

Deferred Member News

For more information visit: www.lgpsmember.org | Summer 2025

Welcome to the 2025 newsletter for deferred members of the Local Government Pension Scheme (LGPS). We have produced this newsletter jointly with other LGPS funds. If you would like more information about your pension benefits, visit: pensions.cambridgeshire.gov.uk

➤ Your questions answered

What are deferred benefits?

Deferred benefits are benefits that are set aside to be taken at a later date. If you stop paying LGPS contributions, or finish working for an employer in the LGPS, we work out the deferred benefits that you will delay taking until a future date.

The amount you can see on your annual benefit statement is the pension we have worked out for you from your normal pension age (NPA). If you are over 65 and older than your NPA, your annual statement will include increases for retiring after your NPA.

What is my NPA?

The date your LGPS pension is due to be paid from, without reductions, is known as your normal pension age (NPA). It is unique to you and based on when you left the scheme.

- If you left after 1 April 2014, your NPA is linked to your State Pension age.
- If you left between 1 October 2006 and 1 April 2014, your NPA is 65.
- If you left before 1 October 2006, your NPA is normally 65 but could be as early as 60.

When can I take my deferred benefits?

You can take your deferred benefits at any age between 55 and 75, as long as you have left the job those benefits are linked to.

You can take your benefits:

- reduced, at any age between 55 and your NPA (see the note below);
- unreduced, at your NPA;
- with increases, after your NPA and up to age 75 (but if you left the LGPS before 1 April 1998, you must take your pension by



the time you reach your NPA); and

- unreduced, at any age before your NPA if you are given access to them because of ill health.

Note: The Government has announced that the earliest age you can take your pension, other than for ill-health reasons, will increase to 57 from 6 April 2028. See ‘The normal minimum pension age (NMPA) is changing’ section later in the newsletter for more details.

How much will I get if I take my benefits before my NPA?

If you take your deferred benefits before your NPA, they’ll normally be reduced because your pension will be paid for longer. The following table shows the percentage your pension will be reduced by if you take it earlier than your NPA. If the number of years is not exact, the reductions will be adjusted accordingly.

Early retirement reductions

Years early	Pension reduction	Lump sum reduction (for membership to 31 March 2008)
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

Our benefit calculators in your online pension account can help you work out how much your pension might be with these reductions.

I can’t work because of ill health, so can I take my deferred benefits?

If you can’t work because of ill health, you may be able to have your benefits paid in full, with no reductions, whatever your age. For your application to be approved, you must be permanently incapable of doing the job you were in when you stopped paying LGPS contributions and your benefits were deferred. If you left the LGPS after 31 March 2008, your employer would also need to consider whether you are likely to be able to do any gainful employment in the next three years. Gainful employment is paid work of at least 30 hours a week that lasts for a year or more.

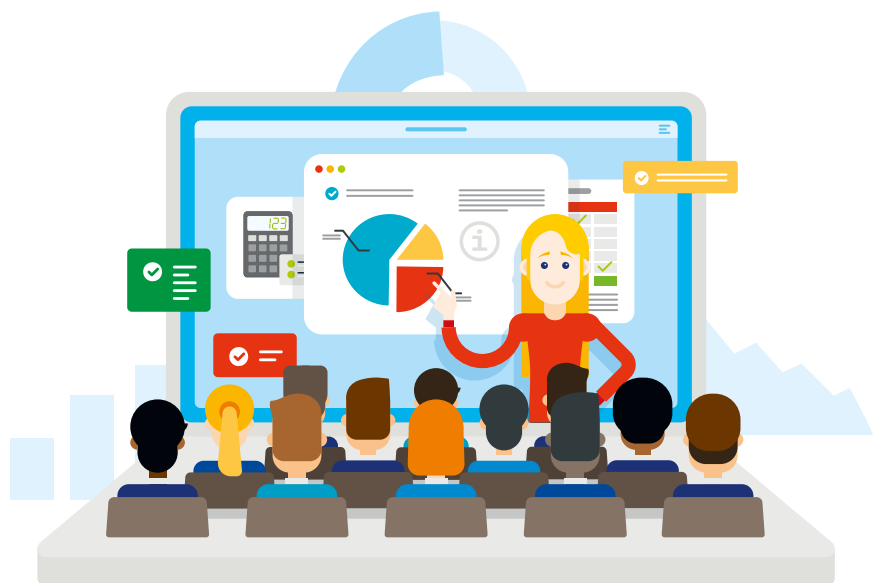
You will need to contact your former employer if you think this applies to you. They must ask an approved independent registered medical practitioner for an opinion to help with the decision on your application.

Do my deferred benefits keep their value against inflation?

Yes. Each April, the value of your deferred benefits is adjusted, based on the Consumer Price Index (CPI) from the previous September. The standard increase applied from 7 April 2025 was 1.7%. If you became a deferred member before 23 April 2024, you’ll get the full increase. However, if you became a deferred member after that date, your pension increase will normally only be a proportion of the full increase.

Can I transfer my deferred benefits to another pension scheme?

If you meet certain conditions, you may be able to transfer your deferred benefits to another pension scheme. Transferring your pension is an important decision and one that you should think about carefully. Visit our website to find out more about transferring your pension.



What happens to my deferred benefits if I die?

A death grant may be paid as a lump sum.

If you stopped paying LGPS contributions before 1 April 2008, the death grant is three times your deferred pension. If you stopped paying contributions on or after 1 April 2008, the death grant is five times your deferred pension. If you are also still paying LGPS contributions for a different job at the time of your death, only the highest death grant will be paid.

Please see the section below for details on how to nominate a beneficiary to receive any death grant that is due or how to update an existing nomination.

A survivor's pension may also be paid to your dependants, such as:

- your husband, wife or registered civil partner;
- any eligible children; or
- someone you live with as if you were married (if you were still paying LGPS contributions on or after 1 April 2008).

You can use your online pension account to find out how much your dependants could get.

How do I update my personal details?

You can update your information by logging in to your online pension account. If you need to change your name, partnership status or gender, we need to see a copy of the relevant legal document.



➤ 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

Are your nominated beneficiaries up to date?

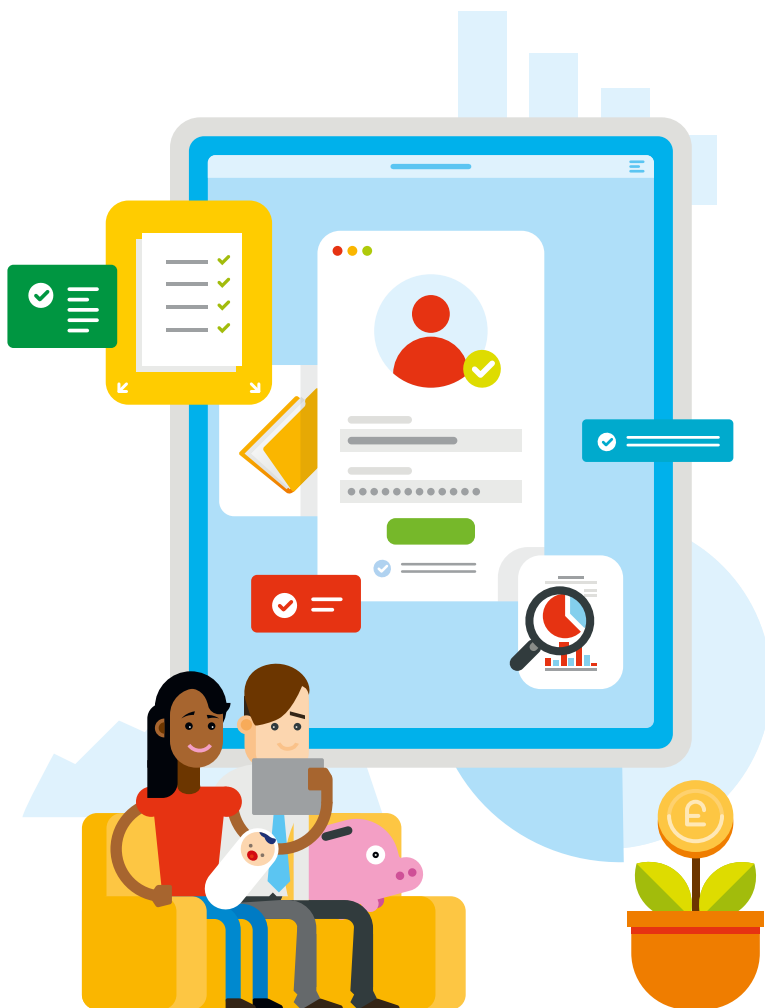
If you die after leaving the LGPS but before you take your pension, we may pay a death grant lump sum to your dependant, relative, personal representative or someone you have nominated (a 'beneficiary').

We explain how much the death grant lump sum will be in the frequently asked questions section above (see 'What happens to my deferred benefits if I die?').

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



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

➤ 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

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.

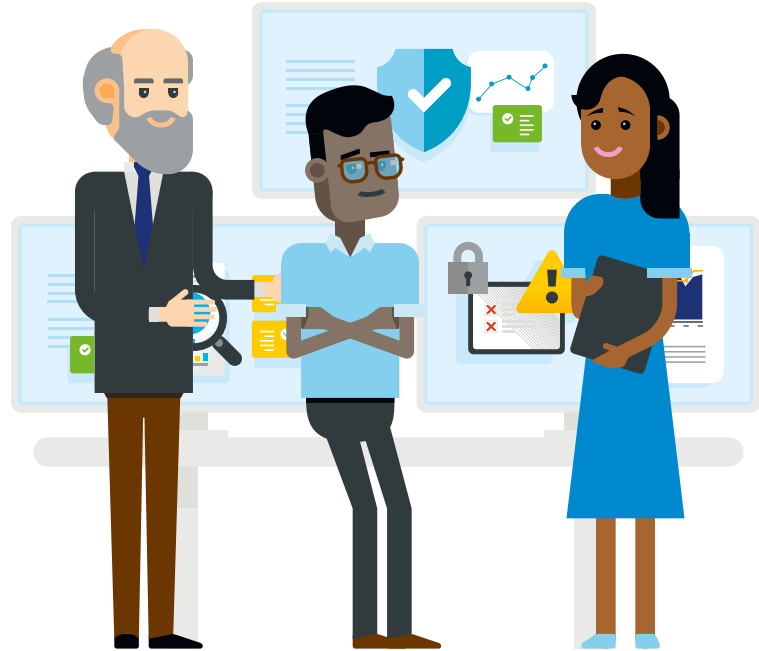
Once you have considered what you'll need or want to spend your money on and have developed your own personal target, the next step is to work out how much your retirement income is likely to be and understand how much you already have (for example, in savings).

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 the online portal for an estimate of your benefits if you were to take early retirement. The estimate will take into account any reductions that may apply.



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

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.

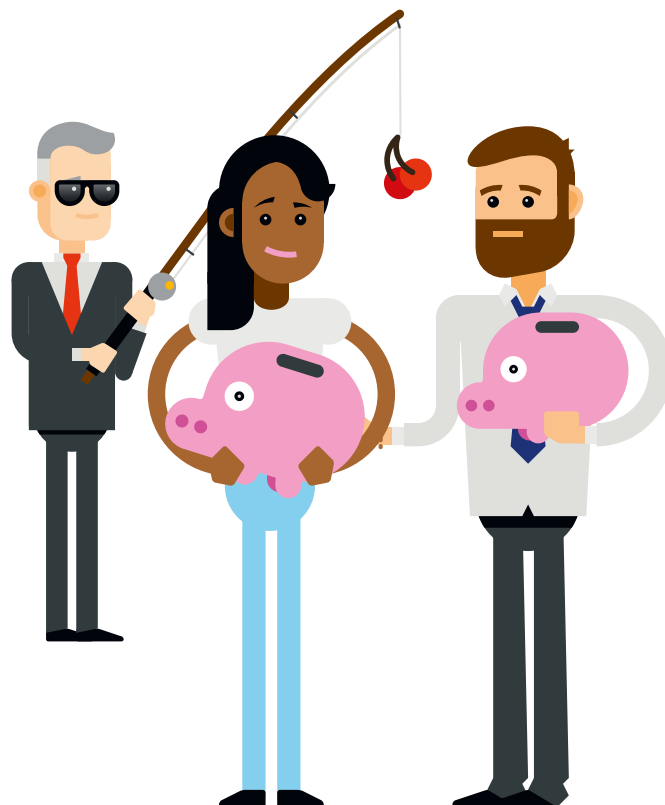
Scammers often claim to be from genuine pension providers. They may contact you unexpectedly, through methods such as email, text message, social media or illegal cold-calling. They may offer you a free review of your finances or the opportunity to free up your pension before you are 55.

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

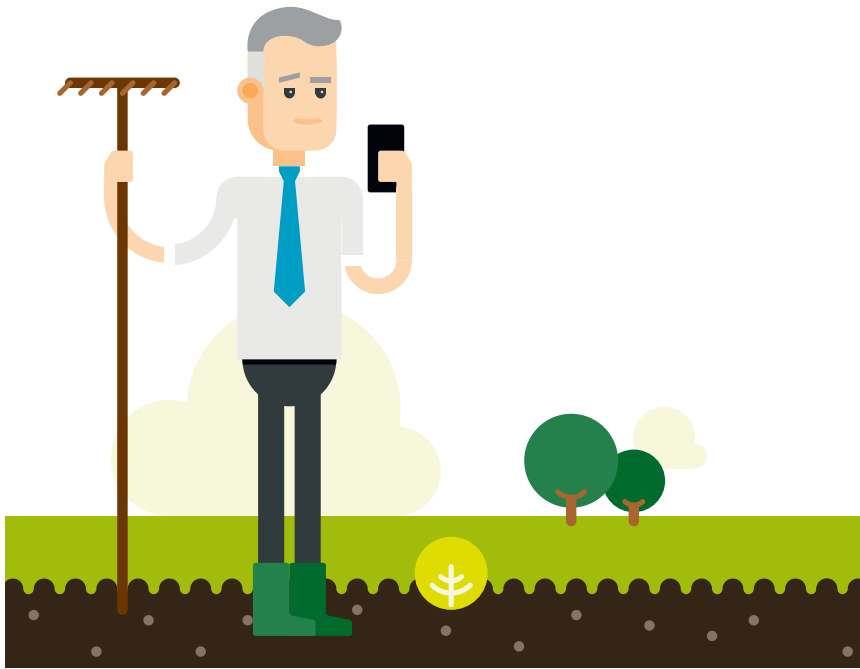
To reduce the likelihood of being scammed:

- 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.



➤ Rejoining the LGPS



You might have to decide what to do with your LGPS pension (or pensions) if you have just started contributing to the LGPS and have made contributions to the scheme during a previous employment. Your personal circumstances and the length of time you were contributing to the LGPS will affect what happens to your previous LGPS pension. You should ask your pension fund for help if you are not sure if you have made contributions to the scheme in the past.

Paying in for less than two years
If you were paying into the LGPS for less than two years (or three months if you were in the scheme before 2014), and you do not have a continuous break in active LGPS membership of more than five years, your previous LGPS pension will be joined with your new pension record.

Paying in for more than two years
If you were paying into your previous LGPS pension for more than two years (or three months if you were in the scheme before 2014), what happens to your pension will depend on when you were last enrolled in the scheme.

If all of your previous LGPS pension membership was built up before 31 March 2014
If all of your previous membership in the LGPS was built up before 31 March 2014, you will have a choice about what to do with your previous LGPS pension. If you don't do anything, your pension records will stay separate. If you would like your LGPS pension records to be linked together, you must tell us within 12 months of starting your new role. We will then get in touch with your former employer to set this up.

If all of your previous LGPS pension membership was built up after 31 March 2014

If all of your previous membership in the LGPS was built up after 31 March 2014, your pension records will usually be joined together automatically. If you would like to keep them separate, you will need to tell us this within 12 months of starting your new role.

Things to think about

- **Redundancy or ill health**

If you leave your role because of ill health or redundancy, your previous LGPS pension will not be paid early with your current pension if you keep your pension records separate.

- **Retiring early**

If you retire before your NPA, your pension would normally be paid at a reduced rate to take account of the early payment. If you choose to join your pension records together, you will not be able to take one pension early and leave the other until your NPA, as both pensions will be reduced for early payment.

- **Final salary link**

If you were in the LGPS before 31 March 2014, left after 1 April 2014, and rejoin within five years, your previous pension will keep its final salary link. Your pension records will be joined together (unless you contact us within 12 months of rejoining the scheme to ask us to keep them separate), so your LGPS membership from before 2014 will be linked to your new salary.

➤ 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

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

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

www.gov.uk/check-state-pension and regularly log in to your online pension account.

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

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

