registration.

**Surname**

**NI Number**

**Date of Birth**



**Email Address**



# Dashboard

Welcome Miss DEMO

<p><b>Your Details</b> &gt;</p> <p>View and amend your personal details.</p>	<p><b>Your Tasks</b> &gt;</p> <p>Find tasks and items that you need to complete.</p> <p>There are currently no tasks for you to do.</p>	<p><b>Employment Details</b> &gt;</p> <p>View your current employment details.</p> <ul style="list-style-type: none"><li>• <a href="#">Financial Details</a></li></ul>
<p><b>Pension Benefits</b> &gt;</p> <p>View your pension benefits.</p> <ul style="list-style-type: none"><li>• <a href="#">Benefit Projectors</a></li><li>• <a href="#">Current Value of Pension Benefits</a></li></ul>	<p><b>Documents</b> &gt;</p> <p>View the documents that relate to you and your pension.</p> <ul style="list-style-type: none"><li>• <a href="#">My Documents</a></li><li>• <a href="#">Scheme Documents</a></li><li>• <a href="#">Document Upload</a></li></ul>	<p><b>Death Grant - Expression of Wish</b> &gt;</p> <p>Make sure your intention is taken into account should a death grant become payable from the scheme.</p> <ul style="list-style-type: none"><li>• <a href="#">Death Grant - Expression of Wish</a></li></ul>
<p><b>Ask Us</b> &gt;</p> <p>Find the answers to our most frequently asked questions, submit a query or give us some feedback.</p>	<p><b>Settings / Configuration</b> &gt;</p> <p>Update your settings.</p> <ul style="list-style-type: none"><li>• <a href="#">Change your Password</a></li><li>• <a href="#">Change Security Responses</a></li><li>• <a href="#">Consent Withdrawal</a></li><li>• <a href="#">Communication Preferences</a></li></ul>	<p><b>Your Requests</b> &gt;</p> <p>There are currently no open requests.</p> <p><a href="#">View all requests</a></p>

# Pension Benefits – Benefit Projectors

## Benefit Projectors

### Deferred Benefits



Calculate how much your pension would be worth if you left the pension scheme today and deferred payment until your Normal Retirement Age. You can also calculate how much your pension would be if you left the the pension scheme at a future date and deferred payment until your Normal Retirement Age.

### Voluntary Retirement



Calculate how much your pension would be worth if you were to voluntarily retire.

### Death in Service



Calculate the benefits that could be payable if you were to die whilst an active member of the pension scheme.

# Pension Benefits – Voluntary Retirement

Voluntary Retirement Pension Values
▼

These figures are for illustration purposes only. DO NOT make decisions in respect of your benefits without requesting a formal quotation from us.

<b>Pension</b>	£26,510.62
<b>Lump Sum</b>	£0.00
<b>Partner's Pension</b>	£8,118.91
<b>Projected Salary to Retirement</b>	£26,668.84

Conversion Options
▼

Move the sliders to change the values for annual pension and lump sum.

A lump sum of **£0.00** [What is this?](#)

MinMax

An annual pension of **£26,510.62** [What is this?](#)

Leaving Date

24/09/2066

📅

CARE Pay

£ 26668.84

Annual Salary Increase Rate (%)

0

%

Additional Options
▶

The above figures are for illustration purposes only. DO NOT make decisions in respect of your benefits without requesting a formal quotation from us.

Update the fields above to process another benefit calculation, and click the Calculate button below.

Calculate

Download or print a copy

# MSS - Member Self Service

View your pension record

Make changes to your address, email and phone details

Make a death grant nomination

Run calculations including retirement estimates

Contact us with any questions

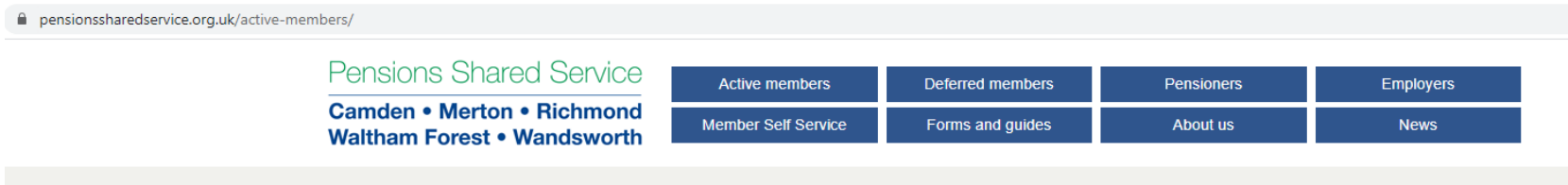
# Questions



# Our PSS website: <https://pensionssharedservice.org.uk/active-members/>

Pensions Shared Service

Camden • Merton • Richmond  
Waltham Forest • Wandsworth



## Active members

Currently employed and contributing to the Local Government Pension Scheme

### New joiners

If you have just joined the Local Government Pension Scheme and you want to find out more about how the scheme works, please visit the [national members' website](#).

If you have pension rights with another pension scheme (including other LGPS funds) or another pension arrangement, you may be able to transfer these into the LGPS. You only have 12 months from joining the LGPS to opt to transfer any other pension rights.

To investigate a transfer of other pension rights, please download and complete the [Other Pension Rights form](#) and return it to us. Transferring your pension rights is not always an easy decision to make, and you may wish to seek the help of an independent financial adviser.

The LGPS provides life cover for active members of the scheme of three times your pensionable pay. In order that your intention can be taken into account should a lump sum death grant become payable, you should complete an [Expression of Wish form](#).

### In this section:

- [New joiners](#)
- [Absences from work](#)
- [Increasing your pension benefits](#)
- [Opting out](#)
- [Paying less into your pension](#)
- [Considering retirement](#)
- [Death in service benefits](#)

### See also:

- [Divorce proceedings](#)

# More Information



National Member Website:  
<https://www.lgpsmember.org/>

Pensions Shared Service Website:  
<https://pensionssharedservice.org.uk/>