
PENSION



lgps **AWARENESS WEEK**
9 – 13 SEPTEMBER 2024



Staffordshire
Pension Fund
Local Government Pension Scheme

Agenda

- [What is the LGPS?](#)
- [Protection for you and your family](#)
- [What does it cost?](#)
- [Thinking of paying extra?](#)
- [Thinking of retiring?](#)
- [How your Pension is calculated](#)
- ['My Pension Portal'](#)
- [What is an Annual Benefit Statement?](#)
- [Useful links](#)



What is the LGPS?



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...

...you can join the 50/50 section of the scheme when you need to reduce costs?

Contribution
rate

5.8%

Yearly pension
build up

£500

Death in
service lump
sum

£73,500



Howard's salary £24,500

Did you know...

... you can join the 50/50 section of the scheme when you need to reduce costs?

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/



Additional Voluntary Contributions (AVCs)

- AVCs are taken from your pay and transferred to your own personal account with [Standard Life]
- 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

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

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 tiers

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

How your Pension is calculated

Membership up to 31 March 2008	Membership from 1 April 2008 to 31 March 2014	Membership from 1 April 2014
Annual Pension = Membership x Final Pay / 80	Annual Pension = Membership x Final Pay / 60	Annual Pension = Pensionable pay for each year / 49 (half that if in 50/50 section)
Automatic tax-free cash lump sum = 3 x Annual Pension	No automatic tax-free cash lump sum*	No automatic tax-free cash lump sum*

* Option to convert pension into tax-free cash

Example of how a Pension is calculated

Annual Pension						
For the period 1 April 1993 to 31 March 2008						
15 years	x	1/80th	of	£28,000.00	=	£5,250.00
For the period 1 April 2008 to 31 March 2014						
6 years	x	1/60th	of	£28,000.00	=	£2,800.00
For the period 1 April 2014 to 31 July 2024						
Plus CARE Pension Account					=	£5,000.00
Total Pension					=	£13,050.00
Retirement Grant lump Sum*						
15 years	x	3/80ths	of	£28,000.00	=	£15,750.00

Early payment – percentage reductions

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. Please Staffordshire Pension Fund for more details


Reduction factors are regularly reviewed

Estimated Pension Benefits – age 60

<u>Pension</u>		
Total 80ths Pension	=	£5,250.00
Less early retirement reduction (0.00%)	=	£0.00
		£5,250.00
Total 60ths Pension	=	£2,800.00
Less early retirement reduction (20.90%) – 5 years to 60	=	£585.20
		£2,214.80
Plus Total CARE Pension	=	£5,000.00
Less early retirement reduction (27.40%) - 7 years to NPA (67)	=	£1,370.00
		£3,630.00
Total Annual Pension		£11,094.80
<u>Lump Sum</u>		
Pre-April 2008 Lump Sum	=	£15,750.00
Less early retirement reduction (0.00%)	=	£0.00
		£15,750.00
Total Retirement Grant	=	£15,750.00

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

www.lgpsmember.org/help-and-support/tools-and-calculators/lump-sum-calculator/



Commuting Pension For Lump Sum

Based on previous example, members standard benefit package is as follows:

Standard Benefits (No Conversion)

- Pension = £11,094.80
- Lump Sum = £15,750.00

However, on retirement, you can vary this standard package; you have the option to give up part of your retirement pension in order to provide a lump sum retirement grant (or larger lump sum retirement grant if you have membership before 1 April 2008). This is called "commutation".

Maximum Conversion to Lump Sum

(£100.00 Annual Pension will purchase £1,200.00 additional Lump Sum)

- Reduced Pension = £7,967.13
- Lump Sum = £53,174.04

This shows that if the member gives up £3,118.67 of their standard pension (£11,094.80 - £7,967.13) they can get the maximum lump sum retirement grant allowable as part of their benefit package. On the basis that you get £12 extra lump sum for every £1 of pension given up: $£3,118.67 \times 12 = £37,424.04 + £15,750.00 = £53,174.04$

What do I need to do in order to take my pension?

- Notify your line Manager (and the Fund)
- Employer will provide leaver details to the Fund including date of leaving and salary information
- Due to the timing of your employer's payroll, your employer may not be in a position to submit a completed leaver form until approximately 6-8 weeks after you have left employment

What happens once the Fund have been notified?

- On receipt of the leaver details from your employer, the Fund will aim to provide the following within 15 working days of receipt of this information:-
 - provide you with a final estimate of Pension benefits, and
 - provide you with the paperwork for you to complete and return to the Fund in order to put your pension into payment (we will also ask for verification of your date of birth and marital/partnership status).
- On receipt of your completed documentation, we will aim to make payment of any lump sum retirement grant within 18 working days (which includes the Bankers Automated Clearing System transaction). Your pension (together with any arrears) will be paid in the next payroll run after your information has been received.

My Pension Portal (MPP)

You can easily check your Staffordshire Pension Fund record online.

My Pension Portal gives you round the clock secure access to your Staffordshire Pension Fund record.

- View your personal, financial and membership details
- Run estimates on your pension with pension calculators, helping you to plan for your retirement.
- View the valuable life assurance and dependents pension provided
- View your annual benefits statements
- Update your contact details
- Send online requests/enquiries to us

Register for My Pension Portal (Step 1)

- If you have not used My Pension Portal before and want to do so, you will need to apply first for an Activation Code. Please go to our website to register at: www.staffspf.org.uk
- Click on 'My Pension portal'



Keyword Search



Home About Us + Employers Finance and Investments Governance Videos - Pensions Made Simple Contact us

Thinking of retiring?



Information for members of the pension scheme who are close to retirement age or for members who are thinking of retiring. These pages will give you everything you need to know.

[Find out more](#)

Currently paying in



This section is designed to provide you with information about the scheme. It includes the features, benefits and the different circumstances you may come across during your membership of the scheme.

[Find out more](#)

My Pension portal

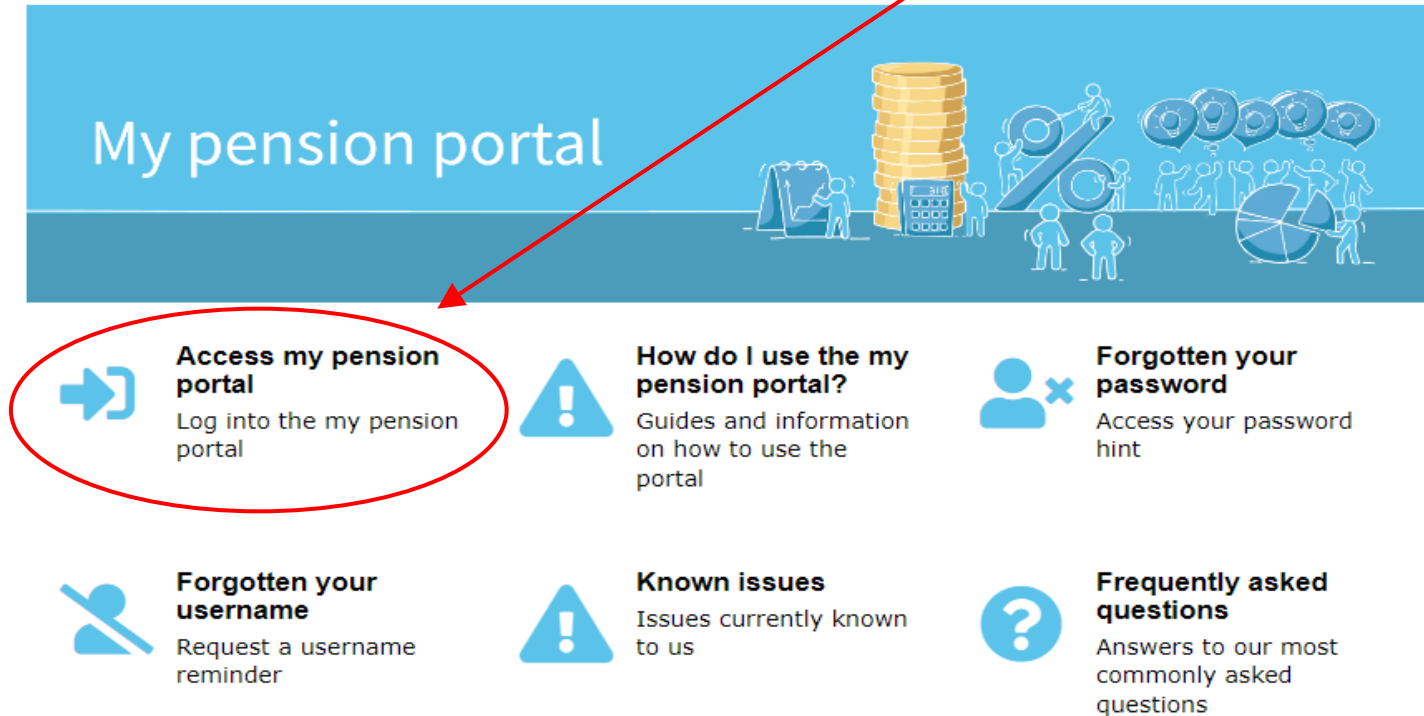


Our online portal enables you to view your pension online, calculate your own pension estimate to help you plan for retirement. You can also view and change your contact details and keep up to date with your pension.

[Find out more](#)

Register for My Pension Portal (Step 2)

- Click on 'Access my pension portal'



Register for My Pension Portal (step 3)

- Click on 'Sign Up to My Pension (New User)'

My Pension Portal

View your pension online with our My Pension portal.

Whether you are thinking about joining or are already a member, Staffordshire Pension Fund's next generation My Pension Portal can help you achieve your retirement aims.



Log into My
Pension
(Existing User)



Sign Up to My
Pension
(New User)



Received my
Activation Code
(Login for the first time)


Register for My Pension Portal (Step 4)

- Follow the instructions on the screen. When you have entered the correct information into all four fields, click the sign-up button.

Sign Up

To request an activation code, complete the form below and click the sign-up button

Once you click sign up you will receive your activation code by post within 10 working days. However, if we already hold an email address on our records your activation code will be sent to that email address.

Surname	<input type="text" value="EXAMPLE"/>
NI Number	<input type="text" value="AB010463C"/>
Date of Birth	<input type="text" value="01/04/1963"/> 
Email Address	<input type="text" value="ann@example.com"/>

Once you click 'sign-up' you will receive your activation code by post within 10 working days. However, if we already hold your email address on our records, your activation code will be sent to that email address.

My Pension Portal Dashboard



Your Tasks Home My Account Admin

A EXAMPLE **Scheme:** Local Government Scheme **Member Ref:** 12345 **Status:** Active

Welcome Mrs EXAMPLE

Your Tasks

Find tasks and items that you need to complete.
There are currently no tasks for you to do.

Your Details

View and amend your personal details.

Employment Details

View your current employment details.

- [Financial Details](#)

Pension Benefits

View your pension benefits.

- [Benefit Projectors](#)
- [Benefit Statements](#)
- [Latest Valuation- \(Divorce Sharing Order & Annual Allowance Debits NOT deducted\)](#)

Documents

View the documents that relate to you and your pension.

- [Scheme Documents](#)
- [My Documents](#)
- [Document Upload](#)

Nominations

Make sure your loved ones are still cared for should anything happen to you.

- [Death Grant Nomination Details](#)

Settings / Configuration

Update your settings.

- [Change your Password](#)
- [Change Security Responses](#)
- [Consent Withdrawal](#)
- [Communication Preferences](#)



Contact Us

Comments, questions, complaints? Get in touch.

News

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

A yearly statement that shows you:

-  The LGPS pension benefits that you have built up at 31 March
-  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

Accessing Annual Benefit Statements in MPP



Your Tasks Home My Account Admin

A EXAMPLE **Scheme:** Local Government Scheme **Member Ref:** 12345 **Status:** Active

[Home](#) » [Your Dashboard](#) » [Documents](#) » My Documents

My Documents

Please select the document you wish to view from the list below.

Document	Date	Type
SPF ABS 2024 inc PSO AA	25/08/2024	
SPF ABS 2023 inc LTA PSO AA	25/08/2024	
SPF ABS 2022 inc LTA PSO AA	25/08/2024	

Annual Benefit Statements (Section 1)

STAFFORDSHIRE PENSION FUND LGPS Personal Benefit Statement

Private and Confidential

Mrs A Example
C/o Staffordshire Pension Fund
2 Staffordshire Place
Tipping Street
Stafford
Staffordshire
ST16 2DH

Issue Date: 31 August 2024

Section 1: Personal Details

Full Name and title	Mrs Ann Example
Partnership Status	Unknown
Reference Number	12345
Employer at 31/03/2024	STAFFORDSHIRE C C
Date Joined Scheme	01/04/1998
Section of scheme at 31/03/2024	MAIN
CARE Pensionable Pay in year to 31/03/2024	£35,000.00
Final Salary Pensionable Pay	£35,000.00

It is important that the details above are correct as any inaccuracies will affect all of the calculations below.
If any of the above details are incorrect please inform your payroll section.

Annual Benefit Statements (Section 2)

Section 2: Summary of Total Benefits at 31/03/2024

Name: A Example

Your benefits accrued at 31/03/2024 (as detailed in sections 3 and 4)

Annual pension £15097.92 Automatic lump sum £13125.00

OR Maximum lump sum with reduced pension * Please note: This option to increase your lump sum by giving up some annual pension is available when you take your benefits.

Reduced annual pension £10408.94 Maximum lump sum £69392.76

Death in service benefits

Death in service lump sum £105000.00 Annual survivor's pension £7024.52

Tax and pension

Name: A Example

HM Revenue and Customs limits the amount of tax-free lump sum you can take when your pension is paid to you. From 6 April 2024, the maximum lump sum is the lowest of:

- 25% of the capital value of your benefits (in line with guidance issued by the Government Actuary),
- 268,275, or
- 268,275 less the total lump sums you have already taken.

For further information about the lump sum limits, please see our website at:
<https://www.staffspf.org.uk/Members/Lump-sum-limits.aspx>

Annual Benefit Statements (Section 3)

Your Nomination Details

Name: A Example

Nomination Date

If this field is blank you have either not made a nomination at all or have made a nomination via the My Pension Portal previously. You can view or amend your nomination details at any time via the My Pension Portal in the 'Death Grant Nomination Details' area.

Section 3: Career Average Pension Benefits at 31/03/2024 (payable from 01/04/2030)

Name: A Example

PLEASE NOTE: The benefits calculated in this section of the statement are based on the pay figures below. It is important that you check this and the pension build-up on the line below and contact your employer to report any perceived inaccuracies.

Pensionable Pay for year to 31/03/2024 in Main section	£35000.00
Pensionable Pay for year to 31/03/2024 in 50/50 section	£0.00



Local Government
Pension Scheme

Annual Benefit Statements (Section 4)

Amount of pension built up in the year to 31/03/2024								
Main Section Pay / 49 £714.29	+	50/50 Section Pay / 98 £0.00	+	Additional Pension Bought £0.00	+	Transfers in £0.00	=	Total £714.29
Total Career Average Pension in the year to 31/03/2024								
Previous year closing balance £5911.56	+	Increase for the cost of living £597.07	+	In year build up (as shown above) £714.29	=	Total Career Average Pension at 31/03/2024 £7222.92		

Section 4: Final Salary Benefits at 31/03/2024 (payable from 01/04/2030)			
Name: A Example			
Final Salary pay £35000.00	Annual pension		Automatic lump sum
	Total	£7875.00	£13125.00
	Including 60ths	£3500.00	
	+ 80ths	£4375.00	
	+ Additional Pension	£0.00	

Annual Benefit Statements (Section 5)

Section 5: Projections if you remain contributing to the scheme until 31/03/2030 (ie to your Normal Pension Age (NPA) of 67 Yrs 0 Days)

Name: A Example

Total Pension at NPA	£19972.88	Automatic lump
Including projected Career Average Pension to NPA	£11508.63	sum at NPA
and projected Final Salary pension to NPA	£8464.25	£13125.00

Prospective survivor's annual pension if you remain in the scheme to NPA	£7024.52
Including projected Career Average Pension to NPA	£3524.52
and projected Final Salary pension to NPA	£3500.00

Notes

Name: A Example

Your employer supplies us with your membership information.

If you believe any of the details are incorrect, please let us know.

Useful links

National LGPS member website	www.lgpsmember.org Calculators, videos, FAQs, general information about the scheme
Pension fund website	www.staffspf.org.uk View further information on the scheme and access forms.
Member “My Pension Portal” (MPP)	https://staffspf.hostingssf.aquilaheywood.com/ View your benefit statement, use the benefit projector, update expression of wish details
Contact the fund	Email: pensions.enquiries@staffordshire.gov.uk Phone: 01785 278222 Write to: Pension Services Section, 1 Staffordshire Place, Tipping Street, Stafford, ST16 2DH