

Active Local Government Pension Scheme (LGPS) statement notes

Personal and employment information

Please review the details in this section carefully. If anything's not right, please email pensionabs@westnorthants.gov.uk

Benefit statement worked out on

Your benefit statement is based on information provided by your employer up to **31 March** of the year it was issued.

Full name

If you've changed your name, we'll need a copy of your **marriage certificate** or **change of name deed** so we can update your pension record.

Partnership status

Your partnership status may be:

- single
- married
- registered civil partnership
- cohabiting partner (unmarried)
- divorced
- widow.

This status is used to calculate any survivor's pension in the event of your death. If it's incorrect or showing as 'Not known', please get in touch.

Employer

This is the employer you were working for on the date we worked out your pension statement. If you:

- were paying into the LGPS through more than one job, you'll get a separate statement for each
- left your job after 31 March, you'll get a separate notice showing the pension you built up until the date you left.

Scheme section

Since **1 April 2014**, the LGPS has been a **career average revalued earnings (CARE)** scheme.

There are two sections:

- **main section**
- **50/50 section.**

Your statement shows which section you were a member of on the date we worked it out.

Summary of benefits built up to 31 March

This section shows the values of your

- **final-salary benefits** (if applicable), and
- **CARE pension.**

Although we work out these out differently, both are linked and paid together when you retire.

Benefits paid from

This is the earliest date you can get your pension in full - called your [normal pension age](#).

Annual pension

This figure shows the total value of your pension as of 31 March in the year we produced your statement at your [normal pension age](#) (NPA). It includes your:

- **final-salary pension:** for membership up to 31 March 2014
- **CARE pension:** for membership from 1 April 2014.

If your NPA is **after 65**, we'd increase your final salary benefits to reflect they're being paid later than expected. This figure includes the value of that increase.

If you're already **past your NPA**, your figures include increases to both your CARE pension and any final-salary benefits.

Automatic lump-sum retirement grant

This is a lump sum based on your membership **before 1 April 2008**, and we pay it at your normal pension age.

You can also give up some of your pension to increase any other LGPS lump sums. HM Revenue & Customs (**HMRC**) limits will apply. For every **£1 of your annual pension** you give up, you get **£12 as a lump sum**, currently **tax-free**.

Annual allowance (AA)

The AA is the maximum amount your pension savings can grow in one year **without triggering a tax charge**. It's set by **HMRC**.

Visit the [LGPS members website](#) to learn more.

Benefits after maximum conversion

Reduced annual pension

This is the current value of your reduced pension if you choose to take the **maximum lump sum**. We'll pay this at your [normal pension age](#).

Increased tax-free lump-sum retirement grant

When you take your pension, you can choose to switch part of it for a lump sum, within limits set by HMRC. Every £1 of pension you give up gives you £12 of tax-free lump sum.

The 'increased lump sum retirement grant' figure is the maximum you can get if you switch part of your pension for a lump sum. The amount shown is what would be paid at your [normal pension age](#).

These figures **don't** include any 'in-house' additional voluntary contributions (AVC) you may have. Prudential, Standard Life, and Utmost Life (previously Equitable Life) will issue a separate statement.

Your CARE benefits

You must check the figures in the statement. If you think any of the pay figures aren't right, please **contact your employer**, as they gave us the figures.

Your CARE pensionable pay – main section

Since 1 April 2014, we work out your CARE pension on the CARE pensionable pay you had during each scheme year.

If you paid into the **main section** of the scheme during the year to 31 March:

- this figure shows your actual pensionable pay during that time
- for part-time employees, your pensionable pay reflects your **actual pay**, not full-time equivalent.

You can find out how any authorised unpaid leave may affect final-salary and CARE pensionable pay on the [LGPS member website](#).

Your CARE pensionable pay – 50/50 section

If you paid into the **50/50 section** of the scheme during the year to 31 March:

- this figure shows your pensionable pay during that time.
- if you switched between sections during the year, both figures will be shown.

In-year build-up (main section and 50/50 section)

If you've been a member since **1 April 2014**, you've been building up a CARE pension. Each year:

- We divide your **CARE pensionable** pay by:
 - **49** if you're in the *main section*
 - **98** if you're in the *50/50 section*
- We then add that figure to your **pension account** for the year ending **31 March**.

This amount is called your '**in-year build-up**'.

Additional pension bought and transfers in

This section includes:

- any **additional pension contributions (APCs)** you made
- any **shared-cost APCs (SCAPC)** arrangements
- pension earned through **transfers from other schemes** (shown under Transfers in).

Opening balance

This is your CARE pension balance from the previous year. It includes the adjustment applied on 1 April the year before we produced your statement.

If you bought extra service/pension or transferred benefits **before 1 April 2020**, those aren't listed here—but they're included in your total pension benefit calculation.

If you've made additional contributions or transferred pension **after 31 March** of the statement year, you'll see those reflected in **next year's statement**.

Adjustment for the cost of living

Each year on **1 April**, we adjust your total CARE pension based on the **HM Treasury revaluation orders**. This can either increase or reduce the value of your benefits

In-year build-up

If you've been a member since **1 April 2014**, you've been building up a CARE pension. Each year:

- We divide your **CARE pensionable** pay by:
 - **49** if you're in the *main section*
 - **98** if you're in the *50/50 section*
- We then add that figure to your **pension account** for the year ending **31 March**.

This amount is called your '**in-year build-up**'.

Total

This figure represents the **total pension** you've accumulated in your **CARE pension account**—your personal pension 'pot' so far.

Your final-salary benefits built up based on your membership up to 2014

This section outlines the value of your final-salary pension benefits, based on your membership in the scheme up to 31 March 2014. These benefits are calculated separately from your CARE (Career Average Revalued Earnings) pension, but both are linked and paid together when you retire.

Your final-salary pension benefits

If you:

- joined the LGPS on or after 1 April 2014 **and**
- **haven't** transferred in any membership with a final salary link.

Then your final-salary pension amount will show as £0 on your statement.

How we work out your final-salary pension

We calculate your final-salary benefits using your pensionable pay and membership up to 31 March 2014. Here's how it works:

- If you worked **part-time** before 31 March 2014, your:
 - final salary is converted to its **full-time equivalent**.
 - membership is adjusted to reflect your **contractual hours**, including term-time weeks.
- If you transferred in final-salary pension benefits from another scheme, this membership is included in the calculation.

Total final-salary pension

Membership period	Accrual rate	Notes
Up to 31 March 2008	1/80th of final-salary pensionable pay per year	Part-time pay is converted to full-time equivalent
1 April 2008 – 31 March 2014	1/60th of final-salary pensionable pay per year	Part-time pay is converted to full-time equivalent

Non-contractual overtime is **not** included in your final-salary pension calculation.

Automatic lump-sum retirement grant

This is a one-off lump-sum payment based on your membership **up to 31 March 2008**.

- You'll get **3/80ths of your final-salary pensionable pay** for each year of eligible membership.
- If you worked **part-time** during this period, we'll use the **part time equivalent** amount.

Including 60ths

This is the amount of pension built up while you were a member of the LGPS between **1 April 2008 and 31 March 2014**.

Including 80ths

This is the amount of pension built up while you were a member of the LGPS **up until 31 March 2008**.

Additional pension

This is any extra pension you've bought through **additional regular contributions** made **before 1 April 2014**.

Late retirement increase

If you take your final-salary pension **after 65**, your pension will be increased to reflect the later retirement date.

Value of death-in-service benefits

Benefits paid if you had died on

This is the date of death in service we use when working out your estimated benefits.

Lump-sum death grant

If you die while actively contributing to the LGPS, we'll pay a death grant. The standard amount is three times your [assumed pensionable pay](#) on the date you die. However, if you also:

- have deferred benefits in the LGPS
- are receiving an LGPS member pension (not a survivor's pension) or
- a suspended 'tier 3' ill-health pension, or both

then the death grant will be the greater of:

- the total of all death-in-service lump sums, or
- the total of all death grants from:
 - your deferred pension
 - your pension in payment, or
 - any suspended tier 3 ill-health pension records.

Annual survivor's pension

We'll pay a survivor's pension if when you die if you:

- are married
- have a civil partner or
- or have an [eligible 'cohabiting partner'](#) (someone you live with who would be entitled to a survivor's pension because they meet the eligibility conditions).

Your statement reflects the partnership status we have recorded. If no status is listed, we assume you're married.

Partnership scenarios:

- a. **Single** (per our records) - no survivor's benefit is shown.
- b. **Declared eligible cohabiting partner** - survivor's benefits worked out as:
 - **Membership up to 31 March 2014:** 1/160th of your final salary, for each year of eligible membership. (Excludes service before 6 April 1988, unless additional contributions were paid.)
 - **From 1 April 2014 onwards:** 1/160th of the pensionable pay or assumed pensionable pay each year, plus:
 - a proportion of any transferred pension rights
 - an enhancement equal to 1/160th of your assumed pensionable pay for each year from your death to your [normal pension age](#) (NPA).
- c. **Married or in a civil partnership** - we work out the survivor's benefits in the same way as for cohabiting partners (see scenario b), using the same time-based formula and enhancements.
- d. **Children's pensions** - we may pay children's pensions to eligible children following a member's death. However, the rates of these pensions are not shown on your annual benefit statement.

If your partnership status is wrong, please email us at pensionabs@westnorthants.gov.uk

If you haven't told us your partnership status:

- We'll still pay any eligible survivor's pension if we get the relevant **marriage or civil-partnership certificate**.
- For **cohabiting partners**, we'll need evidence that they meet the criteria for getting a survivor's benefit.

The survivor's pension shown in this section is based on:

- the total of your final-salary survivor's pension built up to 31 March 2014
- any added years you've bought
- any additional regular contributions (ARCs) that included a survivor's pension element and
- the survivor's pension due under the CARE scheme.

It **doesn't** take into account of any deductions from **pension-sharing orders**.

After leaving the LGPS

If you die after leaving the scheme, a survivor's pension may still be payable, though the amount may be lower than if you were still an active member.

For more details about how survivor's pensions are worked out visit the [LGPS website](#).

Estimated pension benefits to normal pension age

This section gives you an estimate of your pension benefits if you claim them at your [normal pension age](#) (NPA). It's based on your:

- current earnings
- continued employment until your NPA.

Your NPA is either your [State Pension age](#) or **age 65**, whichever is later. It may change if your State Pension age changes before we pay your benefits.

For pension built up in the **final-salary** scheme, your NPA is your **65th birthday**.

You can choose to take your pension before or after your NPA. We'll either increase or reduce your pension to allow for the earlier or later payment.

How we work out this estimate

The estimate is based on

- your **CARE pensionable pay** up until **31 March** of the scheme year
- the assumption that your pay stays the same until your NPA
- no inflation adjustments to future benefits built up under the final-salary or CARE schemes.
- Any **additional pension contributions** or **shared-cost additional pension contributions** you've bought.

If you've previously gone over the annual allowance and:

- chosen to pay the resulting tax charge through a Scheme Pays election, or
- have a pension-sharing order

we've **not** taken account of these adjustments in the figures.

The estimate also assumes that you stay in the same section of the scheme that you were in on **31 March** of the statement year.

Projection of benefits to your normal pension date of

This is the date that you meet your [normal pension age](#) (NPA) and can take your pension in full without it being reduced.

Normal pension age

Your NPA is either:

- your [State Pension age](#) or
- age **65**

whichever is later. It's shown as your age in years and months at the time you your NPA.

Total annual pension

This is the total amount of annual pension you can expect to get when you retire at your [normal pension age](#), based on current scheme membership and contributions.

Including CARE pension (annual pension)

This is the amount of your total annual pension that relates to being a member of the CARE scheme from **1 April 2014**.

Including final-salary pension (annual pension)

This is the amount of your total annual pension that's based on your **final-salary-linked membership** built up **before 1 April 2014**.

Including actuarial increase (annual pension)

This is the amount that relates to an actuarial increase which we'd add to your pension if you have:

- **final salary benefits**, and
- a **normal retirement age above 65**.

This increase is based on current guidance and is applied because final-salary benefits normally have a retirement age of **65**. However, these benefits must be taken **together** with your CARE pension benefits—they can't be claimed separately.

Automatic lump sum

This is the lump sum you've built up in the LGPS before **1 April 2008**. If this figure is zero, it means you don't have any LGPS membership before that date.

Survivor's pension

This is the amount of pension your **husband, wife, or partner** may get if you die after retiring at your [normal pension age](#). The estimate is based on the partnership status recorded in our system. If the figure is zero, it means we don't hold a partnership status that qualifies for survivor benefits.

Including CARE pension (survivor's pension)

This portion of your survivor's pension relates to your membership in the **CARE scheme** from **1 April 2014**.

And final-salary pension (survivor's pension)

This portion is based on your **final-salary-linked membership** built up **before 1 April 2014**.

What's the McCloud remedy?

In **2014 and 2015**, public service pension schemes changed from **final salary schemes** to **career average schemes**. As part of this change, **older members received protections**. However, in **2018**, the Courts ruled that younger members had been unfairly excluded from these protections.

As a result, changes made in the LGPS from **1 October 2023** removed the discrimination found in the case. These changes are known as the **McCloud remedy**.

Who's affected?

Not all LGPS members are impacted. If you're protected, we'll review the protected part of your pension when you retire. If your final salary scheme would have provided a higher pension, we'll increase it accordingly. This increase is called your **final guarantee amount**.

Your statement includes an estimated final guarantee amount, reflected in your yearly pension figures. For some members, this estimate is zero because their career average pension is already higher than what they would have received under the final salary scheme.

How's the final guarantee amount worked out?

The estimate is based on the pay information used for this statement. When you take your pension, we'll calculate the actual figure, which may be higher or lower than the current estimate—but it will never be negative.

What if no estimate is shown?

In some complex cases, we couldn't provide an estimated final guarantee amount in this year's statement.

If our records show that you're not protected, your statement will confirm this. However, you may be protected if you were a member of the LGPS or another public service pension scheme before your current membership began. To check, please fill in the '**McCloud: Public service pensions history**' form for your respective Fund.

For further details, visit: www.lgpsmember.org/mccloud-remedy/