



SUFFOLK PENSION FUND  
LOCAL GOVERNMENT PENSION SCHEME  
**Deferred Benefit Statement  
Notes and FAQs**

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Suffolk Pension Fund contact details are as follows:

**Address:** Pensions, 2<sup>nd</sup> floor, Constantine House, 5 Constantine Road, Ipswich,  
IP1 2DH

**Telephone:** 03456 053000

**Email:** [pensions@suffolk.gov.uk](mailto:pensions@suffolk.gov.uk)

**Website:** [www.suffolkpensionfund.org](http://www.suffolkpensionfund.org)

**Member Self-Service:** <https://pensions.suffolk.gov.uk/>

## Local Government Pension Scheme

### Deferred Pension Annual Benefit Statement - 2017

When your Local Government Pension Scheme membership ceased, you would have been sent a deferred benefit letter which would have told you the value of your deferred pension benefits as at the date of ceasing membership. Each year we will send you a statement informing you of how your pension benefits have increased which you may wish to compare with your deferred benefit letter.

You will receive a separate statement for each deferred period of membership that you have in the Suffolk Pension Fund.

If you are still in employment and still paying into the Local Government Pension Scheme then you will also receive a separate statement regarding your current period of membership.

### Personal Details

- Your full name.
- Your National Insurance number.
- Your date of birth.

**Are all these details correct? If not, please complete the correct information on the "Amendment Form".**

- Date Joined Fund. This is the day that you joined the Suffolk Pension Fund in respect of the employment to which these deferred benefits relate.
- Date of Leaving. This is the day that your pension scheme membership ceased.
- Date Benefits Payable From. This is when your deferred benefits become payable without reduction.

If your Date Benefits Payable From date is in the past, your pension can come into payment and you will be paid from the date of your claim to receive those benefits, however, arrears of pension benefits back to your 'Date Benefits Payable From' date will not be paid.

**If you left your employment before 1 April 2014**, you can request payment of your benefits from age 60, but they will be reduced if taken before your 'Date Benefits Payable From' date.

**If you left your employment on or after 1 April 2014**, you can request payment of your benefits from age 55, but they will be reduced if taken before your 'Date Benefits Payable From' date.

You can use our member self-service website to run early retirement estimates.

**Member Self-Service:** <https://pensions.suffolk.gov.uk/>

Please follow the instructions on the Login page of the Member Self-Service website to provide your email address, and request login details to access the site.

Once logged in, the 'Pension Benefits' section of the site contains Benefit Projectors that can be used to run retirement estimates.

### **Deferred Pensioner Benefit Details with effect from 10 April 2017**

① **Current Annual Pension as at 10 April 2017** is the current value of your pension.

This value provides an estimate of the annual pension you would receive if you took payment of your pension benefits on the 'Date Benefits Payable From' date.

This value will increase in line with inflation. Please see the '[Pensions Increase](#)' section on page 5 for more information.

Your Current Annual Pension value does not take into account any early retirement reductions which would be applied to your benefits if they were brought into payment before your 'Date Benefits Payable From' date.

② **Lump Sum Retiring Grant** is the current value of your tax free lump sum payment.

This value provides an estimate of the one-off lump sum you would receive if you took payment of your pension benefits on the 'Date Benefits Payable From' date.

If you joined the pension scheme prior to 1 April 2008 you will have an automatic lump sum amount in addition to an annual pension.

If you joined the pension scheme on or after 1 April 2008 you will have the opportunity at retirement to give up some of your pension to receive a one-off lump sum. For every £1 of pension you give up you will receive an additional £12 lump sum.

The value of your lump sum will increase in line with inflation. Please see the '[Pensions Increase](#)' section on page 5 for more information.

Your Current Lump Sum Retiring Grant value does not take into account any early retirement reductions which would be applied to your benefits if they were brought into payment before your 'Date Benefits Payable From' date.

- ③ **Surviving Partner's Pension** is the pension paid to your spouse or civil partner if you were to die before the pension quoted at ① and ② had become payable.

#### Cohabiting Partner's Pension

If you joined the scheme on or after 1 April 2008 then a cohabiting partner's pension may be payable provided the following conditions had been satisfied for a continuous period of at least 2 years prior to your date of death:

- both you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- you and your cohabiting partner have been living together as if you were husband and wife, or civil partners, and
- neither you or your cohabiting partner have been living with someone else as if you/they were husband and wife or civil partners, and
- either your cohabiting partner is financially dependent on you or you are financially interdependent on each other.

- ④ **Death Grant.** This is the estimated amount payable on death in deferment as at 10 April 2017. If a death in deferment grant does become payable, it will be calculated as follows:-

- If you ceased membership prior to 1 April 2008 – Death Grant is equal to the lump sum
- If you ceased membership after 31 March 2008 – Death Grant is 5 times the value of the Pension.

**Please note** that if you have any periods of active pension scheme membership, any death grant payable would be the greater of:

- All death grants in respect of active periods of membership (based on 3 times actual pay)
- Or,
- All death grants in respect of preserved benefits or pensions in payment

## **Pensions Increase**

Your pension benefits are reviewed on the first Monday after the 5 April each year in line with inflation. The inflation index used is the Consumer Prices Index as at the previous September. In September 2016 the index was 1%.

The total amount of increase due to inflation that has been applied to your deferred pension benefits since your leaving date is shown in brackets: (includes total pensions increase of...)

If you left your employment before 26 April 2016 your deferred benefits have been increased by the full 1% increase.

If your pension has been deferred for less than one year, your pension will have been increased by a proportion of the 1% depending on how many months your pension had been deferred.

## **Your nomination details**

These are the people you have nominated to receive your death grant, and the percentage of the death grant they are nominated to receive.

If you wish to nominate a person, (or persons) to receive the death grant (or wish to change a previous nomination) please Login to our Member Self-Service website:

<https://pensions.suffolk.gov.uk/>

Please follow the instructions on the Login page of the Member Self-Service website to provide your email address, and request login details to access the site.

Once logged in, the 'Nominations' section of the site can be used to update your nomination.

You can also make a nomination for the death grant by downloading, completing and signing a [form](#) from our website [www.suffolkpensionfund.org](http://www.suffolkpensionfund.org) or by writing to the pensions team.

## Frequently Asked Questions



### Deferred Pension Benefits

#### **1. What does a 'deferred pension' mean?**

Deferred pensions are pensions that become payable in the future (typically at normal retirement age) and to which the employee has ceased to contribute as they have either opted out of the scheme or left the employment in which the deferred pension benefits were built up.

#### **2. I am also an active member of the LGPS. Does this statement cover that pension?**

No. If you are currently paying into any pension benefits with the LGPS these are not included on this statement. You will receive a separate statement for these.

### Bringing deferred pension benefits into payment

#### **3. At what age can my benefits come into payment?**

##### **If you left the scheme before 1 April 2014**

The age at which an unreduced pension can be taken is 65. You may take your deferred benefits at any time after age 60 but they may be reduced due to the earlier payment. However, if you have membership of the scheme before 1 October 2006, your benefits may be protected from this reduction if you will qualify for the '85 year rule' (see question 8) when you retire.

##### **If you left the scheme after 31 March 2014**

The age at which an unreduced pension can be taken is your State Pension Age. You may take your deferred benefits at any time after age 55 but they may be reduced due to the earlier payment. However, if you have membership of the scheme before 1 October 2006, some of your benefits may be protected from this reduction if you will qualify for the '85 year rule' (see question 8) when you retire.

#### **4. I am interested in taking my benefits, what do I need to do?**

If you've reached the relevant early retirement age (stated in question 3 above:- 60 for pre 1 April 2014 leavers, 55 for post 31 March 2014 leavers), you can request payment of your deferred benefits by contacting us. Our contact details are shown on page 1.

If you do not contact us we will write to you approximately 3 months before your reach age 60 (or your normal retirement date if you are already over 60) with details of the current values including any early retirement reductions, if applicable.

#### **5. I don't want to receive this pension at retirement, can I cash it in now or receive a refund of my contributions?**

No. As you have a deferred pension you are unable to receive payment of it before you reach the age stated in question 3 (except for ill-health grounds) and you are unable to receive a refund of your contributions. Please remember that the LGPS provides you with a secure future income for the rest of your life and if you have any dependants, for the rest of their life, independent of share prices and stock market fluctuations.

#### **Flexible Benefits**

Flexible benefits were introduced by the Government from 6 April 2015 to allow members of defined contribution schemes, who are over age 55, more freedom on how they take money from their pension pot.

The LGPS is not a defined contribution pension scheme (it is a defined benefit scheme) and as such, it is not directly affected by these changes. However, it may be possible to transfer your LGPS pension to a defined contribution scheme that does provide flexible benefits. Further information can be found at: [www.lgpsmember.org/more/freedom-choice.php](http://www.lgpsmember.org/more/freedom-choice.php).

#### **6. What happens if I become ill before my deferred pension benefits are due to be paid?**

You may apply to your former employer to have your benefits released early on ill health grounds. In such circumstances you should contact your previous employer's HR Department, who may arrange an appointment with an independent Doctor qualified in Occupational Health Medicine.

#### **Early Retirement Reductions**

#### **7. What are the amounts of the early retirement reductions?**

Please note that if you left the scheme before 1 April 2014, the earliest you can request payment of your benefits is age 60 (5 years early). The reductions for taking your benefits 6 or more years early are only applicable if you left after 31 March 2014. *Continued on page 8*

Years Early from Normal Retirement Date	Pension	Reduction	Retirement Grant Reduction to all members
	Males	Females	
0	0.0%	0.0%	0%
1	5.6%	5.2%	2.9%
2	10.8%	10.1%	5.7%
3	15.5%	14.6%	8.5%
4	20.0%	18.8%	11.2%
5	24.0%	22.7%	13.7%
6	27.8%	26.4%	16.3%
7	31.4%	29.8%	18.7%
8	34.7%	33.0%	21.1%
9	37.7%	36.1%	23.4%
10	40.6%	38.9%	25.6%
11	44.2%	42.2%	N/A
12	47.6%	45.5%	N/A
13	50.9%	48.6%	N/A

## 8. What is the '85 year rule'?

For members who were active members between 1 April 1998 and 30 September 2006, the '85 year rule' means that if your age in whole years when your deferred benefits come into payment and your total membership of the scheme in whole years (including the length of time your pension has been deferred) added together equal at least 85, you will have some protection against reduction to your benefits even if you retire before age 65.

### Example:

A deferred member was in the scheme for 5 years (without any service breaks), and left the scheme 18 whole years ago.

- Age at retirement date: 62
- Calendar period of service: 5 years
- Benefits have been deferred for: 18 years

Age	62 years
plus Calendar period of service	5 years
plus Notional service to retirement date	<u>18 years</u>
Total	85 years

Member therefore meets the 85 year rule at retirement.

How much protection against reduction they'll receive depends on their date of birth (see below). *Continued on page 9*

If you do not meet the '85' year rule and your deferred benefits come into payment before your normal retirement date the pension benefits will be reduced to reflect early payment.

This rule was withdrawn for all those people who became active members on or after 1 October 2006, although there are transitional arrangements in place for those who were already in the scheme.

**Transitional arrangements for the '85 year rule'**

**If you were an active member at any time between 1 April 1998 and 30 September 2006 and were born before 1 April 1956**

If you are at least 60 and meet the 85 year rule when you retire, there will not be a reduction to your benefits based on service up to 31 March 2014.

There will be a reduction to any benefits based on service from 1 April 2014.

**If you were an active member at any time between 1 April 1998 and 30 September 2006 and were born between 1 April 1956 and 31 March 1960**

If you are at least 60 and meet the 85 year rule when you retire, there will not be a reduction to your benefits based on service up to 31 March 2008.

If you reach age 60 and meet the 85 year rule between 1 April 2016 and 31 March 2020, there will be a partial protection against reduction applied to your benefits based on service from 1 April 2008 to 31 March 2020 (known as a tapered reduction).

**If you were an active member at any time between 1 April 1998 and 30 September 2006 and were born on or after 1 April 1960**

If you are at least 60 and meet the 85 year rule when you retire, there will not be a reduction to your benefits based on service up to 31 March 2008.

There will be a reduction to any benefits based on service from 1 April 2008.

**If you joined the Scheme after 1 October 2006**

No 85 year rule protection.

## **Death Benefits**

### **9. Does the LGPS provide children's pensions in the event of my death?**

Yes it does. If you die and leave children aged under 18, or aged between 18 and 23 but in full time education or training, a pension may be payable to them. A dependant child of any age who is disabled may eligible for a dependant's pension.

## **Pensions Increase**

### **10. Does my deferred pension increase?**

Yes, your deferred pension will be increased from when you left the scheme to the date you retire by the annual rate of inflation. After retirement, your pension will continue to be increased by the annual rate of inflation. We will contact all of our deferred members annually to inform them of this increase.

## **Re-joining the LGPS**

### **11. What happens if I re-join the LGPS at a later date?**

If you re-join the Scheme, you will have 12 months from the date you re-join to decide whether to keep your deferred membership separate to your new membership. We will provide you with options regarding this. Please note that if you opted-out on or after 11 April 2016 then it's not possible to combine your benefits with future membership.

## **Transferring pension rights**

### **12. I have some pension rights from a previous employment. Can I transfer these into the LGPS?**

No. You can only transfer benefits in to the LGPS if you are an active member. Because your pension benefits are deferred you cannot transfer any other pension benefits in.

### **13. I am also paying into another pension arrangement (not LGPS). Can I transfer my LGPS benefits to that arrangement?**

We can transfer your pension rights to another pension scheme provided it is an HMRC registered pension scheme.

Please let us know the name and address of your new provider and we will send them the details of your deferred LGPS pension. Your new provider should then tell you what the LGPS benefits will be worth if they were transferred and converted to benefits in your new scheme. You may elect to transfer or to keep your benefits deferred in the LGPS. If you are unsure of what it is best, you may wish to take independent financial advice. *Continued on page 11*

## **Overseas transfers**

If your new scheme is a Qualifying Recognised Overseas Pension Scheme (QROPS), we can transfer your LGPS benefits to that scheme provided the scheme appears on the HMRC QROPS list (which can be found at <http://www.hmrc.gov.uk/pensionschemes/qrops-list.htm>).

## **Refunds**

### **14. Can I have a refund of my pension contributions?**

No, it is not possible to have a refund of your deferred benefit pension contributions.

If you left the scheme before 01 April 2014 then you would need to have less than 3 months membership to be entitled to a refund.

If you left the scheme on or after 01 April 2014 then you would need to have less than 2 years membership (across all Local Government Pension Scheme records) to be entitled to a refund.

If you were eligible for a refund of your pension contributions we would have written to you regarding this before we sent you your deferred benefit notification letter. If you now have deferred benefits then it's no longer possible to have a refund of your pension contributions in respect of this membership.

## **Amendments**

### **15. I disagree with some of the information on the statement. What should I do?**

Please let us know what it is you disagree with. Our contact details are as follows:

**Address:** Pensions, 2nd floor, Constantine House, 5 Constantine Road, Ipswich, IP1 2DH

**Telephone:** 03456 053000 (Option 4)      **Email:** [pensions@suffolk.gov.uk](mailto:pensions@suffolk.gov.uk)

### **16. What do I do if I have moved house?**

Please notify us of any change in address as soon as possible.

Our Member Self-Service website can be used to update your address: <https://pensions.suffolk.gov.uk/>

Please follow the instructions on the Login page of the Member Self-Service website to provide your email address, and request login details to access the site. Continued on page 12

Once logged in, the 'Your Details' section of the site can be used to update your address.

Alternatively you can write to us at: Pensions Section, 2<sup>nd</sup> Floor, Constantine House, 5 Constantine Road, Ipswich, Suffolk, IP1 2DH.

## **Divorce**

### **17. I'm getting divorced or my civil partnership is being dissolved. Will it affect my LGPS benefits?**

You and your spouse/civil partner will need to consider whether to share your pension rights as part of any settlement. Make sure your wishes on who we pay a lump-sum death grant to are kept up-to-date. If you live with a new partner that you are not married to, or not in a civil partnership with, they would not be eligible to receive a Co-habiting partner's Pension until 2 years after your Decree Absolute. You can find out more from our website [www.suffolkpensionfund.org](http://www.suffolkpensionfund.org)

## **Just an estimate**

### **18. You have provided me with these figures yet you say I should not rely on them to make irreversible decisions. Why do you say this?**

Firstly because special circumstances may apply in your case which cannot be included when producing statements in bulk.

Your pension record is carefully checked when we send you a final estimate of your figures along with your retirement forms.

Secondly, despite our best endeavours we may not have a complete, correct and up to date record of your service and your personal details. If you think they are not correct, please contact us:

**Address:** Pensions, 2nd floor, Constantine House, 5 Constantine Road, Ipswich, IP1 2DH

**Telephone:** 03456 053000 (Option 4)      **Email:** [pensions@suffolk.gov.uk](mailto:pensions@suffolk.gov.uk)

For more information on the local government pension scheme, please visit our website [www.suffolkpensionfund.org](http://www.suffolkpensionfund.org)