



Deferred Pension Scheme Member Newsletter 2024

Welcome to the latest newsletter for Deferred Members of the Local Government Pension Scheme (LGPS).

Your 2024 newsletter is filled with a range of topics which we hope you will find interesting including recent news and details of your pension benefits held by the Staffordshire Pension Fund.

It is reassuring for you to know that the LGPS is one of the largest pension schemes in the UK. It is a defined benefit pension scheme which means we calculate pensions based on salary and length of membership in the Scheme. A scheme member's pension is not affected by how well investments perform and therefore any volatile conditions in the market will have no effect on your pension. The LGPS provides you with a secure and guaranteed income every year in retirement.

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The McCloud remedy

When public service pension schemes changed from final salary schemes to career average schemes in 2014 and 2015, older members were protected from the changes.

In 2018, the Courts found that younger members had been discriminated against because the protection did not apply to them. Changes made to the LGPS from 1 October 2023 removes the discrimination found in the court case. These changes are called the McCloud remedy.

Not all LGPS members are affected by the changes. However, you will qualify for underpin protection if:

- You were paying in to the LGPS or **another public sector pension scheme** before 1 April 2012,
- You were also paying in to the LGPS at any time between 1 April 2014 - 31 March 2022, and some or all of this membership was before age 65,
- You do not have a disqualifying gap of more than 5 years of public service pension scheme membership.

In December 2023, Staffordshire Pension Fund wrote out to Scheme members who we had identified as being affected by the McCloud judgment following an initial check of their pension scheme membership. However, we may not be aware of any previous public sector pension scheme service which has not been transferred to Staffordshire Pension Fund. If you have any other public service pension scheme membership, and were not contacted about the McCloud remedy, please give us the details by completing the [previous public service pensions declaration form](#). **Please note:** we do not need to know about any other pension scheme membership you may have in non-public sector schemes (e.g. personal pensions) to perform this check. Once we have received your completed form, we will assess whether or not you are protected by the McCloud remedy and update our records accordingly.

If you are affected by the McCloud remedy, you do not need to write into the pension fund or make any decisions. If you are contacted by a third-party organisation selling a service to help you claim additional pension, you should not engage with them.

As a member of the LGPS, you do not need to take any action to claim your protection under the McCloud remedy. If you qualify, Staffordshire Pension Fund will automatically apply the protection when you take your LGPS pension.

For further information, please see the dedicated McCloud Judgment webpage on our website: <https://www.staffspf.org.uk/Members/Active-Members/McCloud-Case.aspx>

My Pensions Portal (MPP) - keep check of your Staffordshire Pension Fund records



As a member of the Staffordshire Pension Fund, you can access your Local Government Pension Scheme (LGPS) records online.

My Pension Portal (MPP) is a simple to use, secure and user-friendly portal. MPP provides you with round the clock access to your Staffordshire Pension Fund record. This means you can:

- View and print your annual benefit statement.
- Produce your own pension quotes, helping you to plan for retirement.
- Calculate how much tax-free cash lump sum you could get.
- Easily update your contact details.
- View/amend your Death Grant nomination details.
- Securely upload documents to your Pension record.
- Submit enquiries via the portal.

If you have not already registered, you can apply for an activation code on the Staffordshire Pension Fund's website: <https://www.staffspf.org.uk/Calculator/Self-Service-Calculator.aspx>

Additional Voluntary Contributions (AVC's)

If your AVC plan is with Standard Life or Utmost, your annual statement, as of 31 March 2024, will be available on My Pensions Portal (MPP) by the end of July. This can be found within the MPP "My Documents" section.

For Scottish Widows AVC plan holders, your annual statement will be posted to your home address.

Warning - Pension Scams

**Don't let a scammer
enjoy your retirement**



Your pension is one of your most important savings and unfortunately this can attract criminals who want to acquire those hard-earned savings. The main hazards are:

Pension scams

Where you are encouraged to transfer your pension savings to a fraudulent pension scheme or to move your pension into high-risk investments.

Pension liberation

Where you access your pension before age 55. Under normal circumstances, this is illegal and will lead to HM Revenue and Customs imposing a tax charge on you of at least 55% of the value of your pension pot. This does not apply, if you are suffering from a health condition, which may mean you have been allowed to access your pension below age 55.

Warning signs of Scams

Watch out for the following signs that may indicate your pension might be at risk:

- you have been offered a free pension review,
- you have been advised to move your pension overseas,
- you have been offered high investment returns,
- you have been asked to transfer your pension quickly,
- you have been promised cash back from a transfer and you are under age 55,
- you have been cold called.

Staffordshire Pension Fund - pledge to combat Pension Scams



The Pensions Regulator is asking Pension Funds, trustees, providers, and administrators to pledge to do more, to protect Members and follow the principles of the Pensions Scams Industry Group (PSIG) Code of Good Practice. However, in accordance with industry best practice we have made the pledge to combat pension scams.

The Staffordshire Pension Fund already has well established due diligence processes in place to warn and prevent Members from being victims of pensions scams. By doing so we commit to:

- regularly warn Members about pension scams
- get to know the warning signs of a scam and best practice for transfers, by completing the scams module in the Pensions Regulator's Trustee Toolkit and encourage all relevant staff to do so.

- Study and use the resources on the Financial Conduct Authority (FCA) scam smart website.

To further assist you to avoid pension scams please see our information page on pensions scams on our website.

<https://www.staffspf.org.uk/Members/Pension-Scams.aspx>

The State Basic Pension

The State Pension is a really important part of people's retirement. This is why it's so important to understand how it works.

This section provides information about the State Pension. We cover what you might get and how your National Insurance contributions determine your payments.

How much is the current State Basic Pension?

A new State Pension system was introduced from 6 April 2016. The full level of the State Pension is £221.20 a week in the 2024/25 tax year, which produces an annual income of £11,502.40.

The amount you may get might be lower as your entitlement to State Pension depends on your National Insurance record. You need a minimum of ten years' contributions or credits to get any State Pension, and at least 35 years on your record to get the full amount.

What is the State Pension Age?

The State Pension age is the earliest you can claim your State Pension. Your State Pension age depends on when you were born.

Currently, the state pension age stands at 66. However, for those born after 5 April 1960, there will be a phased increase in State Pension age to 67 between May 2026 and March 2028. Current law allows for State Pension age for men and women to increase from 67 to 68 between 2044 and 2046 but this timetable could be changed by the government.

It's important not to confuse the State Pension age with your retirement age. Retirement age is the age you retire – and it can vary a lot depending on your financial situation.

To find out more on how the State Pension works and how much might you get, please visit the MoneyHelper website: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/state-pension/how-does-the-state-pension-work-and-how-much-might-you-get>

Deferred Benefits FAQs

What are deferred benefits?

How do my deferred benefits keep up with the cost of living?

When can I access my deferred benefit?

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What happens to my deferred benefits if I die?

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What are deferred benefits?

Deferred benefits are the pensions benefits you have built up, if you leave the LGPS before you retire. They are held in your pension pot within the Fund until one of the following happens:

- you reach normal pension age (NPA);
- you elect to receive them before your NPA at a reduced rate, the earliest point being age 55, or after your NPA at an increased rate;
- you are given access to them because of ill health; or
- you decide to transfer benefits out of the scheme, though this is not permitted if you are within 1 year of NPA at the time.

Your NPA depends on when you left the LGPS. If you left the scheme after 1 April 2014, your NPA is linked to your State Pension Age, with a minimum of age 65. If you left the scheme before 1 April 2014, your benefits normally have a protected NPA – usually age 65. In some cases, this can be as early as your 60th birthday if certain protections apply.

We have an online calculator that will allow you to run your own Deferred Benefit pension quote. If you have not already registered, you can apply for an activation code on the Staffordshire Pension Fund's website:

<https://www.staffspf.org.uk/Calculator/Self-Service-Calculator.aspx>

Please note: if you do decide to claim your Deferred Benefits, you are required to give 3 months' notice to Staffordshire Pension Fund.

For further information on taking your pension, please see the section below on [When can I access my deferred benefit?](#)

How do my deferred benefits keep up with the cost of living?

Each April, your deferred benefits are adjusted by the Consumer Price Index (CPI) as at the previous September. For April 2024, the increase is 6.7%. If you became a deferred member before April 2023, you'll get the full increase. However, if you became a deferred member after that date, you'll only get part of the 6.7% increase.

When can I access my deferred benefit?

If you left the Fund after 1 April 1998, you can take your deferred benefits at any time between the age of 55^[1] and 75, as long as you have left the employment your benefits are linked to – you do not need your former employer's consent.

Staffordshire Pension Fund will write to you approximately three months before your pension is due to be paid without a reduction to offer payment. If you would like to request payment before this date but on or after age 55, you need to give **three months' notice**.

Your deferred benefits are payable in full, from your Normal Pension Age (NPA) in the LGPS. If you choose to delay payment beyond that age, your deferred benefits will be increased. Please note that your benefits must be paid by your 75th birthday.

If you left the LGPS before 1 April 1998, you must take your benefits from your NPA if they are not already in payment. In the past, NPA for members who left the LGPS before 1 April 1998 was between age 60 and 65.

If you decide to take your deferred benefits before your NPA, they will normally be reduced, as your pension will be paid for longer. How much they are reduced by will depend on how early you take them.

The current early retirement reduction factors are shown on the early retirement page of the Fund's website: <https://www.staffspf.org.uk/Members/Active-Members/Leaving-the-Scheme/Retirement/Early-Retirement/Early-Retirement.aspx>

Retirement Process

If you wish to receive payment of your deferred benefits, please notify Staffordshire Pension Fund. **Note: we must have three months' notice before these benefits can be paid.**

^[1] The Government has announced that the earliest age you can take your pension will increase from 55 to 57 from 6 April 2028. Find out more in the [Pension age changes](#) section.

If you do decide to retire, you can let us know either by:

- submitting request via the online 'My Pension Portal',
- emailing pensions.enquiries@staffordshire.gov.uk; or
- writing to: Pensions Services, 2 Staffordshire Place, Tipping Street, Stafford, ST16 2DH.

Please quote your National Insurance number in any correspondence.

Staffordshire Pension Fund will then be in touch with you closer to your retirement date. A retirement pack will be sent to you which will contain the final estimate of your deferred pension benefits together with a number of forms which must be completed before your benefit entitlement can be finalised.

If you are registered for our online service, My Pension Portal (MPP), the quotation letter will be published in the 'My Documents' area of your MPP record and an email will be sent to you to inform you that your retirement documentation is available to view. You can then return your completed retirement forms and relevant certificates via the 'Document Upload' area of MPP. Alternatively, the retirement pack will be posted to your home address.

On receipt of your completed documentation, we aim to make payment of any retirement grant on, or shortly after, your "due date". 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. Note: the first pension will be adjusted pro rata depending on the number of days it has been in payment for that month. 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.

Pension age changes

The Government has announced that the earliest age you can take your pension will increase from age 55 to 57 with effect from 6 April 2028. This does not apply if you have to take your pension early because of ill health.

You could be protected from this increase if you joined the LGPS before 4 November 2021. You could also be protected if you transferred a previous pension into the LGPS if certain conditions are met. You will only be able to use this protection when you take your LGPS pension if the LGPS rules allow you to take your pension before age 57.

The Department for Levelling Up, Housing and Communities (DLUHC) makes the LGPS rules. It has not yet confirmed if it will allow members who qualify for protection to take their LGPS pension before age 57 from 6 April 2028 onwards.

We will update our website when DLUHC changes the Scheme rules to reflect the increase in the normal minimum pension age.

Can I take my deferred benefits if I cannot work because of ill health?

If you cannot work because of ill health, you may be able to have your benefits paid in full, with no reductions, whatever your age is when you seek early payment.

If you think this may apply to you, you should contact us to request an application form. On receipt of the form, you should complete it and then send it to your former Employer who will need to ask an independent registered medical practitioner to give an opinion about your health, before they decide whether they can approve your application.

What happens to my deferred benefits if I die?

Lump Sum Death Grant

If you die while you are a deferred Member of the LGPS, a lump-sum death grant and survivor's pension may be due to your loved ones.

If you left the LGPS before 1 April 2008, the death grant would be the same as your lump-sum retirement grant shown on your statement, including any pension increases since you left the scheme.

If you left on or after 1 April 2008, the death grant would be five times your deferred pension, as well as any pension increases since the date you left.

Please note: if you also hold an active pension record (still contributing to the Scheme) with Staffordshire Pension Fund, or another LGPS Fund, the death grant payable is the higher value of:

- the lump sum death grant from your deferred benefit record; or
- three times your assumed pensionable pay in your active employment.

You can nominate any person(s) to receive payment of your death grant, by completing a Nomination Form.

If you are already signed up to My Pension Portal (MPP), you can log on and complete your nomination details using your online account (If you've not already registered for My Pension Portal and want to do so, you will first need to apply for an Activation Code). Going forward, you will then be able to view/amend nominee(s) without needing to contact the Fund.

Please note, if you have previously completed a paper version of the Nomination of a Beneficiary for Death Grant form, this will be held on your pension record, but it will not show on MPP. You can check your Annual Benefit Statement, which should show the date you last completed a paper form.

Alternatively, you can download and complete a copy of the nomination form from our website: <https://www.staffspf.org.uk/Members/Forms/Nominate-Beneficiary.aspx>

Survivor Benefits

After your death, a pension may be paid to:

- your surviving spouse or civil partner;
- any eligible children; or
- if you were employed and contributing to the LGPS after 1 April 2008, a cohabiting partner.

To find out how much your dependants could get, log in to the secure members' area of our website: <https://www.staffspf.org.uk/Calculator/Self-Service-Calculator.aspx>.

More general information about death benefits can be found on our website: <https://www.staffspf.org.uk/Members/New-Members/Joining/Death-nomination/Payable-in-the-event-of-death/What-is-payable-in-the-event-of-my-death.aspx>

Transferring your deferred benefits to another pension scheme

You can transfer your LGPS benefits to another pension scheme, but there are strict rules about pension transfers:

- you cannot transfer if you are within a year of your Normal Pension Age;
- you cannot transfer when you are paying into the LGPS; and
- you must transfer all your LGPS benefits at the same time, even if they are held in different pension funds.

If you have a separate active pension record, you cannot transfer your deferred benefits to another pension scheme until your current LGPS membership ends.

How do I update my personal details?

Change of Address

You can let us know of your new address by logging in to [My Pension Portal \(MPP\)](#) and updating your account directly. **Note:** if you are not already registered for MPP, 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 currently hold on our records.

Alternatively, you can let us know of your new address either:

- by filling in an online form on the contact page of our website: <https://www.staffspf.org.uk/Contact-Us/I-wish-to-change-address.aspx>; or
- you can email us at: pensions.enquiries@staffordshire.gov.uk, quoting your National Insurance number.

Change of personal information

If any of the personal details shown on your annual benefit statement have changed, such as your name or marital/partnership status, please notify the fund so we can update your pension account. **Please note** that we will need to see a copy of the relevant certificate(s) to make the change e.g. a copy of your marriage certificate, civil partnership certificate, decree absolute or deed poll. To notify us this should either be:

- in writing, quoting your National Insurance Number (see [contact details](#)); or
- you can email us at: pensions.enquiries@staffordshire.gov.uk, quoting your National Insurance number. You must also send in a scan or photo of the certificate.

Alternatively, if you have already registered to use [My Pension Portal](#), you can return your certificates via the 'Document Upload' of your online account.

Please note that we are not able to accept these changes by telephone.

All the latest information

The following weblink takes you to 'no longer paying in' home page, where you will find scheme guides, forms and further information about your LGPS benefits:

<https://www.staffspf.org.uk/Members/Deferred-Members/DeferredMembers.aspx>