

Frequently Asked Questions

Understanding your ABS Webinar



Questions Asked

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Annual Benefit Statements

How do I know how much amount is left in my pension pot? Section 2 is only showing the total pension benefits rather than the actual amount in the pension pot.

The LGPS is what is known as a 'Defined Benefit' scheme. This means you do not have a 'pot' of money, as such. Instead, you and your employer pay contributions to be a member of the scheme. Your pension benefit is worked out using a formula, based on your salary and how long you pay in to the scheme. This is why there is no 'pension pot value' on your statement. Instead, we tell you how much pension you have built up during your membership.

I have an old deferred pension and a current one. I presume the deferred pension is not included in the figure on my statement?

No, usually your pension fund will issue a separate annual benefit statement for each pension record you have with them.

I can't see my partners/survivor's pension on my statement. How can I have it stated on my statement?

The LGPS provides benefits for your eligible partner and children. We do not show figures on the statement as we may not hold the personal details necessary to provide an estimated value. We always check eligibility before making any payment to your spouse, civil partner or eligible cohabiting partner and/or children. You may be able to see partner's pension estimates on your fund's member portal. Please check with your fund for details.

Section 5 on my statement states zero final salary between 01/04/2024 to 31/03/2025 but I have been employed in my current role since 2019?

The Final Salary section of the scheme closed on 31 March 2014. If you only have service after that date, you may not have a final salary recorded on your pension record. If you have service before 1 April 2014, please contact your pension fund to make sure your record is correct.

How is the pension forecast calculated?

We use the information we know about you already, like your normal pension age and your most recent year's pay. We use that to estimate what your pension might be at retirement if

you continued working until normal pension age, being paid that same salary until retirement. The benefit projectors on the online portal can take notional salary increases into account.

How accurate is the estimated pension forecast at normal pension age?

We can only use information we know already, like your current age, normal pension age, and your pay. We don't know where your career may take you, what pay rises or hour changes you may have, or if you will leave the scheme before retirement. We project the information we have forward to your retirement date for information only and cannot guarantee the amount quoted in the Annual Benefit Statement.

Where do we see the employer contributions to our pensions on the annual statement?

We do not publish your employer's contributions on your statement. This is because the amount your employer pays in does not affect your pension benefit. You can find out what percentage your employer pays to the scheme on your behalf. Some employers publish their contribution rate on payslips or on their websites. Otherwise, you can contact your pension fund to check.

Can you tell us more about the annual increase in pension value and how this is calculated? Is this covered in the income calculator?

The amount your pension is worth changes (or is revalued) based on inflation to keep up with the cost of living. For LGPS members, CARE revaluation only applies to CARE benefits you built up from 1 April 2014.

Your CARE pension is revalued every April. Usually, we take the CPI from the September before. However, the Government officially confirms the CARE revaluation percentage around February every year.

Past revaluations will be included in the online projections and on your Annual Benefit Statement. You can add in notional future increases into the online projectors.

What is the pension growth based on as they are not market linked?

Please see above.

I transferred in a non LGPS pension into my LGPS pension. Where is this showing in the annual statement?

If you have transferred other pension rights into the LGPS, these will be included in the pension benefits on your Annual Benefit Statement. If you transferred into the LGPS before 1 April 2014 the transfer will be included in the Final Salary Scheme section of the statement. If you transferred in after the 1 April 2014, the transfer will be included in the CARE section of the statement.

Please contact your pension fund if you wish to check on any transferred in membership.

Has the annual allowance changed again?

The annual allowance for the LGPS is the amount by which the value of your pension benefits may increase in a year without you having to pay an extra tax charge. The standard annual allowance increased to £60,000 from 6 April 2023. If your pension savings exceed this limit, the excess will be taxed as income. Your fund will write to you if you are nearing or exceed the annual allowance.

Additional Pension Contributions

Does the employer match any APCs?

No, your employer does not have to make contributions to Additional Pension Contributions (APCs). However, they can choose to share the cost of the extra pension and should have a policy describing the arrangement. Ensure you get written confirmation of the share your employer will pay before making an application for APCs.

You can also pay additional pension contributions to buy back lost pension if you are away from work with no pay. You can do this if you are in either the main or 50/50 section of the LGPS.

If you elect to buy back the lost pension within 30 days of returning to work your employer will meet two thirds of the cost (unless you were on strike). You can spread the cost of buying the lost pension by making regular payments from your salary or you can pay by lump sum. If you pay tax, you will get tax relief on the additional contributions you make.

Is it possible to transfer an AVC into the main pension scheme? What are the benefits or disadvantages?

As part of the retirement process, your pension fund will ask you how you would like to use the money from your AVC. Your options will depend on:

- when your AVC plan began;
- when you leave the LGPS; and
- the reasons for drawing your pension.

You may be able use some or all of the AVC plan to buy a top-up pension from the LGPS. You will only have this option when you take immediate payment of your main scheme benefits when you leave the scheme.

Combining LGPS Records

I have two pensions with the LGPS. One is deferred and one is active. Why can't those two be combined into one?

Generally speaking, you can combine two or more LGPS pensions. You must tell your current LGPS fund about your previous LGPS benefits and that you are interested in joining them together. Your current LGPS fund will then start the combining process and contact the other LGPS fund on your behalf. You may need to complete a form giving your current LGPS fund permission to speak to your previous LGPS fund. Please note that you usually only have one year from your start date to transfer any pension rights into the LGPS.

Contributions

What does 50/50 mean?

The LGPS offers you the flexibility to pay half your normal contribution rate and build up half your normal pension. This is called the 50/50 section of the LGPS. You keep full life and ill-health cover if you join the 50/50 section. The 50/50 section is designed to help members stay in the Scheme, building up valuable pensions benefits during times of financial hardship. You can ask your employer for a 50/50 election form, or you can contact your pension fund.

The table below shows the current contribution rates in the main and 50/50 sections of the Scheme.

Employee contribution rates from 1 April 2025

Your actual pensionable pay	Main section contribution rate	50/50 section contribution rate
Up to £17,800	5.50%	2.75%
£17,801 to £28,000	5.80%	2.90%
£28,001 to £45,600	6.50%	3.25%

Your actual pensionable pay	Main section contribution rate	50/50 section contribution rate
£45,601 to £57,700	6.80%	3.40%
£57,701 to £81,000	8.50%	4.25%
£81,001 to £114,800	9.90%	4.95%
£114,801 to £135,300	10.50%	5.25%
£135,301 to £203,000	11.40%	5.70%
£203,001 and over	12.50%	6.25%

Life Cover

If I take early retirement at 60, how long is the death grant available to my beneficiary after I've retired?

A lump sum death grant is paid if, when you die, you are under age 75 and one of the following applies:

- you are still paying in the LGPS;
- you have left the LGPS but have not taken payment of your pension;
- you left after 31 March 2008 and have been receiving your pension for less than 10 years; or
- you left the LGPS between 1 April 1998 and 31 March 2008 and have been receiving your pension for less than 5 years.

If you left before 1 April 1998 and are receiving your pension, a death grant may be paid when you die. The calculation is complex, and you can ask your local pension fund for an estimate of the amount that may be payable.

You can nominate beneficiaries for your death grant – please contact your pension fund for a nomination form.

Can I nominate my own daughter even though she will get the lump sum anyway? Can she get both, the lump sum and the grant?

Members can choose to take a tax-free lump sum on retirement which is paid directly to the member. If you die and a death grant is payable, you can nominate who you would like to receive the death grant. Please contact your pension fund for a nomination form.

Is the expression of wish just a different terminology for the 3x annual salary pay out should you die?

If you die when you are paying into the LGPS, a lump sum death grant of three times your annual pay is paid. The expression of wish refers to the nomination form members are asked to complete to tell their pension fund who they would like their death grant to be paid to. Please contact your pension fund for a nomination form.

If you die whilst in service, is the survivor's pension payable straight away or when you would have reached normal pension age?

The partner's pension will be payable from the day after the date of death.

If you are claiming LGPS and pass away, does your spouse still get the pension if they are under pension age?

A partner's pension can be paid to someone you are married to, in a civil partnership with, or co-habiting with (eligibility criteria apply). The pension will be payable from the day after the date of death, no matter the age of the partner.

Is the survivors pension payable if I die after I retire and start taking my LGPS pension?

Yes, if you are survived by an eligible partner, a pension will be paid whether you are a current contributing member, a deferred member, or a member receiving their pension benefit.

What is the McCloud remedy?

The LGPS rules changed from 1 October 2023. 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 protections did not apply to them.

The 2023 changes are known as the McCloud remedy. They remove the age discrimination found in the McCloud court case.

Not all LGPS members are affected by the changes. Your fund will assess whether you are protected and include any additional guaranteed amount in your final retirement quote.

Do the statements include the McCloud assessment?

Please check with your pension fund for more details on this.

Online Portal Help

Does the Oxfordshire Fund issue an annual statement? I ask because I have never received one.

Oxfordshire Pension Fund, like all LGPS funds, issue an Annual Benefit Statement to all active and deferred members. Oxfordshire Pension Fund publishes the statements to the online portal, 'My Oxfordshire Pension'. Visit the website to sign up here:

<https://oxfordshire.pensiondetails.co.uk/>

Where is the statement on the portal?

Each fund has a slightly different online portal, so please contact your pension fund for more help finding your statement.

Can you request a written statement in the post?

Yes, you can write to your pension fund and state your preference for paper communications only.

Retirement

Is the 85 rule still valid in certain circumstances? To be able to retire on full pension before 67?

If you qualify for the Rule of 85 and retire early, some of your pension will not be reduced.

You only qualify for the Rule of 85 if you were paying pension contributions into the LGPS before 1st October 2006. You meet the Rule of 85 if:

Your age when you take your LGPS benefits + The number of years you have paid pension contributions into LGPS for = 85 or more

The protection from the 85-year rule is tapering away and it is unlikely that all your benefits are protected. Your pension fund will be able to check which elements of your pension are protected by the 85-year rule.

How do you contribute to get this lump sum? Is this an AVC?

All current contributing members have the option to swap some of their pension for a lump sum, up to a certain limit. An AVC is a separate arrangement where you can pay additional contributions on top of your normal LGPS contributions. Your AVC fund can be taken at retirement as a lump sum in addition to your LGPS main scheme benefits.

Is the maximum lump sum 25% of the total fund value?

Broadly, yes. You can check the maximum lump sum value on our online portal benefit projectors or contact your pension fund for further details based on your own circumstances.

What are HMRC limits for the tax-free lump sum?

The maximum amount of benefits you can take from all your pension schemes as tax-free cash is usually £268,275. This limit applies to all your pensions, not to each one.

If you leave employment and defer your LGPS pension, can you then apply to take it at any point before the normal retirement age?

Yes, there are many LGPS members who leave the LGPS before their state pension age and decide to defer taking the pension until a later date.

- If you stopped paying LGPS contributions on or after 1 April 1998, you have the option to take your pension anytime between age 55* and age 75.

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- If you stopped paying LGPS contributions before 1 April 1998, you must start taking your pension from normal retirement age at the very latest. Normal retirement age is either your state pension age (or 65 if later).

*55 is the current normal minimum pension age (NMPA). NMPA will rise to 57 from 6 April 2028.

Useful Links and Contact Details

National LGPS member website	www.lgpsmember.org Calculators, videos, FAQs, general information about the scheme
	mss.clwydpensionfund.org.uk pensions@flintshire.gov.uk
	www.oxfordshire.gov.uk/business/oxfordshire-pension-fund Pension.services@oxfordshire.gov.uk
	www.shropshirecountypensionfund.co.uk pensions@shropshire.gov.uk