

# Pension Update

For members of the Local Government Pension Scheme (LGPS) | Summer 2025

**Welcome to the 2025 newsletter for contributing members of the Local Government Pension Scheme (LGPS).** We have produced this newsletter jointly with other LGPS funds. For more information about your pension benefits, please visit: [pensions.cambridgeshire.gov.uk](https://pensions.cambridgeshire.gov.uk)

## ▶ Round-up

### About the LGPS

Since 1 April 2014, the LGPS has been a career average revalued earnings (CARE) pension scheme, which is a type of occupational pension scheme where the benefits you receive are based on your average earnings over your

career. Each year, a portion of your pensionable pay is added to your pension account. Your pension account is adjusted each year in line with the cost of living, and the revalued amount is added to your total pension pot.

### Cost-of-living adjustments

Every April, a cost-of-living adjustment is applied to your pension benefits. For April 2024, this adjustment was an increase of 6.7%, which you will see reflected in your annual benefit statement. This adjustment is in line with the Consumer Price Index (CPI).

### Important reminder

Please check that all the information in your benefit statement is correct. Pay extra attention to the 2024/2025 CARE pensionable pay figures, as these affect how your pension builds up. Your employer gives us information about your pay, so please contact them if any of the details are wrong.

### Looking ahead

The cost-of-living adjustment for April 2025 has been confirmed as an increase of 1.7%. This will be included in your 2026 annual benefit statement, as this benefit statement is for the period 1 April 2024 to 31 March 2025.





## ➤ The benefits of staying in the LGPS

### Did you know that your pension provides you with the following?

- A secure pension, paid for life, that increases in line with the cost of living.
- The option to give up part of your annual pension for a tax-free lump sum when you retire.
- A flexible retirement date between the ages of 55 and 75 (your pension benefits may reduce or increase depending on when you retire).
- Serious ill-health cover that makes benefits available immediately, based on an enhanced period of scheme membership, if you have to retire due to a serious illness.
- Enhanced membership means that pensions are not reduced if they are paid early. Your pension may be enhanced to make up for your early retirement.
- Redundancy cover, which allows you to take your pension benefits early if you're made redundant or retire aged 55 or over in order to improve the efficiency of the business.
- Life cover that provides a lump sum of three times your final pay if you die before you retire.
- Death benefits for your family, including a survivor's pension for your husband, wife, civil partner or eligible live-in partner, as well as children's pensions.

### Opting out and 50/50

You have the right to opt out of the LGPS if you decide you do not want to be a member. However, the LGPS is one of the best occupational pension schemes in England and Wales so you should think carefully before making this decision. You may also want to get advice from an independent financial adviser.

### 50/50 section

Instead of opting out, or at times when money is tight, you can choose to stay in the scheme but pay a reduced contribution. This is known as the '50/50 option'. If you choose to do this, you will pay half your normal contribution rate and build up half your normal pension, but still keep your full life and ill-health cover.

You can choose to join the 50/50 section at any time. After you have joined the 50/50 section, you can move back to the main section of the LGPS whenever you want to. You will also automatically move back to the main section of the scheme roughly every three years.

### The normal minimum pension age (NMPA) is changing

The normal minimum pension age (NMPA) is the earliest age that you can take your pension. The NMPA is currently 55, but it will rise to 57 from 6 April 2028. This change does not apply if you have to take your pension early due to ill health.

What does this mean for me?

Period	Meaning
If you were born after 5 April 1973	The earliest age you can take your pension at will be increased by two years, to age 57.
If you were born after 6 April 1971 but before 6 April 1973	You can take your pension between your 55th birthday and 5 April 2028 (the day before the NMPA increases to 57). If you choose not to take your pension during this period, you'll need to wait until your 57th birthday at the earliest.
If you were born on or before 6 April 1971	You'll already have reached age 57 by 6 April 2028 so the change won't affect you.

**Will there be any protection from the change in the NMPA?**

You could be protected from the increase in the NMPA if you joined the LGPS in England and Wales before 4 November 2021. You could also be protected if you transferred a previous pension into the LGPS, as long as you meet certain conditions. We are waiting for a decision from the Government as to whether any protection will be introduced into LGPS rules to allow members who qualify for protection to continue with their right to take their LGPS pension from age 55. We will tell you when the Government makes a decision on this, and you can keep up to date with developments at: [www.gov.uk](http://www.gov.uk).

➤ **LGPS rule change – the McCloud remedy**

**What is the McCloud remedy?**

When public service pensions changed from final-salary to career-average schemes, members who were within 10 years of their normal pension age were protected. In 2018, the Court of Appeal ruled this was unfair to younger members. The McCloud remedy, which was introduced from 1 October 2023, gives similar protection to eligible younger members.

**Who is protected by the McCloud remedy?**

Not all LGPS members are protected. Whether you are depends on your membership history in the LGPS and other public service pension schemes.

**What should I do?**

**If you've been a member of another public service pension scheme or LGPS fund:** Before we pay your benefits, we will ask you to confirm whether you have

any public sector membership held with another scheme. Your information helps us work out whether you're protected by the McCloud remedy. We may need to ask for more information from your previous pension provider to help us make sure your pension calculations are accurate.

**If you haven't been a member of another public service pension scheme:**

You don't need to do anything. We'll work out whether you're protected by the McCloud remedy. Your pension statement will show how the changes affect you. If you qualify for protection, we'll work out any 'final guarantee amount' when you take your pension. However, this increase applies to very few members.

**How do I get more information?**

For more information on the McCloud remedy, please visit: [lgpsmember.org/mccloud-remedy](http://lgpsmember.org/mccloud-remedy)



## ► Help with the cost of living

**The cost of everyday essentials has been rising for the last few years. From supermarket basics to monthly bills, your money may not be going as far as it used to.** Whether you're worried about day-to-day expenses such as the cost of groceries, the bills you have to pay, rent increases, higher energy costs or tackling debt, the Government and MoneyHelper have brought together a range of useful tools, guides and calculators to help you keep on top of your spending. These include a budget calculator which helps you keep track of your money and suggests ways to improve your finances.

**Explore:** 'Help with the cost of living' at: [MoneyHelper.org.uk](https://www.moneyhelper.org.uk).

In England, the Government also provides online support to help with bills and the cost of living. This includes support with utility bills (gas, water and electricity), financial support from your local council and Council Tax Reduction.

**Explore:** 'Cost of living support' on the: [Gov.uk website](https://www.gov.uk).

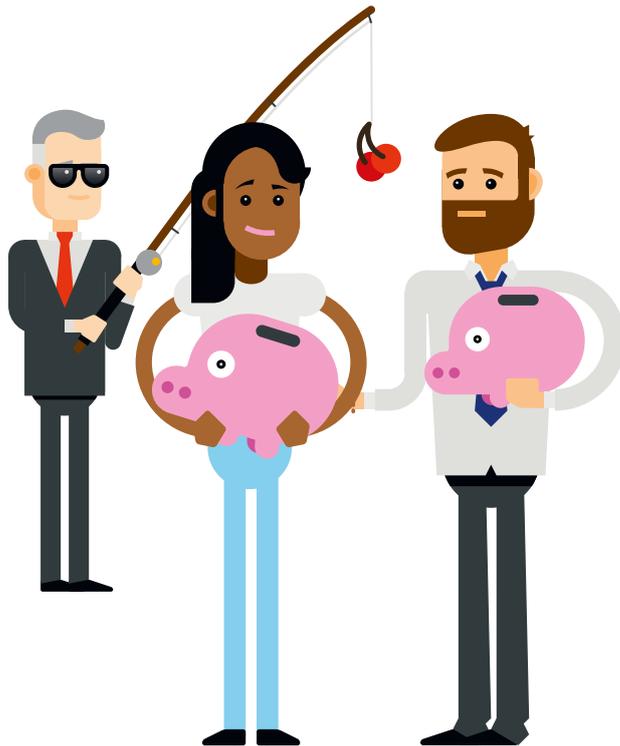
## ► Simplifying pensions with videos

**If you want a better understanding of your LGPS pension and your options as a scheme member but you're pressed for time, the Pensions Made Simple videos are perfect for you!**

These brief videos provide quick overviews on topics such as 'How your pension works', 'Protection for you and your family', 'Life after work' and 'The McCloud remedy'.

**To watch the videos, visit:** [www.lgpsmember.org/help-and-support/videos/](https://www.lgpsmember.org/help-and-support/videos/)





## ➤ Scams

**The number of pension scams continues to rise. It's more important than ever to understand how to protect your money and the signs to look out for if you think you might be dealing with a scam.**

Scammers often claim to be from genuine pension providers. They may contact you unexpectedly, through methods such as email, text message, social media or illegal cold-calling. They may offer you a free review of your finances or the opportunity to free up your pension before you are 55.

Their aim is to persuade you to transfer your pension savings to them, by promising access to high-earning, low-risk benefits.

**To reduce the likelihood of being scammed:**

- reject unexpected offers or cold calls;
- check who you're dealing with by looking at the Financial Services Register at <https://register.fca.org.uk>;
- read The Pension Regulator's leaflet on scams at <https://www.fca.org.uk/publication/documents/pension-scams-leaflet.pdf>;
- don't be rushed or pressured into making decisions; and
- get impartial information and advice from <https://www.moneyhelper.org.uk/en>.

**If you receive a phone call or email which you think may be from us but you're not sure, don't give your details. Contact us to find out if the call or email is genuine.**

## ➤ Update on pensions dashboards

**Last year we gave you an update about LGPS funds taking part in a new initiative called pensions dashboards.**

Pensions dashboards let you safely view all your unpaid pension benefits, including your State Pension, in one place. This should help you find any pension accounts you may have lost and help you plan for your retirement.

All pension providers must connect to the dashboards by 31 October 2026. LGPS funds are prioritising working with specialist companies to connect to the dashboards by 31 October 2025.

The dashboards will become available to the public when the Secretary of State for Work and Pensions is satisfied that they are ready to support widespread use by the public.

When the dashboards become available to the public, you will need to use the Government's GOV.UK One Login to securely prove your identity as part of the registration process. Make sure your personal information is up to date by logging in to your online pension account.

**For more information on pensions dashboards, please visit:**

[pensionsdashboardsprogramme.org.uk](https://pensionsdashboardsprogramme.org.uk)

## ➤ Retirement Living Standards

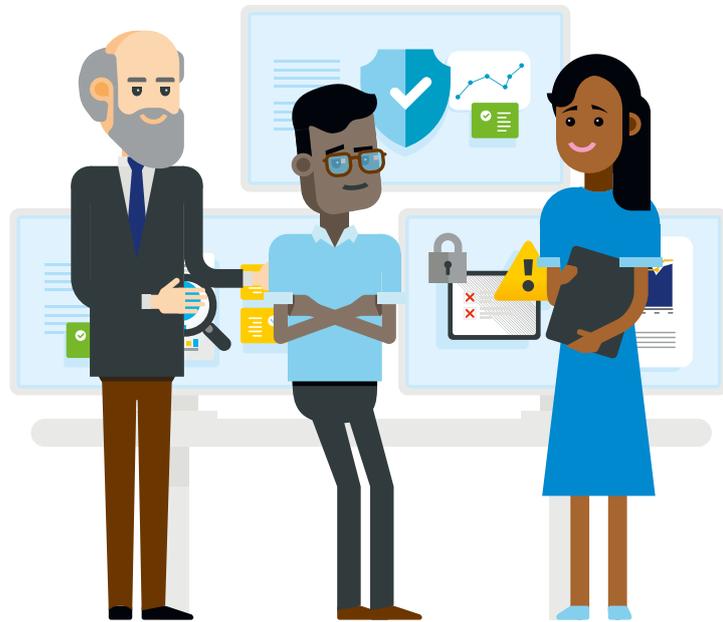
**First published in 2019, the Pensions and Lifetime Savings Association's (PLSA's) Retirement Living Standards help us to picture what kind of lifestyle we could have in retirement.**

Based on Loughborough University's research, the standards define three living standards and provide estimated costs for essential things such as bills, food, transport, leisure and clothing.

These standards are regularly updated to take account of changes in the cost of goods and services and in people's expectations for their retirement. The most recent study suggests that a single person will need £13,400 each year as a minimum income, £31,700 for a moderate standard of living and £43,900 to be comfortable. For couples, the equivalent numbers are £21,600, £43,900 and £60,600 each year.

You can find more information on the Retirement Living Standards on the PLSA website at: [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)

The figures stated above are the general levels of spending needed to achieve a certain standard of living. The standards provide a general guide based on common costs for many people in retirement. However, it is important to remember that everyone's financial circumstances are different. You may need to allow for other costs depending on your circumstances, for example,



mortgage, rent and social care costs, and any tax you may have to pay on your pension income. For more accurate planning, we would encourage you to think about the costs you may have in your retirement.

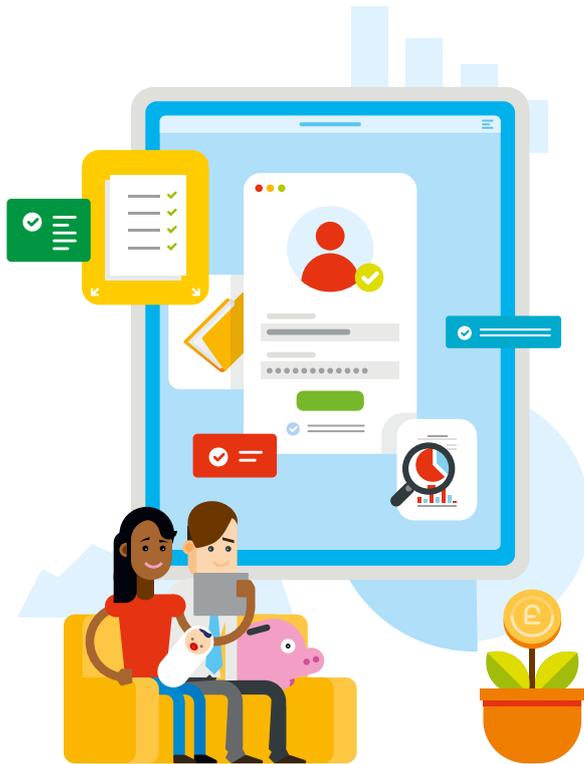
Once you have considered what you'll need or want to spend your money on and have developed your own personal target, the next step is to work out how much your retirement income is likely to be and understand how much you already have (for example, in savings).

The full State Pension for 2025 to 2026 is £12,014.12 a year. This will go a long way towards reaching the minimum Retirement Living Standard for single pensioners. And couples, where both pensioners are on the full

State Pension, would achieve the minimum Retirement Living Standard. You can check your pension forecast at: <https://www.gov.uk/check-state-pension>.

Other retirement income will include your LGPS benefits plus any other workplace pensions, personal pensions and any savings and investments you may have. If you've lost track of your pension pots, you can use the Pension Tracing Service to start tracking them down.

**To find out how much you might get from your LGPS pension on a specific date, you can log in to your online pension account for an estimate of your benefits if you were to take early retirement. The estimate will take into account any reductions that may apply.**



## ► Are your nominated beneficiaries up to date?

**If you die while you are paying into the LGPS, a death grant of three times your annual pay can be paid as a lump sum to someone you have nominated (a ‘beneficiary’). It does not matter how long you have been a member of the LGPS – you are protected from the day you join the scheme.**

If you also have a deferred benefit or are receiving a pension (or both) from a previous period of membership of the LGPS, the death grant lump sum paid will be:

- the total of any death grants due from the deferred benefit or pension; or
- three times your annual pay on the date you die;
- whichever is higher.

The annual pay used to work out the death grant is based on your assumed pensionable pay. This is an estimated pay figure used to make sure that your pension is not affected if your pensionable pay reduces when you are away from work, for example due to sickness. You can make an ‘expression of wish’ to tell us who you would like to receive any death grant that might become due. However, this is not legally binding, and we will decide who to pay any death grant to. If you are nominating a child under the age of 18, you should consider getting legal advice about setting up a trust fund.

To make or update your expression of wish, log in to your online pension account or fill in an expression of wish form, which you can download from our website.

## ► Get ready for Pension Awareness Week!

Pension Awareness Week is back from 15 September 2025. This is the perfect time to get clued up about your retirement plans. The week is packed with free webinars and pension clinics, all designed to help you understand your pension and how to make the most of it.

**The goal is simple** – to get everyone more interested in their pensions. Whether you’re just starting out or planning to retire soon, there’s something for everyone. You can find a range of support on the official website at: [www.pensionawarenessday.com](http://www.pensionawarenessday.com)

### Why not spread the word?

Encourage your colleagues, family and friends to check in with their pension providers. They can find help at: [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

### And don’t forget to check your own State Pension at:

[www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension) and regularly log in to your LGPS pension online.

**So, make a note on your calendar and take advantage of Pension Awareness Week to make sure you can have the retirement you deserve!**

## ➤ Enhanced member portal

**In November, our software provider will switch off our current member portal and launch a new improved platform.**

If you already have an online pension account with us, you'll need to transfer your details to the new system. This process takes just 5 minutes, and you only need to do it once.

### **New secure login**

The upgraded portal features enhanced security, including a new login process that needs a unique email address. If you currently share an email address with another member, you may want to think about setting up your own email account now.

### **What's new?**

You'll be able to do everything you can now, with a fresh new look and exciting upgrades. The enhanced portal offers, improved security, easier navigation, and new tools, including:

- a simplified pensions statement for clearer insights
- a retirement income planner to help you map out your future
- stronger security measures for safer registration and login.



## ➤ LGPS access and fairness consultation

**The Ministry for Housing, Communities and Local Government has launched a consultation aimed at ensuring fair and equal access to the LGPS.** The consultation covers:

- **Survivor pensions and death grants** - addressing discrimination to ensure equal access to benefits, regardless of the sex of the eligible member or their survivors.
- **Gender pension gap** – evaluating ways to improve benefit access for women.
- **Opt-outs** – exploring data collection methods to understand why members choose to opt out.
- **Forfeiture** – refining the process for removing pension entitlements in cases of criminal convictions, fixing known regulatory issues.
- **McCloud remedy** – resolving challenges with the operation of the McCloud underpin.
- **Other regulatory changes** – covering:
  - i. AVCs and transfers
  - ii. Lifetime allowance
  - iii. Child's pensions
  - iv. Bereaved paternity leave.

**If you'd like to participate in this consultation, the deadline for responses is 7 August 2025.**

### Contacting the Pension Team

- ☎ 01604 526471
- @ pensions@westnorthants.gov.uk
- 🌐 pensions.cambridgeshire.gov.uk
- 📍 Pensions Service, West Northamptonshire Council, One Angel Square, Angel Street, Northampton, NN1 1ED

