

Actives

Guide to your 2024 LGPS Annual Benefit Statement



**NOTTINGHAMSHIRE
PENSION FUND**

lgps

administered by



**Nottinghamshire
County Council**

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Introduction

This guide has been designed to accompany your Local Government Pension Scheme (LGPS) **Annual Benefit Statement (ABS) 2024**. It contains notes of guidance to explain the various sections of the statement. These notes cannot cover every personal circumstance, and in the event of any dispute over your statement, the appropriate legislation will prevail. They do NOT confer any contractual or statutory rights and are provided for information purposes only.

Please refer to these notes whilst reading your statement, and report any inaccuracies using the contact details shown in Section 3 of your statement.

If you joined before 1/4/2014, the benefits that accrue under the Scheme have been split into 'Final Salary' and 'Career Average Revalued Earnings' (CARE) benefits, which are added together to make the total benefits. Your membership of the scheme up to 31/3/2014 is used in the calculation of the Final Salary benefits and your pensionable earnings from 1/4/2014 are used to calculate the CARE benefits. If you first joined the scheme after 31/3/2014, all benefits accrued will be CARE benefits.

Section 1: Personal Details

Full Name & Date of Birth: Please check that these details are shown correctly. If any of your personal data is incorrect, please contact the ABS Helpline on 0300 500 80 80 option 0 or send an email to lgpensions@nottssc.gov.uk. Please quote your folder reference (as shown in section 2 of this statement) on any correspondence and include 'ABS Query' within your subject heading.

Section 2: Employment Details as at 31/03/2024

Scheme Employer: This is the name of the body you were employed by at the date of the statement. If you are employed by a multi-academy trust within an academy, this will be the name of the academy at which you are based.

Folder Reference: This is a unique reference Notts LG Pensions Office has assigned to your employment under this employer. If you have multiple pensionable employments then you will have a different Folder Reference for each one and you will receive a separate statement in respect of each of those pensionable employments.

Section of the LGPS as at 31/03/2024: There are two Sections to the LGPS which are called the Main Section & the

50/50 Section. The section that applied to you as at the date of the statement is shown here. The Main Section is the one in which full benefits are accrued. The 50/50 Section allows members to pay half normal contributions in return for accruing half the level of the main section pension during this period. Full ill health and death cover is maintained whilst contributing to the 50/50 Section.

If you have elected to contribute to the 50/50 Section of the scheme, your CARE pension will have been calculated as 1/98th of your CARE pensionable pay for this period as opposed to the higher 1/49th of your CARE pensionable pay if you were in the Main Section. The projection to your Normal Pension Age (NPA), as shown under Section 7 of your statement, will be based on the section of the scheme you were in on 31/3/2024.

Section 3: Contact Details

Unless you are querying your pensionable pay, which should be addressed to your employer, please use these contact details to resolve any queries on your statement. Please quote your folder reference on any correspondence.

Section 4: Pre 1 April 2014 Membership

Membership to 31/03/2008: For years of membership built up to 31st March 2008, you accrue a pension of 1/80th of your final salary pensionable pay plus an automatic tax free lump sum of 3 times your pension.

Membership from 01/04/2008 to 31/03/2014: For years of membership built up from 1st April 2008 to 31 March 2014, you accrue a pension of 1/60th of your final pay. There is no automatic lump sum for this period, but on retirement, you will have the option to exchange some of your pension for a tax free lump sum.

Membership is recorded in years and days, with any periods of part time working being apportioned accordingly. Membership may also include service credits from transferred in benefits.

Section 5: Pensionable Pay as at 31/03/2024

Main Section & 50/50 Section:

Your CARE benefits are based on the pensionable pay that you have received during each of the Scheme Years from 1st April to 31st March, and is referred to as your CARE Pensionable Pay. Your Employer's Payroll provider informs us how much you have paid under each section of the scheme. CARE pensionable pay may be higher than Final Salary pensionable pay as it may now include overtime and additional hours.

Please **CHECK** that your CARE Pensionable Pay is correct, otherwise your CARE benefits may have been calculated incorrectly. If you believe your CARE Pensionable Pay to be incorrect, please contact your Employer directly.

If you have received no pay as you have not worked during 2023/24, then zero CARE Pensionable Pay will be recorded on your statement.

If for any periods during the scheme year you have received reduced or nil pay due to sickness / injury, paid child-related leave or reserve forces service leave, your pay for those periods will have

been based on your Assumed Pensionable Pay (APP), which is an average of the pensionable pay received during the 3 complete months (or 12 week period if weekly paid) before you entered the reduced / nil pay period.

Final Salary Pensionable Pay as at 31/3/2024 This is your full time equivalent pay as at 31st March

2024 under the 2008 Scheme definition of pay. This excludes non-contractual overtime and ignores any reduction in pay due to sickness / injury, child-related leave or reserve forces service leave.

If you joined the LGPS on or after 1st April 2014, the Final Salary Pay on your statement may have been left blank.

Section 6: Total Value of LGPS Benefits as at 31/03/2024

Annual Pension: This is the total value of your benefits as at 31st March 2024 and is made up of Final Salary benefits for any membership built up to 31st March 2014, and CARE benefits in respect of pensionable earnings from 1st April 2014.

If you were over your Normal Pension Age (NPA) as at 31st March 2024, the late retirement increases will have been included in your statement.

Automatic Lump Sum: If you have membership prior to 1st April 2008, then you will also have an automatic tax-free lump sum entitlement, which is shown here. In addition, all members currently have the option to convert some of their annual pension on retirement, to give them additional tax-free lump sum. The current rate of conversion is £1 of pension given up, produces £12 of lump sum, though this rate may change before you retire.

Annual Survivor Pension: see section 7 for details.

Percentage of Lifetime

Allowance: The Lifetime Allowance (LTA) was the limit on the total value of pension benefits you could draw from all pension arrangements without incurring a Lifetime Allowance Tax Charge. The standard LTA at 31st March 2024 is £1,073,100, and whilst this rate will continue going forward, the Government announced in its Spring 2023 budget that no-one retiring on or after 6 April 2023 will incur an LTA tax charge. Although the lifetime allowance tax charge no longer applies, holding LTA protection may still allow you take a larger tax-free lump sum. The new lump sum allowance (LSA), if exceeded, will incur income tax on the excess lump sum amount. Please visit **www.lgpsmember.org/your-pension/the-essentials/tax/** for more details about lump sum limits. Please note that Nottinghamshire Pension Fund cannot give you financial advice.

Section 7: Projection of LGPS Benefits to your Normal Pension Age

Date Achieve Normal Pension

Age: The date you achieve your Normal Pension Age (NPA) shown under this section is linked to your State Pension Age (SPA) and may therefore change in the future. If you retire before NPA, and you are aged 55 or over, then currently you may elect to receive payment of your benefits, but they may be subject to a reduction for early release.

Reductions for early release are dependent upon your age, gender, the type of membership you have, the reason for retirement and any protections you may have. Members may now, for a single retirement date, have different rates of reductions applied to benefits related to:

- Pre 1/4/2008 membership
- Membership on or between 1/4/2008 and 31/3/2014
- Membership on or between 1/4/2014 and 31/3/2016
- Membership on or between 1/4/2016 and 31/3/2020
- Post 31/3/2020 membership

For further details please see the LGPS member website at www.lgpsmember.org

Please note: The Government has announced the earliest age that you can take your pension will increase from age 55 to 57 from 6 April 2028.

You can contribute to the scheme until the day before your 75th birthday, but at that point, even if you continue in employment, your benefits must be put into payment.

Annual Pension & Automatic Lump Sum & Annual Survivor Pension: The projections to your NPA have been based on your CARE Pensionable Pay and Final Salary Pay as at 31st March 2024 (if applicable) and does NOT provide for any future changes in your pensionable pay. It has been assumed that you will continue to contribute to the same section of the LGPS until your NPA and that your CARE Pensionable Pay / Final Salary Pay will remain constant.

If you were over your NPA as at 31st March 2024, the projection of your benefits to Normal Pension Age will have been left intentionally blank.

No assumption has been made for inflation under HM Treasury Revaluation Orders for future build up in respect of your CARE benefits.

Annual Survivor Pension: The LGPS contains provisions for payment of 'survivor pensions' in respect of widows, widowers, civil partners, eligible co-habiting partners and eligible children.

Eligibility would need to be established at the date of the member's death as circumstances may have materially changed since our records were last updated.

We have provided a survivors pension figure for members based on there being an eligible spouse or partner recorded on your pension record. The calculation will generally use all of your membership, unless you are recorded as having an eligible co-habiting partner, or are a female member and we have not recorded a date of marriage/civil partnership, in these cases we only use membership deemed to be post 05/04/1988.

Children's pensions are not currently illustrated on this statement, and survivor benefits are not shown in 'all' cases.

Section 8: Death in Service Benefits as at 31/03/2024

Lump Sum Death Grant: As an active member, in the event of your death, a tax-free lump sum death grant of three times your annual pay based on your Assumed Pensionable Pay (APP) (an average of the pensionable pay received during the 3 complete months or 12 week period if weekly paid, before your date of death or date your pay was reduced due to sickness absence if that is earlier) may become payable to your beneficiaries.

If you wish to make or change a Death Grant Nomination (LGPEN 9), please visit our website www.nottspf.org.uk/members/death-grant-nomination to complete our online form.

Please note that Nottinghamshire Local Government Pension Fund, as administering authority, holds absolute discretion as to who/whom the Death Grant payment is to be made.

If you also have a deferred pension or a suspended Tier 3 ill health pension or a pension in payment from an earlier period of LGPS membership in England or Wales, the lump sum death grant payable if you were to die as an active member is the greater of that in respect of your active period of membership (as shown in this statement) OR the lump sum death grant due from any of your earlier benefits. If your active lump sum death grant is greater, no lump sum death grant will be payable in respect of the earlier benefits. However, if the lump sum death grant from one of the earlier benefits is greater, NO lump sum death grant will be paid in respect of your current period of membership.

Annual Survivor Pension: Section 7 provides details of the survivor benefits payable upon death at Normal Pension Age. As death in service survivor benefits are based on a projection of pension to Normal Pension Age the figures shown will be very similar.

For further details please see the LGPS member website at www.lgpsmember.org

Frequently Asked Questions

When do I qualify for scheme benefits?

If you joined the LGPS on or after 1st April 2014, with no earlier period of LGPS membership in England or Wales and having not transferred any previous pension rights into the LGPS, then you **MUST** attain 2 years scheme membership in order to qualify for benefits. The projections made on your statement assume that you will qualify for a benefit even if you do not meet the criteria currently. You are though covered from day one for death benefits.

Does my statement take account of any early retirement reduction?

Your benefits do **NOT** include any early retirement reduction which might apply if you were to retire before your NPA.

For further information, please see the LGPS member website at www.lgpsmember.org

Does my statement include a late retirement increase?

If you have gone past your NPA at 31st March 2024, the total value of your benefits will include any late

retirement increases as they apply currently. The increase factors are not guaranteed and are subject to being changed.

What if I contribute to the LGPS under another employment?

You will receive a separate statement in respect of each of your pensionable employments.

What if I also have a deferred benefit under the LGPS?

You will receive a separate statement for any deferred benefit you may have from an earlier period of LGPS membership.

Can I pay more to increase my benefits?

There are two in-house options available to you. You can either make Additional Voluntary Contributions (AVCs) or you can elect to purchase extra pension by making Additional Pension Contributions (APCs). For further information, please see the LGPS member website at www.lgpsmember.org/your-pension/paying-in/paying-more/

Will I be affected by the Annual Allowance?

HM Revenue and Customs sets an annual allowance, which is the amount by which your benefits can increase in a year without being subject to tax. The standard annual allowance increased to £60,000 from 6 April 2023. For the tax years 2016/17 to 2022/23 it was £40,000.

A tapered annual allowance may apply for people with adjusted income of £150,000 and over. If you think this applies to you, please contact us.

It is your personal responsibility to understand whether or not you are approaching the annual allowance maximum. Please see the LGPEN 114 Pensions Taxation Annual Allowance factsheet on our website for more information. You may wish to seek independent financial advice if you have any questions regarding this. Nottinghamshire Pension Fund cannot give financial advice.

Has my Pension Sharing Order deduction been applied?

If you have a pension sharing order applied to your benefits and it has been processed by this office, it will be reflected on your statement.

What happens if I am unable to work because of an illness?

If you have been absent from work because of an illness and you have received reduced or nil pay as a result, your pension benefits will continue to build up whilst you are still employed. If your employment is then terminated by your employer on the grounds of permanent ill health, then your retirement benefits will become payable immediately without reduction.

Am I affected by 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. You can find more information on the national LGPS website, including a short video. Please visit **www.lgpsmember.org/mcccloud-remedy/**

If you are affected, 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, we will automatically apply the protection when you take your LGPS pension. However, we have a huge amount of work to do to gather the information we need and to update our systems therefore information has not provided in this year's statement but will be provided in annual benefit statements from 2025.

If you were a member of another public service pension scheme before 1 April 2012 you may have protection in relation to that period of service, even if you have not transferred these benefits into your Notts Pension. It is important that you let us know about any relevant pension scheme membership that you haven't transferred to us so that we can assess if you are entitled to any protection. You can do this by writing to us and providing evidence of your service from your previous scheme.

What if I want to request further estimates of my pension benefits?

In all instances the Annual Benefit Statement should be sufficient to assist you in understanding your pension benefits.

Further estimates will only be provided to you for the following reason:

- Retirement at your own request within the next 12 months and where you are over age 55

Disclaimer

1. The information provided in this document represents the Council's best understanding and interpretation of the Local Government Pension Scheme regulations at the time of issue of this guide. The information is subject to change due to various factors including, but not limited to, changes to rules and regulations introduced by the Government Actuary's Department, HMRC and / or the Department for Levelling Up, Housing and Communities. Changes can happen at short notice and may be implemented prior to the Council issuing any future revised documentation.
2. The information provided is not intended to give you financial advice as the Council is not regulated under the Financial Services Act and so we strongly recommend that you obtain independent financial advice.
3. The Council excludes all and any liability for any loss, damages or expenses incurred or suffered (including consequential loss such as, but not limited to, loss of profit, anticipated savings and other economic loss) as a direct or indirect result arising from any information contained in this guide, or from any interpretation of the same, or from any act or decision taken as a result of using the same.

This information can be made available upon request in alternative formats and languages.



**Nottinghamshire
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The Nottinghamshire Local Government Pension Fund
is administered by Nottinghamshire County Council

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