

The Local Government Pension Scheme

Notes about retirement benefits



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Right of appeal

If you disagree with Staffordshire County Council's decision as to the amount of benefit to which you are entitled, please contact the Pension Services Section at once (contact details are given on the back page) so that the decision can be confirmed or adjusted according to the circumstances. Should you still remain dissatisfied you have a right of appeal through Internal Dispute Resolution Procedures. A copy of a leaflet entitled "What to do if you have a complaint" will be sent to you on request.

Payment of Pension

Your retirement pension will be paid monthly in arrears, normally on the last day of each calendar month. However, if the last day of the month falls on a Saturday or Sunday, payment will be made on the Friday before. Each instalment of pension will be for that calendar month and will be one-twelfth of the annual amount. After your first pay advice (i.e. the statement that sets out details of monthly pay and deductions, etc.) a further pay advice will be issued only if your net pay changes up or down by £1 or more.

The instalments of pension will be paid directly to the bank or building society you name for this purpose. If you change your account number or other payment details, please notify Pension Services (the address is given on the back page). This should be in writing with your signature beneath the details and should be received at least three weeks before the next pay day for the necessary adjustments to be actioned in that same month. You can also use the Change of Bank Details forms from our website: <https://www.staffspf.org.uk/Members/Forms/Change-of-Bank-Details.aspx>.

Should your instalment of pension be returned to Staffordshire County Council by your bank or building society, payment of pension will be suspended until your whereabouts is known. The County Council must be satisfied that the money which is intended for you is actually reaching you.

If you change your address, please let us know. This should either be

- in writing with your signature beneath the details, or
- done by using the change of address form from our website at <https://www.staffspf.org.uk/Contact-Us/I-wish-to-change-address.aspx>

Alternatively, if you have already registered to use the My Pension Portal system, you can make changes to your address here (please do not attempt to register before changing your address in another way, as the registration process entails Staffordshire Pension Fund sending out an Activation Key to the home address we hold on our records).

For security reasons, a "life certificate" may be sent to you from time to time. Any delay in its completion and return may cause a delay in the payment of subsequent pension instalments.

Payment of Lump Sum Retirement Grant

If you have membership before 1 April 2008, and/or plan to give up part of the pension you have built up from 1 April 2008, you will be entitled to a lump sum retirement grant. This will normally be paid to the same bank or building society account. If your case is being processed in advance, we are unable to make the payment until the first one-off payment run after your due date (these take place on Mondays, Wednesdays and Fridays). The payment will take 3 working days to appear in your account. Otherwise, we aim to process the payment of the lump sum within 10 working days of receiving all the necessary information.

Re-employment

If, after retirement, you take up further employment with any employer where membership of the Local Government Pension Scheme (LGPS) is open to you (even if you choose not to rejoin) you

must tell your new employer that you are receiving a LGPS pension. You must also inform the Pension Services Section with full details of new employment. **This is a legal requirement.**

Pensions Increase

Your basic rate of pension will be increased in line with Pensions Increase Acts and Orders and, if you have membership of the scheme after 1 April 2014, HM Treasury Orders. The increases are not put into payment before age 55 unless retirement is on the grounds of ill-health.

Tax

The LGPS retirement grant will be tax-free unless HM Revenue and Customs (HMRC) limits are exceeded. Your pension, however, is taxable.

If you are retiring from an employer and you have received a form P45, then you can send this into Staffordshire Pension Fund's Pensions Payroll Team who will apply this tax code on a month 1 basis. If the Pensions Payroll Team has not received a P45 then the emergency tax code will be used on a month 1 basis. The Pensions Payroll Team shall inform HMRC of your new pension, your annual pension amount and the tax code that has been applied. This will prompt them to issue a correct tax code for you, at which point your tax will be adjusted accordingly.

If you are taking flexible retirement then the tax code on your salary will remain the same and your pension will be set up with the basic rate tax code on a month 1 basis. Again HMRC will be notified and will send correct codes for both incomes which will correct your tax situation. You will need to ensure that your tax codes have been adjusted accordingly by HMRC otherwise this could result in an underpayment of tax.

We do not hold the full information used by HMRC to calculate a tax code (as we do not hold all the data on your full income from all sources) and we cannot change your tax code without a revised coding notice from HMRC, so if you have any query at all with your tax code, you should contact HMRC. The contact details are: HM Revenue and Customs, PAYE, PO Box 1970, Liverpool, L75 1WX (telephone number 0300 200 3300), or you can go to the HMRC "Contact Us" page on the HMRC website at <https://www.gov.uk/government/organisations/hm-revenue-customs>. Staffordshire Pension Fund's reference is 586/PENS. You may also be asked to quote your National Insurance number. An explanation of tax codes can be found on HMRC's website at <http://www.hmrc.gov.uk/incometax/codes-basics.htm>.

National Insurance and Social Security Acts

You may be entitled to a State Retirement Pension in addition to your LGPS benefits. All enquiries regarding State Benefits should be addressed to the Department for Work and Pensions.

There are certain requirements of Social Security legislation which must be complied with by Staffordshire County Council in relation to your LGPS benefits.

- The requirements of the National Insurance Scheme for those LGPS members who were contracted-out of the State Graduated Scheme between 3 April 1961 and 5 April 1975 are satisfied.
- On 6 April 1978 the LGPS became contracted-out of the State Earnings Related Pension Scheme (SERPS). SERPS was a second tier element of State Pension (i.e. paid in addition to the basic State Retirement Pension). As a result of this, all Scheme members¹ have, up to 5 April 1997, been accruing a Guaranteed Minimum Pension (GMP) which is a substitute for, and broadly equivalent to, the SERPS pension which would have been payable had the LGPS not been contracted-out. When you attain State Pension age, the County Council must ensure that your LGPS pension is at least as high as the GMP. Also, at that age the State Scheme

¹ Except certain married women and widows who, prior to the mid 1970s, opted to pay reduced National Insurance contributions.

may take over partial responsibility for Pensions Increase on the GMP element of your LGPS pension.

- On 6 April 2002, SERPS was replaced by the State Second Pension ("S2P"). The LGPS remained contracted-out of this second-tier element of State Pension.
- On 6 April 2016, the LGPS ceased to be a Contracted Out Scheme, as the Government introduced the new Single Tier State Pension. Anyone who was a member of the LGPS before April 2016 will not receive the full new Single Tier State Pension, but will see an adjustment (called Contracted Out Pension Equivalent or COPE) which will reduce the benefit to account for the lower National Insurance paid before 6 April 2016.

Pension for surviving spouse or partner

If a pension for a surviving spouse, civil partner or cohabiting partner* is shown on your statement of benefits this is payable only to the person with whom you were in a legal marriage or civil partnership, or who was your cohabiting partner, on your last day of service and at your date of death. If, after retirement, you marry, re-marry, form a civil partnership or a subsequent civil partnership, or form a cohabiting partnership, benefits may be assessed on a different basis. The Pension Services Section will help you if you need more information on this point. A pension for a surviving spouse, civil partner or cohabiting partner is payable for life. For further information, please see the notes "What is Payable in the Event of my Death" on the Pension Fund website.

*A cohabiting partner's pension can only be paid if you have been an active member of the LGPS on or after 1 April 2008 **and** if your partner can provide the relevant information proving that you met the qualifying criteria after your death. Details of these criteria can be found in the "what is payable in the event of death" section of the website at

<https://www.staffspf.org.uk/Pensioners/Death-benefits/Death-benefits.aspx> .

Reinvestment of lump sum retirement grant

HM Revenue and Customs' rules restrict reinvestment of your tax-free lump sum retirement grant into another tax approved pension arrangement. The rules governing this area of pension legislation are complex and you should consult an independent financial adviser (who may charge for this service) if you are intending to re-invest your retirement grant in this way.

Data matching

The County Council are under a duty to protect the public funds they administer and to this end may use information relating to your pension payments within the authority for the prevention and detection of fraud. They may also share this information with other bodies administering public funds solely for these purposes. For more information see our Privacy Notice on <https://www.staffspf.org.uk/Governance/GDPR.aspx>.

Further information

If you require further information about the areas covered by these notes, you can get in touch as follows:



www.staffspf.org.uk



pensions.enquiries@staffordshire.gov.uk



Staffordshire Pension Fund, 2 Staffordshire Place, Tipping Street, Stafford, ST16 2DH



01785 278222

If a copy of this information is needed in large print, Braille, another language or on cassette or disc, please contact Pensions Services.