

Active Member Benefit Statement Guidance Notes 2018

Fully Protected Member (2006 scheme)

Please note that your benefit statement is an estimate only and not a guarantee of the actual benefits that you could receive. It reflects the current scheme regulations only.

How we have worked out your pension benefits

We have used the following formulae to work out your annual pension benefits.

Pension

$$\frac{\text{Pensionable service (max of 35 years)} \times \text{final pensionable pay}}{70}$$

Lump sum

$$\frac{4 \times \text{Pensionable service (max of 35 years)} \times \text{final pensionable pay}}{70}$$

Membership

This is the period you have worked for and been a member of the scheme, together with service you may have transferred into the scheme from another pension provider.

It also includes any added years or proportion of added years you have bought up to the statement calculation date.

Part-time membership

Part-time working is counted as pensionable membership on a pro-rata basis based on actual hours worked as a proportion of full-time work. Membership is scaled down according to the hours worked.

For example, an 'officer' has been with the police force for 20 years, 10 years of which were full-time and 10 years half-time: i.e. with 15 years membership. Average pensionable pay is £35,000

$$\text{Pension} = \frac{\pounds 35,000 \times 15}{70} = \pounds 7,500$$

$$\text{Lump sum} = \frac{4 \times \pounds 35,000 \times 15}{70} = \pounds 30,000$$

Pensionable pay

The pensionable pay figure, for the purposes of this statement, is generally based on the contributions you paid in the last financial year. If you are a part-time officer, your pensionable pay has been increased to the whole-time equivalent rate with a corresponding reduction to your service to reflect your part-time hours.

The final pensionable pay that we will use when we calculate your actual benefits upon leaving, will, generally, be the greatest of:

- pensionable pay in the 12 months prior to retirement
- pensionable pay in either of the two preceding years
- pensionable pay averaged over any three consecutive years in the seven years before that.

Part-time additional hours

The statement includes any part-time additional hours worked since 1 July 2007 which were made pensionable from that date.

Death grant nomination

If you should die in service as an active member of the New Police Pension Scheme 2006, the Police Authority would pay a death grant. The amount of the grant is normally three times your annual pensionable pay at the time of death (or immediately before any period of absence without pay). If you work part-time, the lump sum will be three times your annual pensionable pay as a part-timer.

The Police Authority would normally pay the death grant to –

- your spouse or civil partner, if you have one;
- if you have no spouse or civil partner, and at the discretion of the police authority, to an unmarried partner (provided certain conditions are satisfied);
- if you have no spouse, civil partner or declared unmarried partner, and again at the discretion of the police authority, to a person nominated by you (the form is available on our website);
- otherwise, to your personal representative - usually the executor of your will - and thus will form part of your estate.

Partner Pensions

The scheme provides benefits, similar to those for a surviving spouse or civil partner, for an eligible partner with whom the police officer has not entered into marriage or formed a civil partnership. Further details and a nomination form are available on our website.

Lifetime Allowance

No account has been taken of possible breaches of lifetime allowance for higher earners, i.e. the figures do not include any potential tax charge if your pension benefits exceed the lifetime allowance.

This document is for general use and cannot cover every personal circumstance as its contents are based on our understanding of the legislation and events at the time. In the event of any dispute over your pension benefits, the appropriate legislation will prevail as this document does not confer any contractual or statutory rights and is provided for information purposes only.

All data held is for the purpose of administering the pension scheme and paying pension benefits. The administrators have a legal obligation and a legitimate interest under the General Data Protection Regulation (GDPR) or any superseding legislation in processing data as a result of your membership of the scheme. This may include passing such data to the actuary, administrators, auditors, insurers, lawyers and such other third parties as may be necessary for the operation of the scheme. The Lancashire Police Authority and LPP who administer the scheme, are joint data controllers under the GDPR. Lancashire Police Authority and LPP remain legally responsible for collecting and processing personal data under the GDPR for the scheme.