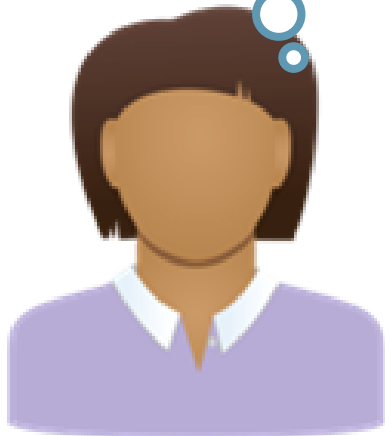


Your Pension Service

Pre Retirement Presentation

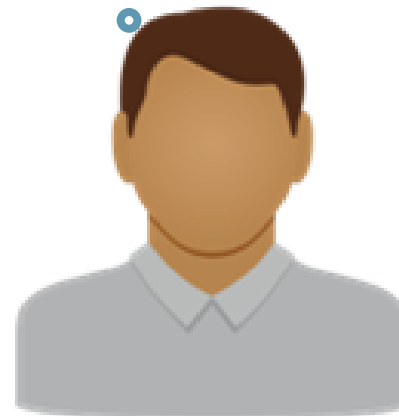
What does my
Annual Benefit
Statement
mean?



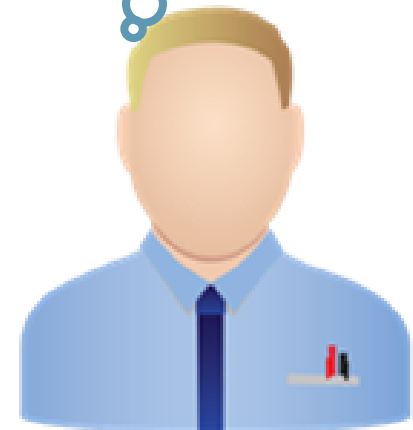
What does an
80th of my
salary mean?



What age
can I retire
at?



How is my
pension
calculated



Aims of the session

- My Pension Online
- Final Salary Benefits
- CARE Pension
- Benefit Projector
- Conversion Options
- Retirement Ages
- Reductions & Protections
- Types of Retirement
- Retirement Journey
- When & how are benefits paid?
- Death Benefits
- Topping Up
- QUESTIONS



My Pension Online

The screenshot shows the 'my pension' logo at the top left, with 'Powered by heywood' underneath. Below the logo is a navigation menu with 'News' and 'Help' links. The main content area is titled 'Login' and contains the following text:

Welcome to the *Altair* Member Self-Service website. To use this website you must be a member of a Lancashire pension scheme administered by Your Pension Service and have a valid username and password.

If you have already registered your account online, input the username and password you created in the login box on the right of this page.

First Time User? Not Registered? or need to re-register?
New users/re-registering users must [sign up](#) to request an activation key.

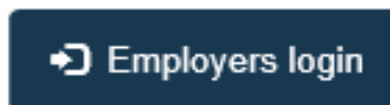
Received your Activation Key?
If you have received your activation key, click to [complete your registration](#).

If you have not received your activation key or you have lost your activation key, please click Sign Up above to request a new one.

To the right of the text is a 'Login' form titled 'Already Registered? Log In'. It contains two input fields for 'Username' and 'Password', a 'Log In' button, and two links: 'Forgotten your password?' and 'Forgotten your username?'.

- ✓ Watch pension grow each month
- ✓ Update contact details (address and email)
- ✓ Produce a variety of pension forecasts
- ✓ View annual benefits statements
- ✓ View nominated beneficiaries
- ✓ Main method of communication between YPS and member

www.yourpensionservice.org.uk



LPP
Local Pensions Partnership

How your benefits are calculated

Final Pay – Pre 2014 Benefits

normally last 365 days

'final pay' includes all contractual pay

excludes casual overtime (and similar)

full time equivalent for part-time members

Pensionable Service – Pre 2014 Benefits

only service during which contributions have been paid

can include previous transferred service

scaled down for part-time member

Accrual Rate – Pre 2014 Benefits

01/04/2008 – 31/03/2014 = 1/60

Start date – 31/03/2008 = 1/80



Final Salary Benefits

If you joined the scheme pre 01/04/2014 will have some final salary pension.

Final Salary

Final 365 days
Full time equivalent

Pensionable Service

Pro rated
Including transferred in service

Accrual Rate

Pre 1 April 2008 1/80
Post 01 April 2008 1/60

Pension

$5/80 * £20,000 = £1250$

$6/60 * 20,000 = £2000$

Total pension: £3250.00

CARE Pension

(Career average revalued earnings pension)

Members in the scheme post 01/04/2014 have CARE benefits. CARE Pension based on 1/49th of pensionable earnings, plus inflation. (Consumer Price Index)

Gross Pay:
£25000.00

Divided by

Accrual Rate :
25000.00/49

EQUALS

Pension:
£510.20

CARE & Final Salary benefits

Latest Valuation

Current Annual Pension Value	£1,849.33
Lump Sum	£0.00

Your total pension valuation includes both your Final Salary benefits and CARE benefits, please click on the figures below for a detailed breakdown of each benefit.

CARE Benefits	<u>£1,443.70</u>
Final Salary Benefits	£405.63



CARE Pension

CARE Pension Value	£1,443.70
Current Salary	£2,141.19
Date Updated	21/02/2017

Your pension builds up in a new way from April 2014. For each year you get a pension that's equal to a 49th of your pay (or half that rate if you are in the 50/50 section of the scheme) added into your pension account PLUS inflation increases, so your pension keeps up with the cost of living.

Year	Main	50/50	
01/01/2017 -31/01/2017	£43.70		Select
01/12/2016 -31/12/2016	£43.70		Select
01/11/2016 -30/11/2016	£43.70		Select
01/10/2016 -31/10/2016	£43.70		Select
01/09/2016 -30/09/2016	£43.70		Select
01/08/2016 -31/08/2016	£43.70		Select
01/07/2016 -31/07/2016	£43.70		Select
01/06/2016 -30/06/2016	£44.67		Select
01/05/2016 -31/05/2016	£44.48		Select
08/04/2016 -30/04/2016	£31.95		Select
01/04/2016 -07/04/2016	£11.76		Select
01/03/2016 -31/03/2016	£41.62		Select
01/02/2016 -29/02/2016	£45.71		Select

Benefit Projector

my pension
Powered by heywood

Scheme: Local Govt.

Personal Details

Surname
Initials
NI Number
Postcode

Personal Details
Latest Valuation
Financial Details
AVCs / Added Years
Benefit Projector
Death Grant Nomination
Guides & Documents
Member Documents
Change Login Details
Update E-mail Address
Ask a Question
Logout
Help

Deferred Benefits
Death Benefits
Redundancy Retirement
Ill Health Retirement
Retirement

Preston
Lancaster
07808

Pension estimates for retirement can be done instantly via My Pension Online...

Step 1: Log in to MPO

Step 2: Select benefit projector

Step 3: Select Retirement

Step 4: Input your possible leaving date, and pay

Step 5: Press calculate

Benefit Projector

Retirement


Total Pension (including any post 2014 CARE pension)	£13,146.49
Lump Sum	£0.00
Spouse's Pension	£6,018.30
Projected Actual Pay at retirement (for post 2014 benefits)	£26,317.05

You have the option of converting some of your annual pension into additional Lump Sum.

[Click here for more details.](#)

Note that as the estimated date of leaving is before your normal pension date your pension has been reduced by £6,409.67 and the lump sum by £0.00.

Leaving Date*

25/12/2049 × 

CARE Pay (Current Actual Pay)*

26317.05

Final Salary Pay (for post 2014 benefits)*

25694.00

CARE PAY: Annual actual pay. Part time amount for part time employees

Final Pay: Annual Full time pay, scaled up to full time equivalent for part time employees



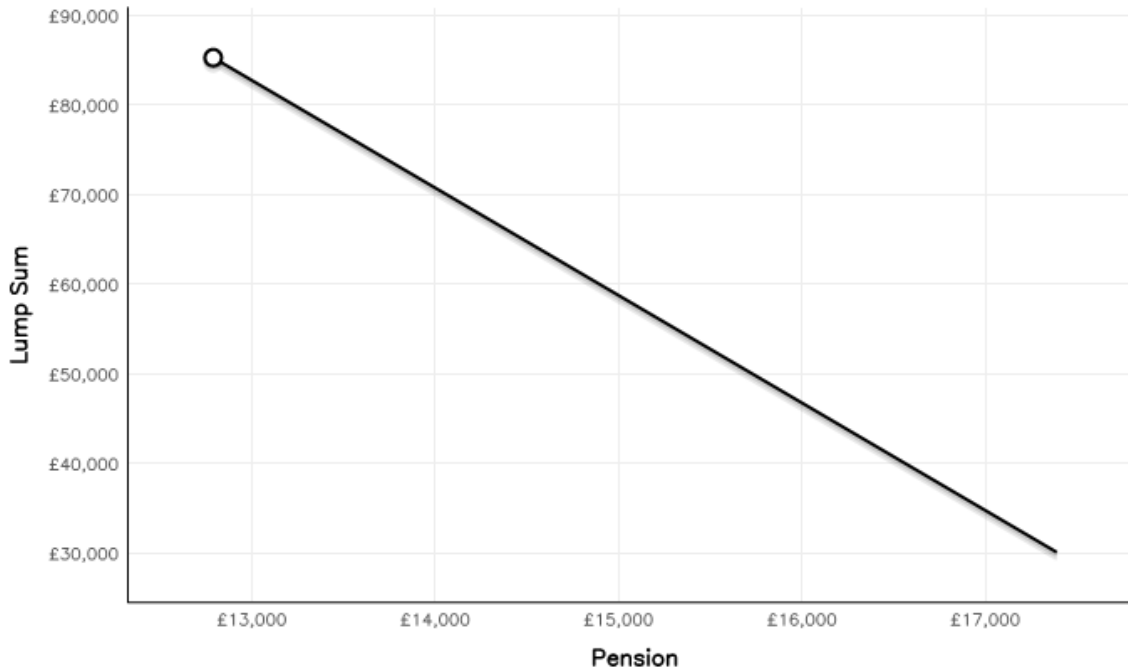
LPP

Local Pensions Partnership

Lump Sum Option

Conversion Options

Click or drag within the graph to see the effects of converting your pension to lump sum:



Annual Pension

- £12,789.72 +

Total Lump Sum

£85,264.64

Pension converted to Lump Sum

£4,600.25

Additional Lump Sum

£55,203.00

1/80ths

benefits come with automatic lump sum of 3x pension

Up to 25% of total value of benefits

£1 pension = £12 as a tax free lump sum



LPP

Local Pensions Partnership

Your Retirement Options

Service at 1/80th		Service at 1/60th	
Scheme service	: 11 Yrs 243 Days	Scheme service	: 2 Yrs 275 Days
Additional contracts	: 0 Yrs 0 Days	Additional contracts	: 0 Yrs 0 Days
Augmented service	: 0 Yrs 0 Days	Augmented service	: 0 Yrs 0 Days
AVC service (Pension Only)	: 0 Yrs 0 Days		
Total 1/80ths service	: 11 Yrs 243 Days	Total 1/60ths service	: 2 Yrs 275 Days

The Local Government Pension Scheme Regulations allow for the conversion of pension to lump sum up to a permitted maximum as determined by Revenue and Customs. The calculation is based on a conversion factor of 12, i.e. for every £1.00 of pension converted you will receive a further £12.00 of lump sum. Please note that the figures quoted below are estimated figures only and are **not a guarantee** of the benefits that would be payable.

Your Standard Benefits (No Conversion)		
Pension £7469.31	Lump Sum £17044.10	Widower's Pension £3511.16
Your benefit if you convert Pension up to the Maximum Lump Sum £100.00 Annual Pension will purchase £1200.00 Lump Sum		
Reduced Pension £5714.78	Maximum Increased Lump Sum £38098.46	Widower's Pension £3511.16

You may not wish to convert as much pension into lump sum as illustrated in the example above. The table below gives some further examples which may help you decide how much you would like to convert. **Please note this cannot be over the Maximum Increased Lump Sum as shown above.**

Amount of Pension Commuted	Additional Lump Sum	Amount of Pension Commuted	Additional Lump Sum
£50	£600	£1,000	£12,000
£100	£1,200	£1,250	£15,000
£200	£2,400	£1,500	£18,000
£250	£3,000	£1,750	£21,000
£500	£6,000	£2,000	£24,000
£750	£9,000	£2,500	£30,000



Retirement Ages

Final salary benefits	⇒	65
CARE benefits	⇒	SPA (Min 65)

- You can access your benefits from age 55 onwards
- There is normally a reduction for accessing your benefits before your Normal Retirement Age
- As Final Salary benefits are based on a different age to your CARE benefits, different reductions apply to both unless you have protections

Reductions

Years Early	Pension reduction	Retirement grant
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%	N/A
12	44.0%	N/A
13	46.3%	N/A

**My Pension Online Benefit
Projector will factor these in!**



Example

Mrs Smith has been a member of the scheme from 01 October 2006 to 31 March 2030. She retires age 66. Her SPA is 67.

Her pre 14 membership: adjusted as later than 65.

Her post 14 CARE benefits: adjusted as earlier than 67.

85 Year Rule

- ✓ Applies to members who joined pre 01 April 2006
- ✓ When the members age plus service = 85
- ✓ Allows members to take their pension early with smaller reductions on their pension
- ✓ 85 year rule protections built into all estimates
- ✓ **85 year rule protection built into YPS and My Pension Online calculations**

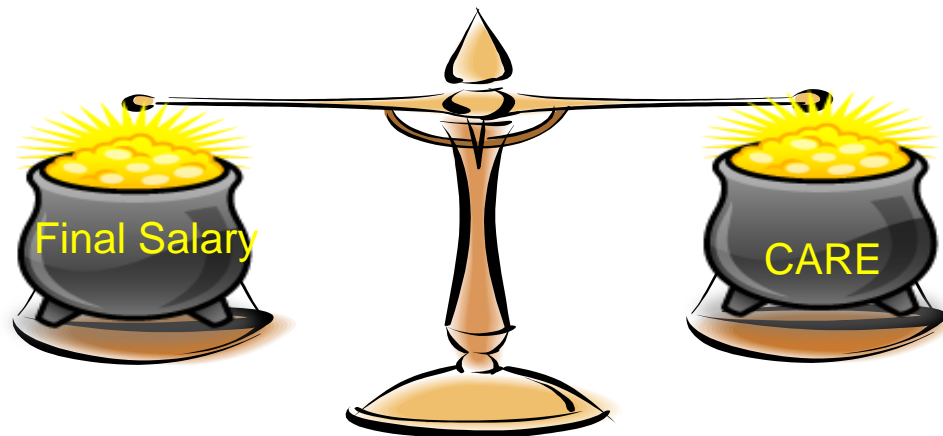


85 Year Rule Protection

	'80th Benefits'	'60th Benefits'	CARE scheme benefits taken before SPA
Born Before April 1956	Unreduced	Unreduced	Unreduced (to April 2016)
Born between 1 April 1956 and 31 March 1960	Unreduced	Partial Reduction (Sliding Scale)	Full reduction
Born post 1 April 1960	Unreduced	Full reduction	Full reduction
Member joining after 1 April 2006	N/A	Full reduction	Full reduction

Underpin Protection

- Active on 31/03/2012
- Are 55 or over as at 1 April 2012
- Active on 31/03/2014
- Active on immediately prior to underpin date
- Does not have a disqualifying break (i.e. Break of 5 or more years from membership of any public service scheme).



Types of Retirement

Early Voluntary Retirement

- Access pension from age 55
- No employer consent required
- Pension payable at normal rate unless pro-rated

Late Retirement

- Pension taken after NPA
- Pension can be taken before age 75
- Normal pension rules apply to

'Normal' Retirement

- State Pension Age
- Post 65, enhancement on Final Salary
- No reductions on CARE

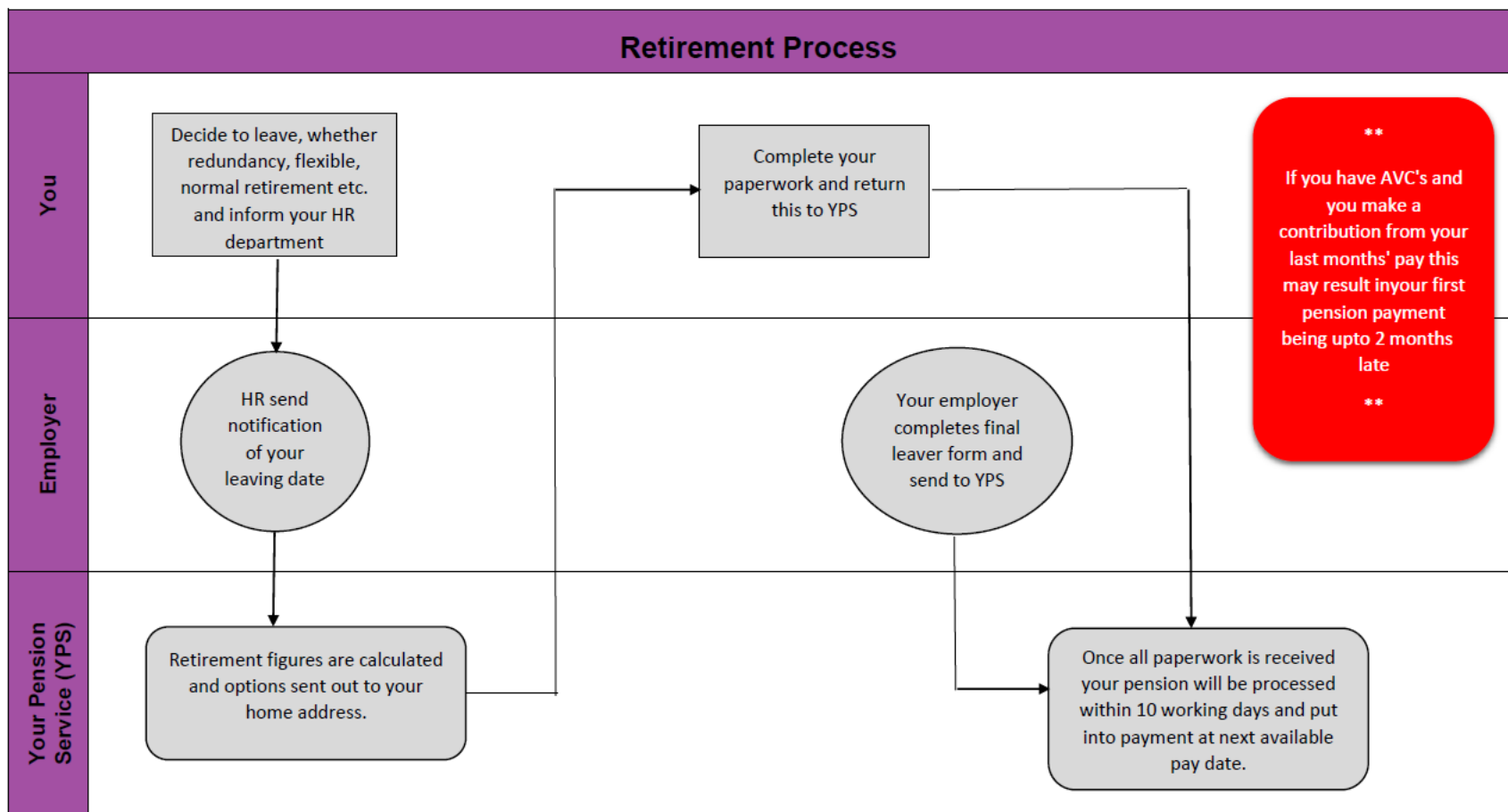
Flexible Retirement

- Access pension from age 55
- Continue working at a lower grade or less hours
- Re-join the scheme
- Employer can waive any reductions that may apply

Business Efficiency

- Pension can be taken if redundant or retired on the grounds of business efficiency
- Unreduced pension payable from 55

Retirement Journey



When and how are benefits paid?

- Your Pension is paid on the last working day of each month
- Pensions are subject to PAYE income tax
- Your Lump sum is paid shortly after retirement and is tax free
- Pensions Increase (CPI)
- Pensions online pay slips and P60's are available on My Pension Online.
- If you have an AVC and make a contribution from your final salary payment this WILL delay payment of your pension



Death Benefits

There are two separate elements to your death benefits...

Death grant

- Entitlement to Death Grants start the day you start paying contributions
- Death Grants for active members is 3 *Salary
- Death Grants for pensioners is guaranteed for 10 years from the day the pension was claimed
- Must make an expression of wish

Survivors Benefits

- Widows
- Widowers
- Civil Partners (post 1988 service only)
- Co-habiting Partners
- Children (cease at 23)

Topping up your Pension

Additional Pension Contributions (APC's)

- APC's are used to purchase extra LGPS annual pension when you retire
- Tax relief on contributions
- These are paid through your salary monthly or as a one off payment
- You can increase your annual pension by up to £6,822 (this is index linked by CPI each April)
- APC contract ceases if join 50/50 scheme
- To set up an APC contact Your Pension Service



Topping up your Pension Cont.

Additional Voluntary contributions (AVC's)

- Our AVC provider is **PRUDENTIAL**
- The earlier you start the better
- Increase the amount of tax free cash at retirement
- You can opt to buy additional pension
- You can pay up to 100% of pensionable pay
- Invested separately with Prudential
- Your AVC's are paid together with your LGPS



Basic rate tax payer

Cost to You



£100



Your Tax Saving



£25



Your AVC Pot



£125

Contact - PRUDENTIAL

Have a payslip and pension statement to hand so they can do all the required calcs!

- **General enquiries** - 0800 000 000
- **Set up online** www.pru.co.uk/rz/localgov/england-wales
- **Dedicated support team for LGPS**

0845 607 0077

9am-6pm Monday-Friday



Any Questions?

Email:

askpensions@localpensionspartnership.org.uk

Phone: 0300 323 0260

