Deferred pension statement - frequently asked questions

When can I get my pension?

You can take your deferred pension from age 55. You don't need your employer's permission, as long as you've left the job linked to the pension. The Government has said that the minimum pension age will rise from 55 to 57 on **6 April 2028**.

You can usually take your pension from the date shown on your statement as '**Date payable**'. If you wait until this date, your pension won't normally be reduced. If you take it before this date, the yearly pension will be reduced as it is being paid for longer.

We'll contact you about two months before this date. If you'd like to take your pension sooner, please contact us at least two months before you'd like your pension to start.

How do I get my pension?

To claim your pension, send a secure email to pensions@westnorthants.gov.uk with your:

- full name
- date of birth
- National Insurance number
- email address.

Once we've received your details, we'll send you the forms you need.

Will I get a lump sum?

You'll get a lump sum for any pension benefits built up **before 1 April 2008**.

For pension built up after this date, you can choose to give up part of your pension for a **tax-free lump sum**. For every £1 of yearly pension you give up, you'll get £12 as a lump sum.

There are limits on how much you can take. The largest tax-free lump sum is usually 25% of the value of your pension benefits.

Can I take my pension benefits early if I can't work because of ill health?

Yes. If ill health means you can't work again, you can ask for your deferred pension to be paid straight away, at any age. Your former employer will need to decide if your ill health means you can't ever work again. Your pension won't be reduced for being paid early.

If you take your pension before age 55, any cost-of-living increases may not be added until you reach 55.

What happens if I die before you've paid my deferred pension?

If you die before we've started paying your deferred pension, we may pay a **lump-sum death grant** to the person, people, or organisation you've chosen. You can choose more than one person or organisation. If you do, you'll need to tell us what percentage each one should get. The total must add up to 100%. You can tell us who you'd like to receive this payment by updating your nomination:

- through your online pension account
- using the '**Death Grant - Expression of Wish** form' on our website.

We'll usually pay the person you've chosen, especially if this matches your Will. However, we have the final say.

After your death, we may also pay a pension to:

- your **husband, wife, or civil partner**
- an **eligible co-habiting partner** (someone you live with as a couple but aren't married). As long as you were an active member of the **LGPS on or after 1 April 2008** in the job linked to your deferred pension
- any **eligible children**.

What if I've re-joined, or plan to re-join, the LGPS with another Pension Fund?

If you've re-joined, or plan to re-join the LGPS with another Fund in **England or Wales**, you must tell:

1. your **new Fund** that you've a deferred benefit with us
2. **us** that you're an active member of another LGPS Fund in England or Wales
3. your **new Fund** about any service you've built up in another **public service pension scheme** between leaving us and joining them - even if you've had a refund.

It's important that you do steps **1 and 2**. This makes sure you're given all your transfer choices.

If you don't do step **3**, you could lose some legal rights. For example, pension built up **before 1 April 2014** may be worked out using newer rules instead of the rules that applied when you built up those benefits.

Why have I had more than one statement?

You'll get a separate statement for each deferred pension you have with us. Each statement relates to a different job and pension record. You can find the date you left the job linked to that pension on the first page of the statement.

What's the estimated final guarantee amount?

In **2014 and 2015**, public service pension schemes changed from **final salary schemes** to **career average schemes**. Older members were given extra protection. In 2018, the courts ruled that younger members had been treated unfairly because they didn't get the same protection.

Because of this, changes were made to the LGPS from 1 October 2023. These changes are known as the **McCloud remedy**.

Who's affected?

Not all LGPS members are affected. If you're protected under the McCloud remedy, we'll check your pension when you retire. We'll compare the pension you:

- have built up in the career average scheme
- would have received under the final salary scheme.

If the final salary scheme would give you more, we'll increase your pension. This increase is called your **final guarantee amount**. Your statement shows an estimate of this amount. It's already included in your yearly pension figures.

For some members, the estimate is £0. This is because their career average pension is already higher.

How's the final guarantee amount worked out?

The estimate is based on the pay information we used to produce your statement. When you take your pension, we'll work out the final guarantee amount using the latest information. The final amount may be higher or lower than the estimate shown on your statement, but it will never be less than £0.

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

Protecting your pension: What you need to know about AI

We've tried to make your statement easy to read. Even so, pensions can be hard to understand. You may think about using Artificial Intelligence (AI) to explain your pension statement. Before you do, it's important to know the risks.

What are the risks of using AI?

AI tools can sometimes give information that's:

- wrong
- misleading
- confusing
- not based on your own situation
- not in line with the Fund's rules or processes.

If an AI tool gives you wrong information and you act on it, you're unlikely to get compensation from the AI provider.

Keep your information safe

Be careful about sharing personal information with AI tools. We don't recommend uploading documents that contain your pension details. This could put your personal information at risk if the AI provider's systems are accessed without permission.

Important

We can't accept responsibility for any loss caused by the misuse of AI. You shouldn't rely only on AI when making decisions about your pension.

If you choose to use AI

If you decide to use an AI tool:

- check where the information comes from
- don't enter personal or confidential information into public AI tools.

Where can you get trusted help?

If you've got questions about your pension, it's better to use trusted sources:

- visit our websites:
    - pensions.cambridgeshire.gov.uk
    - pensions.westnorthants.gov.uk
- visit lgpsmember.org
- speak to an independent financial adviser if you need financial advice.

If you need help finding an independent financial adviser, visit:
moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser