

SUFFOLK PENSION FUND

LOCAL GOVERNMENT PENSION SCHEME

Deferred Benefit Statement Notes and FAQs

Contents:

<u>Guidance Notes</u>	3
<u>Personal Details</u>	3
<u>Deferred Pensioner Benefit Details with effect from 09 April 2018</u>	4
<u>Your nomination details</u>	6
<u>Some frequently asked questions and answers</u>	7

Why we've sent you this statement

When your active Local Government Pension Scheme membership ceased, you were sent a deferred benefit letter which stated the value of your deferred pension benefits as at the date of ceasing active 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.

PLEASE NOTE:

- The statement shows the usual benefits which may be payable. It should be treated as a guide only. Special circumstances, which can affect benefits, may apply to certain individuals. **Do not use the statement to make irreversible decisions about retirement.**
- 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.

- The Full Pension Fund Report and Accounts are available online. To access the information for this year and for previous years, please visit <http://www.suffolkpensionfund.org>

Contact Details

The Suffolk County Council Pensions team issued this statement. Our contact details are as follows:

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

Telephone: 03456 053000

Email: pensions@suffolk.gov.uk

Website: www.suffolkpensionfund.org

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

Local Government Pension Scheme

Deferred Pension Annual Benefit Statement - 2018

When your active 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 active 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 an active member (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 active membership.

Personal Details

- Your full name.
- Your date of birth.

Are all these details correct? If not, please [let us know](#).

- 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 active 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 1998, you can request payment of your benefits at age 55, but they will be reduced if taken before your 'Date Benefits Payable From' date.

If you left your employment on or after 1 April 1998, you can request payment of your benefits at any time 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 early retirement estimates.

Deferred Pensioner Benefit Details with effect from 9 April 2018

① **Current Annual Pension as at 9 April 2018** 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. 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.

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

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 01 April 2008 you will have an automatic lump sum amount in addition to an annual pension.

Service from 01 April 2008 has had a higher build up rate of pension instead of providing an automatic lump sum.

You have the opportunity at retirement to give up some of your pension to increase/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. 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.

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

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 the 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 9 April 2018. If a death in deferment grant does become payable, it will be calculated as follows:-

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

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. On 9 April 2018 the increase was 3%.

If you left your employment before 25 April 2017 your deferred benefits have been increased by the full 3% increase.

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 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 service to which gave rise to their benefits.

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 1998

Your Normal Pension Age (NPA) will be between age 60 and 65 depending on when you joined the scheme. Your annual benefit statement will show the date your benefits are payable from.

If you left the LGPS with a deferred benefit before 1 April 1998 the scheme rules have been changed to allow you to take your benefit at age 55 (rather than 60) or the date your deferred benefit will be payable without a reduction for early payment (your NPA)

The Ministry for Housing, Communities and Local Government (MHCLG), who make the scheme rules for the LGPS, have confirmed their intention to allow members who left the LGPS before 1 April 1998 to also be allowed to take early payment of their deferred benefits *at any time* from age 55 (rather than only allowing payment at age 55 or NPA), without their former employer's consent. However, the regulations do not currently allow this. This option is already available to people who left the LGPS on or after 1 April 1998. We will update you when we have further news on this.

If you left the scheme between 01 April 1998 and 31 March 2014

The age at which an unreduced pension can be taken is 65. 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, your benefits may be protected from this reduction if you will qualify for the '85 year rule' (see question 7) 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, your benefits may be protected from this reduction if you will qualify for the '85 year rule' (see question 7) when you retire.

Early payment of deferred benefits for pension credit members

If you were awarded a share of your ex-spouse's LGPS pension as part of a divorce settlement and you are a pension credit member in the LGPS, you can now elect to take payment of these benefits from age 55 regardless of when the pension sharing order took effect.

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

If you left on or after 01 April 1998 we will write to you approximately 3 months before you 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.

If you left before 01 April 1998 we will write to you approximately 3 months before you reach age 55 (or your normal retirement date if you are already over 55) 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?

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.

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

9. What are the amounts of the early retirement reductions?

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

7. What is the '85 year rule'?

This rule applies to members who were active members at any time between 01 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. If you do not meet the '85' year rule and your deferred benefits come into payment before age 65 the pension benefits will be reduced to reflect early payment.

This rule was withdrawn for all those people who were active members on or after 1 October 2006, although there are transitional arrangements in place for those who would have met the 85 year rule.

8. What are the transitional arrangements for the '85 year rule'?

If you were a contributing member of the scheme on 30 September 2006 and could have satisfied the 85 year rule by your 60th birthday, and this is before 31 March 2016, your benefits will not be reduced if you retire at or after age 60.

Further tapering protection has been introduced to overcome a big difference in benefits for members whose birthdays are within days of each other. This means that if you were in the scheme on 30 September 2006, will be 60 or over between 1 April 2016 and 31 March 2020, and will meet the 85 year rule by 31 March

2020, some protection still applies to you if you retire at 60. You will have full protection for membership up to 31 March 2008, but tapered protection on your membership between 1 April 2008 and 31 March 2020.

Death Benefits

10. Does the LGPS provide children's pensions in the event of my death?

Yes it does. The conditions for a child's pension to be paid are as follows:

Eligible children must, at the date of your death:

- be your natural child (who must be born within 12 months of your death at latest), or
- be your adopted child, or
- be your step-child or a child accepted by you as being a member of your family (this doesn't include a child you sponsor for charity) and be dependent on you.

Eligible children must meet the following conditions:

- be under age 18, or
- be aged 18 or over and under 23 and in full-time education or vocational training (although your administering authority can continue to treat the child as an eligible child notwithstanding a break in full-time education or vocational training), or
- be unable to engage in gainful employment because of physical or mental impairment and either:
 - has not reached the age of 23, or
 - the impairment is, in the opinion of an independent registered medical practitioner, likely to be permanent and the child was dependent on you at the date of your death because of that mental or physical impairment.

Pensions Increase

11. 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 write to all of our deferred members annually to inform them of the increase to their benefit.

Re-joining the LGPS

12. 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 2015 then it's not possible to combine your benefits with future membership.

Transferring pension rights

13. 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.

14. 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. 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>). 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.

Refunds

15. Can I have a refund of my pension contributions?

When assessing your entitlement to a refund we take into account all of your periods of LGPS membership (including periods with other LGPS funds).

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 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

16. 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

17. 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.

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, 2nd Floor, Constantine House, 5 Constantine Road, Ipswich, Suffolk, IP1 2DH.

Divorce

18. 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

Just an estimate

19. 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.

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

For more information on the local government pension scheme, please visit our website www.suffolkpensionfund.org