

# Pensions Newsletter

For deferred members of the Local Government Pension Scheme (LGPS)

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## Pensions Increase 2021

The Government confirmed an annual increase to pensions this year of 0.5%. This is the equivalent of the Consumer Prices Index (CPI) for the 12 months ending September 2020. The increase was applied to deferred pensions with effect from 12 April 2021.

If your pension was awarded part way through the year, it has been increased by a proportion of the full amount in the first year and will increase by the full rate from next year.

## Member Self Service (MSS)

The Pensions Shared Service has launched a new way for you to access information about your pension account. Member Self Service (MSS) provides you with an easy and secure way to:

- View your pension account
- Amend your personal details, such as home address, nomination details
- Perform your own pension calculations and “what if” scenarios
- View Annual Benefit statements (ABS)

## Paperless Annual Benefit statements

From this year onwards, your Annual Benefit Statement goes ‘paperless’, and you will access your statement directly from the Member Self Service website. This will reduce the number of issues with statements being sent by post and means that you will no longer need to worry about misplacing your paper copy.

## Registering for Member Self Service (MSS)

The activation key that you have recently been sent will expire in 30 days so don't delay – visit:

<https://mss.pensionssharedservice.org.uk/>

and **REGISTER NOW!**



## 4 simple steps to protect yourself from pension scams

The number of pension scams has never been higher in the UK, with thousands of people becoming a victim of them over the last few years. The Financial Conduct Authority (FCA) and the Pensions Regulator reported in August 2020 that over £30 million had been lost to pension scammers since 2017.

Before making a decision on your pension savings, read below to find out how to protect yourself from scams.



**Step 1 – reject unexpected offers** - if you are contacted out of the blue about a pension opportunity, chances are it is high risk or a scam. If you get a cold call about your pension, the safest thing to do is to hang up - it's illegal and probably a scam. If you get unsolicited offers via email or text, you should simply ignore them.

And do not be talked into something by someone you know. They could be getting scammed, so check everything yourself.



**Step 2 – check who you are dealing with** on the Financial Services Register to make sure that anyone offering you advice or other financial services is FCA authorised, and they are permitted to provide those services regarding pensions <https://register.fca.org.uk/>

Check they are not a clone – a common scam is to pretend to be a genuine FCA-authorized firm (called a 'clone firm'). Always use the contact details on the FCA Register, not the details the firm gives you.



**Step 3 – don't be rushed or pressured** - take your time to make all the checks you need – even if this means turning down an 'amazing deal'.



**Step 4 – get impartial information or advice** - you should seriously consider seeking financial guidance or advice before changing your pension arrangements. Use the FCA register if you do opt for an adviser.

You can report an unauthorised firm or scam to the FCA by contacting their Consumer Helpline on 0800 111 6768 or using their reporting form.

## Transferring out of the LGPS

You cannot transfer your benefits (other than AVCs) if you leave less than one year before your Normal Pension Age. An option to transfer (other than in respect of AVCs) must be made at least 12 months before your Normal Pension Age.

If a full transfer payment is made, you will not be entitled to any further benefits from the LGPS for yourself, your spouse, civil partner, eligible cohabiting partner or eligible children.

Further information about transferring out can be found here: [www.lgpsmember.org](http://www.lgpsmember.org)

If you are thinking of transferring your pension benefits out of the LGPS you should be aware that scammers operate in these markets – see the previous article .

For more information on when and how to claim your retirement benefits read our article on page 4.

## **Making your wishes known – the Expression of Wish Form**

The Council as the administering authority for the pension fund has absolute discretion over who receives any lump sum death grant that becomes payable in the event of your death. However it is important to let us know your wishes by completing an expression of wish.

If you have not already completed one or wish to make a change, please log in to your Member Self Service account and go to Expression of Wish.

### **What Lump Sum is payable if you die before your benefits start to be paid?**

If you left the LGPS on or after 1 April 2008: a lump sum of 5 times your deferred annual pension will be payable.

If you left the LGPS before 1 April 2008: a lump sum of 3 times your deferred annual pension will be payable.

### **Exclusions to payment of a lump sum death grant**

If you left with deferred benefits and die before receiving them **and** you are also an active contributing member of the LGPS when you die, only the higher of either the deferred benefit death grant or the death in service death grant will be paid.

Please note that lump sum death grants are only payable provided you are under age 75 at the date of death.

## **Age Discrimination – Court of Appeal Ruling**

In 2019, the Court of Appeal ruled in the “The McCloud Judgment” that the ‘transitional protection’ offered to some public service pension scheme members – if they were within 10 years of their normal retirement age (in most cases age 65) - gave rise to unlawful discrimination.

The government accepted the Court’s decision and has confirmed that the difference in treatment will need to be remedied across the board.

All public service schemes including the LGPS will be affected.

As a result of the ruling, we expect amendment regulations to be introduced in the next 18 months, which may involve a change to a number of members’ pensions who have left employment since 2014.

The final remedy will probably mean that pension administrators must compare the benefits payable under the current rules with the benefits that would have been paid if the Scheme had not changed in 2014 and then pays the higher.

This should see an improvement on the level of pension some receive but is unlikely to affect many members. There is no need to contact the Pensions Shared Service. We will be contacting those affected once the amended regulations have been released.



## When will we send you claim forms for retirement?

You can draw your deferred benefits in the following ways:

- At your Normal Pension Age (NPA) without reduction
- Before NPA but possibly with early retirement reductions

You can now contact us at any point from age 55 to request early payment of your deferred benefits. You can use the benefit projectors in your Member Self Service account to find out how much you could receive. If you wish to claim deferred benefits earlier than your NPA please let us know in writing about 3 months prior to the date that you want to start receiving your pension benefits.

If we do not hear from you to request early payment we will write to you offering payment of your full pension benefits approximately 3 months before reaching your NPA.

## Any Changes?

Please remember to let us know of any change to your name, address or marital status as quickly as possible. You can update your address by logging into your Member Self Service account and clicking on Personal Details and then Edit Contact Details.

To update any other personal details, you'll need to send us supporting documentation which you can submit via your Member Self Service account. For more information about how to do this, visit our website

<https://pensionssharedservice.org.uk/member-self-service-mss/help-using-member-self-service/>

and scroll to **Updating My Personal Details**.

## Contacting the Pensions Shared Service

Since March 2020, responding to the Government's guidance regarding the coronavirus pandemic, the Pension Shared Service adapted its processes and closed its office to visitors.

The majority of staff work remotely ensuring that the Pensions Shared Service remains fully operational and undertakes a significant majority of the tasks that it usually would. This includes critical processes including the payment of member benefits, retirement processing and bereavement services.

The safety and wellbeing of staff and everyone who accesses its services remains the priority and the Pension Shared Service will follow Government advice on re-opening their offices.

Post to: **Pensions Shared Service, PO Box 72351, London SW18 9LQ**

Please note that we must receive changes in address or bank/building society details in writing from you by post with your usual signature

Email: **pensions@richmondandwandsworth.gov.uk**

We expect you to use our website **<https://pensionssharedservice.org.uk/>** for information before contacting us. Information about the scheme is also available at **<https://lgpsmember.org/>**