



**West Sussex Pension Fund
administered by
Hampshire Pension Services**

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Your Local Government Pension Scheme (LGPS) 2020 annual benefit statement

Welcome to your annual pension statement. It gives you details of your pension benefits, calculated at 31 March 2020. See below for a summary of your pension benefits. The remainder of the statement provides more detail on how your pension benefits have been calculated.

Your personal details

Name:
Date of Birth:
National Insurance Number:
Employer:
Pay reference:

Summary of your benefits

Estimated benefits at 31 March 2020 (See Section 1)

Standard annual pension:
Automatic lump sum:

Surviving partner's annual pension:

Projection of your benefits to your Normal Pension Age (NPA) (See Section 2)

Standard annual pension:
Automatic lump sum:

The rest of this document provides further information on how this has been calculated and shows more detail on exchanging pension for lump sum.



Director of Finance, Performance and Procurement
Katherine Eberhart

Important information

You will receive a separate statement for:

- any other jobs in which you also contribute to the LGPS
- previous deferred pensions if they have not been combined with this pension
- any Additional Voluntary Contributions you have also paid in the year

All the calculations are based on the information that we hold on our records. This statement will be inaccurate if this information is wrong. Please check the details on this statement to ensure that the information we have used is correct.

This statement is for illustration purposes only and does not commit to payment on this basis. You should not use this statement to make any retirement decisions.

1. Your estimated benefits built up to 31 March 2020

This section shows the estimated value of the pension benefits you have built up to 31 March 2020. This value is calculated as if you left the scheme on 31 March 2020 and assumes you will not take your pension until your normal pension age (NPA).

A breakdown of these benefits is shown in section 4.

Estimated benefits at 31 March 2020
Standard annual pension:
Automatic lump sum:
Surviving partner's annual pension:

2. Projection of your benefits to NPA

This section shows a projection of the benefits that you would build up in the LGPS if you remain an active member up to your NPA, and:

- is based on your pensionable pay to 31 March 2020
- is shown at today's value
- assumes your pay will remain constant to your NPA
- assumes you remain in the section of the scheme you were in at 31 March 2020

If this section shows £0.00 for all benefits you have passed your NPA, and you should use the information shown in section 1.

Your NPA:

Benefits with no pension exchanged for lump sum

Standard annual pension:

Automatic lump sum:

Benefits with maximum pension exchanged for lump sum

Reduced annual pension:

Maximum lump sum:

Projected surviving partner's pension

Annual pension of:

3. Death grant lump sum

This section shows what death grant lump sum would be payable if you die while contributing to the scheme.

Death grant lump sum:

Your Death Grant Expression of Wish

If you have completed a death grant expression of wish form, the details of who you wish to receive any death grant lump sum are shown on the Member Portal.

4. Your pensionable pay, membership and pension benefits

This section provides information on how your estimated benefits have been calculated. It is important that you check this information carefully as if it is not accurate, your benefits will be incorrect.

4a) Your pensionable pay and membership

The LGPS changed on 1 April 2014 from a final salary scheme to a Career Average Revalued Earnings (CARE) scheme. Pension built up before this date is based on your membership to 31 March 2014 and your final pay (which is the average pensionable pay over your final year).

The pay and membership used in the estimate of your benefits is shown below. The pay figures used were provided by your employer.

Your pensionable pay figure for your benefits up to 31 March 2014 is based on:

- full time pay even if you work part time
- the amount defined as pensionable, not necessarily what you earn
- an average for the year, to take into account pay increases or decreases

Membership awarded from a transfer in before 1 April 2014 or membership arising from a “Club” transfer is included.

You can view and check your service record via our Member Portal. Please see our website to register or log in.

Pay and membership for benefits up to 31 March 2014

Pensionable pay:

Membership (to 31 March 2014 only)

Pre 1 April 2008 (years/days):

1 April 2008 – 31 March 2014 (years/days):

Your CARE pay figure is based on your pensionable pay during 2019/20, including contractual and non-contractual overtime and any additional hours you worked.

In order to ensure the accurate calculation of your benefits, **you must check** that your CARE pay is correct. You may lose the right of appeal if you fail to identify any inaccuracy within 6 years as your employer may no longer hold their original records. If you believe your CARE pay is incorrect, **please contact your employer**.

CARE pay from 1 April 2019 to 31 March 2020

CARE pensionable pay (main section):

CARE pensionable pay (50/50 section):

4b) A breakdown of your pre April 2014 pension benefits

Your benefits in the LGPS before 1 April 2014 are based on your membership in the scheme up to 31 March 2014 and your final salary when you leave the scheme.

- For membership built up to 31 March 2008 you receive a pension of 1/80th of your final pay plus an automatic tax free lump sum of 3/80th of your final pay.
- For membership built up from 1 April 2008 to 31 March 2014, you receive a pension of 1/60th of your final pay. There is no automatic lump sum.

Benefits to 31 March 2014

Automatic lump sum:

Pre April 2008 (80^{ths}) pension:

1 April 2008 – 31 March 2014 (60^{ths}) pension:

Additional pension purchased (ARCs):

Total pre April 2014 pension:

If you have a Pension Sharing Order, see **notes** as this breakdown will not reflect the pension reduction.

4c) A breakdown of your CARE pension calculation

From 1 April 2014, you build up pension at a rate of 1/49th of the amount of pensionable pay you receive each year (or half this rate (1/98th) for any period you elected to be in the 50/50 section of the scheme). This pension is added to your pension account which is then revalued on 1 April each year.

If you joined the scheme during the 2019/20 year, the balance built up to 31 March 2019 will be nil.

CARE pension was revalued at 2.4% on 1 April 2019. This is based on CPI in September 2018.

Balance built up to 31 March 2019	Pension revaluation on 1 April 2019	Total CARE pension added for 2019/20	Total annual pension to be revalued on 1 April 2020

The table below shows how your CARE pension for 2019/20 has been calculated:

CARE benefits from 1 April 2019 to 31 March 2020

CARE (49th) pension 2019/20:

CARE (98th) pension 2019/20:

Transfers In buying pension (other than LGPS transfers):

Additional Pension Purchased:

Total CARE Pension:

5. Standard Lifetime Allowance (LTA)

The LTA is the amount of savings you can take from your pension schemes without attracting a tax charge and is set by HM Revenue and Customs.

The LTA for 2019/20 is £1,055,000. If you take more than £1,055,000 from your combined pension savings, you may face a tax charge.

Standard LTA for 2019/2020:	£1,055,000
Value of LTA used in this membership:	
Percentage of LTA used in this membership:	

These figures represent the **standard** LTA. If you have specific LTA protections please let us know.

The LTA for 2019/20 is £1,055,000. This will increase to £1,073,100 from 6 April 2020. Please see the [lifetime allowance factsheet](#) on our website for more information.

Notes

These notes provide more explanation of the information contained in your benefit statement.

When can I take my benefits?

The Normal Pension Age (NPA) is the date you can take your benefits in full and for most people this will be your State Pension Age (but with a minimum of age 65). You can choose to take your pension from age 55 but it will be reduced if you take it before your NPA. If you take your pension after your NPA, increases will be applied.

At any time, the Government may change the factors and methodology used to calculate the reductions and increases which may result in a corresponding change to the pension you are paid at retirement.

You must take your pension by age 75. For more information on when you can take your benefits, see our webpages.

If your State Pension Age changes in future, your NPA in the LGPS will also change.

If you paid into the LGPS before 1 April 2014, you may have a different NPA for benefits built up before this date. If you have a different NPA for your pre April 2014 and post April 2014 benefits, then some of your benefits may be paid in full and some may be increased or decreased depending on when you decide to take your pension. However, when you take your benefits you must take them all at the same time (unless your employer allows you to take flexible retirement).

You can only take this pension when you leave your job or if your employer grants flexible retirement. However, you must take this pension by age 75 if you continue to work.

What options do I have when I take my benefits?

When you take your pension you will have the option to exchange some of your pension for a tax free lump sum. We have shown the benefits based on:

- not giving up annual pension and
- giving up the maximum pension possible.

Partner's pension

If you have a spouse or civil partner, they automatically qualify to receive a survivor's pension if you were to die. If you have a cohabiting partner and meet certain conditions, your partner may be eligible for a pension even though you are not married or in a civil partnership. This is a scheme benefit that is paid to surviving partners and will not reduce or affect your pension even if you do not have a partner. You cannot nominate anyone else to receive your partner's pension.

An estimated surviving partner's pension is shown if our records indicate you are in a partnership. This figure is only for illustration purposes and the amount may differ from the one shown depending on your circumstances and on the regulations that apply when a pension becomes payable. For example, if you are currently married but subsequently re-marry after you leave, your new spouse may not be entitled to as much pension as your original spouse was.

Deductions from your benefits

If you have elected for scheme pays, this may not be reflected in the figures given on this statement. Please contact us for more details if this applies to you.

Pension Sharing orders

If you have a pension sharing order, this may not be reflected in the figures given on this statement. Please contact us for more details if this applies to you.

Death grant lump sum

A death grant lump sum will be payable if you were to die while contributing to the LGPS. The distribution of this is made at the absolute discretion of the fund; however you can express a wish for a person(s) or organisation(s) to receive this. It can be paid directly to a beneficiary and therefore would not be part of your estate or subject to inheritance tax.

You can view and update an existing nomination, or provide a new nomination on the Member Portal. Alternatively you can complete a death grant expression of wish form available from our website.

Please note: If you have a deferred pension and / or a pension in payment from a previous period of membership of the scheme, the death grant lump sum will be the higher of

- The death grant arising from these benefits, or,
- Death grant lump sum of three times your assumed pensionable pay for your active membership(s).

Transfers in

Any transfers in from another LGPS fund, between 1 April 2019 and 31 March 2020, which awarded CARE pension will be included in the CARE pension shown. Any non LGPS transfers in this period will be listed under 'Transfers in buying pension'. Any transfers completed after 31 March 2020 will not show on this statement.

Your pensionable pay and membership

Your pensionable pay was provided by your employer. If you do not agree with the amount shown on your statement, please contact your employer.

Any service you have before 1 April 2014 is used to calculate pension. You can view your service history on the Member Portal. From 1 April 2014, your pension is calculated on your pensionable pay only, not on your service.

Lifetime Allowance (LTA)

The LTA applies to the value of your combined UK registered pension schemes and some overseas schemes; the value shown relates to this pension. It does not include any in-house AVC.

Most people's benefits will not exceed the LTA but we need to provide this information to everyone.

The information shown here is not a transfer value. To obtain a transfer value, please complete a Cash Equivalent Transfer Value form, available from our website.

Your LTA value shown on this statement is based on your benefits built up to 31 March 2020.

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 is currently £40,000. If you have exceeded the standard annual allowance limit in the year you will receive a Pension Savings Statement by 6 October 2020.

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.

Please see the [annual allowance factsheet](#) on our website for more information.

Protect yourself against pension scams

What is a pension scam?

Pension fraud is increasing. If you are thinking of transferring your pension out of the LGPS you may be at risk from scammers. Scam tactics include:

- contact out of the blue,
- promise of high/guaranteed returns,
- access to your pension before age 55,
- free pension reviews,
- pressure to act quickly.

Please read the guidance document produced by [The Pension Regulator](#).

For further detail and information please visit our website

<http://www.westsussex.gov.uk/pensions>

Update on the Court of Appeal ruling – McCloud/Sargeant

This year's Annual Benefit Statement provides an estimate of your pension benefits built up to 31 March 2020. Any projections on your pension entitlement are also based on the assumption that your current membership will continue until your NPA.

Please note that on the 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' and Judges' pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to all the main public service pension schemes and is currently working on removing this discrimination to all affected scheme members [including for the LGPS scheme]. This work is complex and will take time. For further information please see the Written Ministerial Statement from 25 March 2020:

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2020-03-25/HCWS187/>

At this stage there is still uncertainty around the final approach to removing this discrimination. This means that it has not been possible to reflect the impact of the Court of Appeal ruling in this year's Annual Benefit Statements.

Keeping in touch

Please make sure to let us know if you move address. You can update your address quickly and easily using our Member Portal. See our website for details.

If you need to write to us, please quote your National Insurance number.

Email	pensions@hants.gov.uk
Phone	01962 845588
Address	Pension Services, The Castle, Winchester, SO23 8UB
Website	http://www.westsussex.gov.uk/pensions

Privacy notice

We use your details for processing your pension benefits. More details on how we ensure that this is kept secure can be found in our privacy notice available on our website.

Disclaimer

Every care has been taken in the compilation of this statement and every attempt has been made to present up-to-date and accurate information. However, we cannot guarantee that inaccuracies will not occur. In the event of any dispute over your pension benefits, the appropriate legislation will prevail.

Pension Services can give you information about your pension but we cannot give financial or tax advice. We are not allowed to advise you to take a particular course of action when a choice arises. Instead, you may wish to seek the assistance of an independent financial adviser or tax adviser. Some advisers may charge you for their services.