

[Hampshire Services \(https://www.hants.gov.uk/hampshire-services\)](https://www.hants.gov.uk/hampshire-services) >

[Hampshire Pension Services \(https://www.hants.gov.uk/hampshire-services/pensions\)](https://www.hants.gov.uk/hampshire-services/pensions) >

[Local Government Pension Scheme \(https://www.hants.gov.uk/hampshire-services/pensions/local-government\)](https://www.hants.gov.uk/hampshire-services/pensions/local-government)

Welcome to the Local Government Pension Scheme (LGPS) 2023 pension update



Update from the Fund

During the 2022/23 financial year the Fund successfully completed the 31 March 2022 Actuarial Valuation by the statutory deadline (31 March 2023). Member benefits are guaranteed, but this is a key health-check to ensure the Pension Fund remains on course to hold enough assets to pay the pension benefits built up by participating members. This showed a funding position of 125%, and as a result 88% of employers were able to benefit from a reduction in their contribution rate from 1 April 2023.

2022/23 has been a challenging year for investors, including the Pension Fund. On 31 March 2023 the fund was valued at £5.324 billion, and overall the Fund outperformed its market benchmark. The Pension Fund maintains a long term approach to managing the Scheme in the best interests of its nearly 86,000 members.

A key objective of the Fund is to deliver a good administration service to all stakeholders with processes and procedures to ensure that good quality information is held, that it receives all income due and makes payments to the right people at the right time. The administration team have continued to achieve 100% compliance in the performance indicators during the year.

Pension Fund Annual Report summary ([HTTPS://WWW.WESTSUSSEX.GOV.UK/MEDIA/19432/ANNUAL_REPORT_SUMMARY.PDF](https://www.westsussex.gov.uk/media/19432/annual_report_summary.pdf))

Full Annual Report (<http://www.westsussex.gov.uk/pensions>)

 Am I saving enough for retirement?



Do you know how much income you will have when you retire? Will it be enough to pay for the basics - or even the luxuries that we all enjoy?

Check what pension you can expect from your LGPS by using our member portal to look at your annual benefit statement.

Login to member portal (<https://upmliveportal.hants.gov.uk/>)

The Pensions & Lifetime Savings Association (PLSA) has produced some very helpful information that shows what your retirement could look like at three different income levels – minimum, moderate and comfortable. They explain what is included in these lifestyles and what a range of common goods and services would cost for each level.

You can find the information on the [PLSA website](https://www.retirementlivingstandards.org.uk/) (<https://www.retirementlivingstandards.org.uk/>).



Planning your retirement?

Money Helper is a free to use service backed by the Government. You can call them and talk to a pensions specialist on 0800 011 3797, submit an online query or use their webchat.

Whilst some of the information on the Money Helper website covers [Defined Contribution Pension schemes](https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/defined-contribution-pension-schemes) (<https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/defined-contribution-pension-schemes>), there is a large amount relevant to [Defined Benefit Schemes](https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/defined-benefit-or-final-salary-pensions-schemes-explained) (<https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/defined-benefit-or-final-salary-pensions-schemes-explained>) like the LGPS.

Under “Pensions and Retirement” you will find guides to help you understand more about pensions including the State Pension and Tax and Pensions:

Help with pensions and retirement (<https://www.moneyhelper.org.uk/en/pensions-and-retirement>)

Money Helper also provide a Money Midlife MOT tool, to help you assess your current financial situation and plan for the future. It is targeted at those between the ages of 45 and 65 and provides a personalised report which suggests what to prioritise. It links to guidance on how to improve your financial wellbeing from midlife through to retirement:

Use the Money Midlife MOT Tool (<https://www.moneyhelper.org.uk/en/everyday-money/midlife-mot>)

You can find out more about taking your LGPS pension here (<https://www.hants.gov.uk/hampshire-services/pensions/local-government/current-members/retiring>).

– Can I increase my Local Government Pension Scheme (LGPS) benefits?

If you are an active member of the LGPS, paying more to your LGPS pension is one way of increasing your retirement benefits. It can be a cost-effective way to do this as your pension contributions qualify for immediate tax-relief through your employers PAYE system. For a standard rate taxpayer, a £10 pension contribution will only result in an £8 decrease in your pay due to the tax saving.

There are two ways to increase your LGPS pension:

- Additional Pension Contributions (APCs)
- Additional Voluntary Contributions (AVCs)

You can find more information on these on our website:

Increase your pension benefits (<https://www.hants.gov.uk/hampshire-services/pensions/local-government/current-members/increase-pension-benefits>)

There are many ways to save for your retirement. As with all financial decisions, you should think about your own personal circumstances. You may wish to take independent financial advice about the best option for you to increase your income in retirement.

– Worried about the cost of living?

With the cost of living increasing in the UK recently and with annual inflation reaching levels we have not seen for years, many families and individuals are struggling to manage. With everyday essentials now costing more, your money may not be going as far as it used to.

[Help and advice is available on the Money Helper website](https://www.moneyhelper.org.uk/en/money-troubles/cost-of-living)

[\(https://www.moneyhelper.org.uk/en/money-troubles/cost-of-living\)](https://www.moneyhelper.org.uk/en/money-troubles/cost-of-living) which includes guides and calculators for budget management.

Some people may be eligible for government benefits to help cope with the increased cost of living. The government provides a tool for individuals to check what benefits and financial support they may be eligible for on their website:

Check benefits and financial support you can get (https://www.gov.uk/check-benefits-financial-support?_ga=2.178210085.1000575526.1681226796-584786341.1681226796)



Can I reduce how much I pay into my LGPS pension?

If you are an active member and are struggling to afford your pension contributions, as a short-term measure you can reduce your pension contributions by joining the 50/50 section of the LGPS. You will pay half your normal contributions and build up half your normal pension. However, you will keep full life and ill health cover. You can move back to the main section of the scheme when you are ready.

Find out more about the 50/50 section on our website.

Reduce your pension contributions. (<https://www.hants.gov.uk/hampshire-services/pensions/local-government/current-members/reducing-pension-contributions>)

Member portal and how to contact us

Our main point of contact is our [Member Portal \(https://upmliveportal.hants.gov.uk/\)](https://upmliveportal.hants.gov.uk/) which allows you to access your pension details and annual statements 24 hours a day. You can use it to update your address or personal details, send us a secure message or complete some member forms.

You can also use the Portal to run an estimate at a date of your choosing. You can run as many estimates as you like. The estimate will be based on the information we currently hold on your record, so it is important that you check that your details are correct. If the information we hold is not correct, then any estimate you run will not be accurate.

You can also complete or update an 'expression of wish' form on the Portal to tell us how you would wish us to pay any lump sum death grant which may be due.

If you have any difficulties with using the Portal our staff are available during to assist by telephone: 01962 845588 (**Monday to Friday:** 9am to 4.30pm)

You can also email us at: pensions@hants.gov.uk (<mailto:pensions@hants.gov.uk>)

We encourage all members to provide us with a personal email address to enable us to keep in touch with you. This saves you having to remember to update us if you change your job or your work email.

LGPS rule change – the McCloud judgement

What is McCloud?

When the government reformed public service pension schemes in 2014 and 2015, older members were protected from the changes. In December 2018, the courts ruled that younger members of the judges' and firefighters' pension schemes had been discriminated against because the protections did not apply to them.

This ruling is called the McCloud judgement after a member of the judges' pension scheme involved in the case.

The rules of all public service pension schemes, including the LGPS, changed from 1 October 2023 because of the ruling. The changes are known as the McCloud remedy and they remove the age discrimination found in the McCloud judgement.

In the LGPS, older members were protected by the underpin. When a protected member retired, their pension in the career average scheme was compared with the pension they would have built up in the final salary scheme. If the final salary pension would have been higher, their pension increased.

From 1 October 2023, eligible younger members are also protected by the underpin. Not all LGPS members are eligible for protection. The underpin will protect the pensions of eligible members that they built up in the remedy period. The remedy period is from 1 April 2014 to 31 March 2022. Underpin protection stopped earlier if you left the LGPS or reached your final salary normal pension age before 31 March 2022.

What do you need to do?

You do not need to take any action. We will work out if you are protected. If you are, when you take your pension, we will work out if it will increase because of the underpin. Any increase is known as a 'final underpin amount'.

Not many members will get the final underpin amount because, for most members, the pension they built up in the career average scheme is higher than they would have built up in the final salary scheme.

Active members

If you are a protected active member, we will include information about how the underpin might affect your pension in your 2025 annual benefit statement. We must issue this by 31 August 2025.

If you leave the LGPS, we will work out provisional underpin figures for you. We can only work out the final figures and any increase to your pension (a final underpin amount) when you take your pension.

Deferred members

If you are a protected deferred member, we will include information about how the underpin might affect your pension in your 2025 annual benefit statement. We must issue this by 31 August 2025.

We will work out final figures and any increase to your pension (a final underpin amount) when you take your pension.

Find out more

You can find out more about the judgement by reading the [McCloud pages of the national LGPS member website \(https://www.lgpsmember.org/mccloud-remedy/\)](https://www.lgpsmember.org/mccloud-remedy/).

Minimum pension age

Currently, LGPS members can choose to take their pension benefits from age 55. However, the government has announced that the minimum age to take benefits, other than on ill health grounds, will rise to age 57 from 6 April 2028.

The LGPS and stock markets

The LGPS is a defined benefit scheme; this means that the benefits are guaranteed and they are not linked or subject to stock market performance but are set out in statutory regulations.

Although short-term investment values may vary, the LGPS, as a long-term investor, is securely managed to address any longer term impacts.

LGPS scheme members can therefore be assured that both their contributions and their pension, whether in payment or built up to date, will be unaffected by short-term investment value changes.

Member website - Tell us what you think

Our website is packed with information about your pension and we regularly add updates. We'd love to know what you think and if you have any suggestions to improve it. Please help us by completing our survey giving us your views.

Take the survey (<https://hampshirecc.welcomesyourfeedback.net/dkiom1>)

Pension scams



Unfortunately pension fraud is growing. Everyone is vulnerable as scams become more sophisticated and more varied. For example, scammers have been known to deliberately imitate the website of a prominent, reputable company. They then lure in pension savers with attractive offers to transfer their pension or release funds from it.

Our scheme members are particularly vulnerable when they try to transfer their pension. Before transferring, you are recommended to seek independent financial advice from an adviser who is on the Financial Services register – please visit: [ScamSmart - Avoid investment and pension scams | FCA \(https://www.fca.org.uk/scamsmart\)](https://www.fca.org.uk/scamsmart)

Be aware that if you are contacted unexpectedly and offered a free pension review, it is likely to be a scam. **Professional advice on pensions is not free.**

Find out more about scams at [Money Helper \(https://www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam\)](https://www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam) or on our website at [Pension scams \(https://www.hants.gov.uk/hampshire-services/pensions/local-government/about-the-scheme/transferring-in-or-out-lgps/transferring-out-lgps/pension-scams-liberation\)](https://www.hants.gov.uk/hampshire-services/pensions/local-government/about-the-scheme/transferring-in-or-out-lgps/transferring-out-lgps/pension-scams-liberation)