



Deferred annual benefit statement 2025 guidance

We have provided these notes to explain your Local Government Pension Scheme (LGPS) deferred annual benefit statement 2025. They cannot cover every circumstance and if there is a dispute, the appropriate law will apply. They do not give you any rights under a contract by law. Shropshire County Pension Fund is not liable to pay any benefits arising through error or omission.

Please make sure you read the newsletter issued with your statement for the latest LGPS news. The 2025 newsletter includes a few words from our Administration Manager, updates on the McCloud remedy, pensions dashboards, an article on the PLSA's Retirement Living Standards, as well as how to update your beneficiaries on the online portal.

Marital status: The marital status we have recorded on your pension record will be shown on your statement. If this is incorrect, please email us a copy of the certificate confirming your marital status. We also have a feature on 'My Pension Online' called document upload which allows you to attach a clear image to your account.

Employee ref: The reference number shown on your deferred pension record would normally be the post number of the former job linked to your LGPS benefits.

Date of leaving: The date your employer told us that you left the pension scheme for this job.

Date benefits payable from*: Your statement shows the benefits due at normal pension age (NPA). This is the date your deferred benefits are due without a reduction.

Your NPA is unique to you and based on when you left the scheme. If you left:

- after 1 April 2014, your NPA is linked to your State Pension age;
- between 1 October 2006 and 1 April 2014, your NPA is 65; or





- before 1 October 2006, your NPA is normally 65 but could be as early as 60.

*In 2028 the normal minimum pension age (NMPA) of 55 will increase to age 57. The fund awaits details regarding any protections that may be applied for members of the LGPS.

Annual pension: Each April, the value of your deferred benefits is adjusted, based on the Consumer Price Index (CPI) from the previous September. The standard increase applied from 7 April 2025 was 1.7%. If you became a deferred member before 23 April 2024, you'll get the full increase. However, if you became a deferred member after that date, your pension increase will normally only be a proportion of the full increase.

You can find out how your deferred benefits are worked out by visiting our website.

Lump sum retirement grant: The current value of your deferred lump sum retirement grant on 8 April 2024. This is adjusted each year in line with the Pensions Increase Treasury Order. If you joined the LGPS before 1 April 2008, you will receive an automatic one-off, tax free lump sum retirement grant based on your membership built up before 1 April 2008. This is in addition to an annual pension. If you joined the LGPS after 1 April 2008, your benefits do not include an automatic lump sum retirement grant, but under current rules, all members have the option to give up some annual pension in exchange for a lump sum. For every £1 of annual pension you give up, you will get an extra £12 towards your retirement grant (HMRC limits apply).

Surviving spouse/partner's pension: If you are married or have a civil partner/ cohabiting partner, this is the current value of a survivor's pension due when you die. If you left before 1 April 2008, there is no pension for a cohabiting partner due to the scheme rules at the time. Any survivor benefits shown on the statement are based on your marital status when you left and may not reflect your current marital status.

Death grant: If you die before receiving your deferred benefits, a death grant is due. If you left the LGPS before 1 April 2008, the death grant is the deferred lump sum retirement grant. If you left the LGPS after 31 March 2008, the death grant is five times your annual pension. If you are contributing to the LGPS in another job or pension fund, any death grant due is limited to either the death in service grant or the death grant from your deferred pension (or multiple deferred pensions), depending on which is greater.





McCloud Values: These are provisional underpin figures. These will give you an indication of whether your pension will increase based on McCloud Remedy protections and are included in the total amounts indicated above. **We will work out the final figures when you take your pension.** Any increase is known as a 'final guarantee amount'. You do not need to take any action or contact us.

Your nomination details: Please check who you have nominated to receive any death grant that may be due if you die. If this section is blank, please update your details online through 'My Pension Online'. You can nominate whoever you wish to receive your death grant but, as an 'expression of wish', this is not legally binding. The fund decides who to pay the lump sum to. If you do not make a nomination, any death grant payment may not automatically be paid to your next of kin.

Your membership details: This section shows your membership in this scheme, including any part-time service. Membership shown up to 31 March 2014 is only used when working out final-salary benefits.

Note about the McCloud remedy: When public service pension schemes changed from final salary schemes to career average schemes in 2014 (LGPS) and 2015 (other public sector schemes, older members were protected from the changes. In 2018, the Courts found that younger members had been discriminated against because the protection did not apply to them. Changes made to the LGPS from 1 October 2023 removes the discrimination found in the court case. These changes are called the McCloud remedy. Not all LGPS members are affected by the changes.

If you are contacted by a third-party organisation selling a service to help you claim additional pension, you should not engage with them.

As a member of the LGPS, you do not need to take any action to claim your protection under the McCloud remedy. If you qualify, we will automatically apply the protection when you take your LGPS pension. If you are affected, you do not need to write to us or make any decisions.

You can find more information on the national LGPS website, including a short video. Please visit www.lgpsmember.org/mccloud-remedy/.

