

Deferred

Members Newsletter 2019

For more information visit the national Local Government Pension Scheme Members website: www.lgpsmember.org

Welcome to the latest newsletter for deferred members of the Local Government Pension Scheme (LGPS).

We've produced this newsletter jointly with other LGPS funds. You should contact the Cambridgeshire Pension Fund if you need to update your personal details or if you need more information about your pension benefits.



your NPA is normally 65. In some cases, it may be earlier if certain protections apply. If you left the scheme on or after 1 April 2014, your NPA is connected to your State Pension age, which could change in the future.

If you're unsure when your NPA is, you should check your deferred benefit statement.

Can I take my benefits before my NPA?

Changes to the scheme regulations mean you can now take your deferred benefits before your NPA, from the age of 55, as long as you've left the employment the benefits relate to. This has always been the case if you left on or after 1 April 2014, but now also applies if you left before 1 April 2014.

Will my benefits be reduced if I take them early?

If you choose to take your deferred benefits earlier than your NPA, they'll normally be reduced to take into account that your pension will be paid for longer. How much your deferred benefits are reduced by will depend on how early you take them. The reduction is based on the length of time (in years and days) between

➤ Frequently asked questions

What are deferred benefits?

When you leave the LGPS, and before you retire, we work out your pension benefits and hold them in the pension fund for you. We call these 'deferred benefits' and we look after them until:

- your normal pension age (NPA);

- you transfer them to an alternative pension scheme; or
- you take them earlier than your NPA at a reduced rate, or after your NPA at an increased rate.

Your NPA depends on when you left the LGPS. If you left the LGPS before 1 April 2014,

the date you take them and your NPA.

The early-retirement reduction factors are set by the government and can vary from time to time. The current factors are shown in the table below.

Number of years paid early	Pension reduction	Lump-sum reduction (for membership to 31 March 2008)
0	0%	0%
1	5.1%	2.3%
2	9.9%	4.6%
3	14.3%	6.9%
4	18.4%	9.1%
5	22.2%	11.2%
6	25.7%	13.3%
7	29.0%	15.3%
8	32.1%	17.3%
9	35.0%	19.2%
10	37.7%	21.1%
11	41.6%	Does not apply
12	44.0%	Does not apply
13	46.3%	Does not apply

You can find more information about taking your deferred benefits on the national LGPS website: www.lgpsmember.org/arl/already-left-when.php

Can I take my deferred benefits later than my NPA?

If you left the LGPS after 1 April 1998, you can choose to leave your benefits in the LGPS past your NPA, but we must pay these to you when you reach 75. In this case your benefits would be increased for late payment. If you left before 1 April 1998 you must take your benefits when they're due.

Can I take my deferred benefits if I'm unable to work due to ill health?

If you are ill and cannot work, you can ask your former employer to pay your deferred benefits early, without a reduction, whatever your age. Contact your former employer if you would like to discuss this. Your health condition must meet the rules set out in the regulations.

How do my deferred benefits keep their value against inflation?

Every April, your deferred benefits are adjusted in line with inflation. The pension increase applied to your benefits is measured by the Consumer Price Index (CPI) as at the previous September. For April 2019, this is 2.4%.

What happens to my deferred benefits if I die?

If you're a deferred member and you die, your eligible dependants may be entitled to a lump-sum death grant and survivor's pension.

If you left the LGPS before 1 April 2008, the death grant would be the same as your lump-sum retirement grant shown on your statement and includes any increases to your pension since the date you left.

If you left on or after 1 April 2008, the death grant would be five times your deferred pension, plus any pension

increases since the date you left.

After your death, the following people may receive a pension.

- Your husband, wife or registered civil partner
- Any eligible children
- If you were a member of the LGPS on or after 1 April 2008, an eligible cohabiting partner (someone you live with as if you were married)

Check how much your dependants could receive by logging in to our secure members' website at pensions.cambridgeshire.gov.uk

It's important to let us know about any changes to your marital status.

How do I update my personal details?

If you want to update the personal details shown on your annual statement (including your address), or you want to tell us about any other changes, please fill in the relevant form (for instance, the 'change of address' form). You can find these on the fund's website. Or, you can log in to your online account through the dedicated Member Hub to update some of your personal details.

If your marital status changes, you should give us your original marriage certificate, civil partnership certificate or decree absolute, as appropriate, so that we can authorise the change.

➤ Early payment of deferred benefits for leavers before 1 April 1998 only

Last year we let you know about a change to the scheme rules if you left with deferred benefits before 1 April 1998.

We told you that the scheme rules had been changed to allow you to take your benefits at age 55 (rather than 60), or your NPA. Your NPA will be between 60 and 65 depending on when you joined the scheme. You can find this information on your deferred benefit statement.

A further change to the scheme rules now allows you to take your benefits at any time from age 55 (rather than only at 55 or your NPA). Your former employer doesn't need to give permission for you to take your benefits between the age of 55 and your NPA. You must take your deferred benefits at your NPA (if you've not taken them before).

Also, you no longer have to leave all local government employment to take your deferred benefits.

This means that if you're working in another local government employment (that is, a different employment to the one you were in when you built up your deferred benefits) you can now choose to take your deferred benefits

and continue in your local government employment.

The above changes are backdated to 17 April 2018. If you would like to apply for early payment of your deferred benefits, please contact us.

➤ Changes to survivors' benefits for same-sex husbands, wives and civil partners

A change has been made as a result of a Supreme Court judgment (Walker v Innospec) which found that Mr Walker's husband was entitled to the same benefits that would have been paid if Mr Walker had died and left a widow in an opposite-sex marriage.



Why does this apply to the LGPS?

The government believes that the implication of this judgment for all public-service pension schemes, including the LGPS, is that surviving civil partners or surviving same-sex husbands or wives should receive benefits equal to those that would be left to the widow of a male member of the scheme.

When does the change take effect from?

The change is backdated to the date that civil partnerships and same-sex marriages were introduced. This is 5 December 2005 for civil partnerships and 13 March 2014 for same-sex marriages.

This means that if a member of the LGPS has died leaving a surviving civil partner or a same-sex husband or wife, the survivor's pension will need to be reviewed and any extra amounts paid, if this applies. We are currently reviewing the effect of this change and will tell you if it applies to you.

The change will automatically be taken into account in survivors' benefits paid to civil partners and same-sex husbands and wives in the future.

➤ Ban on cold calls

A long-awaited ban on pensions cold-calling came into force on 9 January 2019. (Cold-calling is when a company phones you to try to market their services, without you having asked them to.) The ban was first announced in November 2016 and is now law. Companies who break the rules can be fined up to £500,000.

How does the ban work?

The ban applies to all pensions cold calls, unless both of the following apply.

- The caller is authorised by the Financial Conduct Authority or is the trustee or manager of an occupational or personal pension scheme.
- The person receiving the call agrees to calls or already knows the caller.

Calls about your pension in any other situation are illegal and may even be a scam.

What do I do if I receive a cold call?

If you receive an unwanted call from an unknown caller about your pension, please don't give out any personal information. Gather as much information as possible and report it to the Information Commissioner's Office. Visit their website on www.ico.org.uk or call their helpline on 0303 123 1113.

➤ Cyber security

We take the security of your information very seriously. Most pension records are held electronically, and many pension scheme members can now access their own pension records online. The Data Protection Act 2018, along with guidance from The Pensions Regulator, sets out rules that pension funds must follow to make sure that they have good cyber-security (protection for computers and communications networks).

We work closely with our suppliers to make sure the systems that hold your personal information are protected. We have procedures in place to check that processes and people are kept up to date. We also regularly and thoroughly test systems to make sure that they stay secure and that the risk of a security incident is reduced. We make sure that our suppliers have certificates which prove they meet the expected cyber-security standards and that the certificates are kept up to date.

➤ Rejoining the LGPS

If you have the option to join the LGPS again (because you're working for an employer who offers membership of the LGPS), you may want to consider it, as you will be able to build up further benefits for your future.

If you rejoin the LGPS in a different pension fund, tell them about your existing benefits with us. You may be able to combine your deferred benefits with your new active pension record.

If you are worried about the cost of rejoining the LGPS, you should consider the 50/50 section of the LGPS. It offers half pension for half contributions while still providing full death cover and ill-health protection for your loved ones. You can find more information about the 50/50 section on our website.



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