

Pensions Newsletter

Welcome

This Newsletter from the Pensions Shared Service has been written for our Pensioners.

Impact of the Pandemic: service update

As part of our response to the COVID-19 pandemic, face to face appointments in the office have been postponed indefinitely.

We now offer face to face video appointments, through Microsoft Teams, which means you can speak to a member of staff without needing to travel.

To request a Teams meeting, just email us at pensions@richmondandwandsworth.gov.uk

with the subject heading “**Video Call Request**” and your proposed date and time for the meeting and a brief description of what you would like to discuss. Please note that video appointments are subject to availability.

We will confirm with an email containing a link to the Teams Meeting. You can join the meeting as a ‘guest’ or sign up for a free Teams account.

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Pensions Increase 2022

The Government has confirmed that the annual increase to pensions this year is 3.1%. This is the equivalent of the Consumer Prices Index (CPI) for the 12 months ending September 2021. The increase will be applied to pensions from 11 April 2022.

Your pension will be increased if:

- you are aged 55 or over (from age 55 it will increase to the level it would have been, had it been increased every year since your date of leaving); or
- you are receiving a spouse’s, partner’s or child’s pension; or
- you retired on ill health grounds.

Your April pension payment will not include the full increase because the first 10 days will be paid at the 2021 rate. Your May pension payment will include the full increase.

An example of how the increase is calculated is set out later in this Newsletter.

Income Tax

The pension that you receive and your state pension (if you are already receiving one) are taxable incomes. Any other pension or income from other sources may also be taxable. If your total income is above a certain amount you will pay tax. The “certain amount” is known as your **personal allowance** or “free pay” allowance and there are different allowances depending on age and income. Income tax is calculated over a tax year. A tax year runs from 6 April to 5 April the following year. The amount of tax that has to be paid is calculated as a percentage of total income that is above the **personal allowance** within the tax year in accordance with the **tax bands**.

Personal Allowance – The personal allowance represents the amount of income you can receive before you have to pay any tax. The allowances for this year are shown in the table below.

Age / Type of Allowance	Personal Allowance
	2022/2023
Basic	£12,570
You don't get a Personal Allowance if your taxable income is over £125,140.	

Tax Bands – No tax is paid if your income is within your full basic personal allowance. You pay the percentages of tax on each band of income above your personal allowance, as follows:

Band	Taxable income	Tax rate
Personal Allowance	Up to £12,570	0%
Basic rate	£12,571 to £50,270	20%
Higher rate	£50,271 to £150,000	40%
Additional rate	over £150,000	45%

Example: Here is a simple example for a person who is receiving an LGPS pension and a state pension. The pensioner does not have any other income that is subject to tax (such as savings, investment income or other pensions).

	Yearly Income	Monthly Income
LGPS Pension	£9,000.00	£750.00
Basic State Pension	£5,400.00	£450.00
Total	£14,400.00	£1,200.00
Less Tax Allowance	£12,570.00	£1,047.50
Taxable Income	£1,830.00	£152.50
Tax at 20%	£366.00	£30.50
Income after tax	£14,034.00	£1,169.50

Income Tax – Cont'd

The Tax Office can be contacted on the following telephone number **0300 200 3300**.

For customers who are deaf or hearing or speech impaired: **0300 200 3319** textphone

If you're calling from abroad please telephone: **+44 135 535 9022**.

Telephone opening hours: 8.00 am to 6.00 pm Monday to Friday
Closed on weekends and bank holidays

Phone lines are less busy before 10am, Monday to Friday.

Please have your National Insurance number with you when you phone.

Further information is available on the HM Revenue and Customs (HMRC) webpage:

<https://www.gov.uk/government/organisations/hm-revenue-customs/contact/income-tax-enquiries-for-individuals-pensioners-and-employees>

Online forms are available on this webpage to inform HMRC if you have changed your name or address or to check your Income Tax for the current year.

Write to HMRC at this address for all Income Tax queries except complaints.

You do not need to include a street name, city name or PO Box when writing to this address:

Pay As You Earn and Self Assessment
HM Revenue and Customs
BX9 1AS
United Kingdom

HMRC App

HMRC have now developed an app to find information about your tax, National Insurance, tax credits and benefits on the move.

You can download the HMRC app from:

- the App Store for iOS
- the Google Play Store for Android.

The first time you sign in, you'll need to enter your Government Gateway ID and password. If you haven't got these, go to **www.gov.uk/government-gateway** and register as an individual.

Overseas Pensioners

All pensioners who are resident overseas will be asked to complete and return an annual life certificate. We have to send certificates because it is one of our audit requirements and also because we have a 'duty of care' to protect our members' money and guard against fraud.

If you live overseas, towards the end of April, we will send you a letter with the certificate. Please sign and return your certificate as soon as possible. Your pension payments may be stopped if we do not receive your completed certificate.

Pensions Increase 2022

This year pensions will increase by 3.1% from 11 April 2022. The Government sets the level of this increase. If your pension started after 26 April 2021, it will be increased by a proportion of 3.1% as shown in the table below. If you are currently under age 55 you will not receive any increase until you reach age 55. However, this does not apply for widow's, widower's, civil partner's, partner's or children's pensions or if you retired because of permanent ill health, and increases will automatically be paid on these pensions regardless of age.

Pensions Beginning	Percentage Increase
On or before 26 April 2021	3.10%
27 April 2021 to 26 May 2021	2.84%
27 May 2021 to 26 June 2021	2.58%
27 June 2021 to 26 July 2021	2.33%
27 July 2021 to 26 August 2021	2.07%
27 August 2021 to 26 September 2021	1.81%
27 September 2021 to 26 October 2021	1.55%
27 October 2021 to 26 November 2021	1.29%
27 November 2021 to 26 December 2021	1.03%
27 December 2021 to 26 January 2022	0.78%
27 January 2022 to 26 February 2022	0.52%
27 February 2022 to 26 March 2022	0.26%

Guaranteed Minimum Pensions (GMPs)

If your Local Government pension was calculated on your (or your spouse's) pension scheme membership between 6 April 1978 and 5 April 1997, you may have earned a Guaranteed Minimum Pension (GMP). The GMP is the amount of additional state pension that would have been payable to you (or your husband or wife if you are receiving a partner's pension) if you (or your spouse) had been in the State Earnings Related Pension Scheme (SERPS) during employment with the Council rather than the Local Government Pension Scheme. Your GMP is included in your Local Government pension (it is not an addition to it) but the increases on the amount of the GMP may, in part, be paid by the Department for Work and Pensions (DWP) with your state pension.

If you have earned a GMP you will have received a notice from the DWP telling you how much this is. Increases on the GMP are calculated in two parts depending on whether the GMP was earned before 6 April 1988 or after 5 April 1988. This is because the DWP pays the full increase on the GMP earned before 6 April 1988 and the Council pays some or all of the increase on the GMP earned after 5 April 1988. The Council only has to pay a maximum increase of 3.00% on the GMP earned after 5 April 1988. For this year, as the increase is 3.10%, the Council will pay a 3.00% increase and the DWP will pay a 0.10% increase on the GMP earned after 5 April 1988. Examples of how the increases are calculated this year are shown on the next page.

Guaranteed Minimum Pensions (GMPs) – cont'd

An example for someone who has a GMP earned before 6 April 1988 who retired before 27 April 2021.

Current pension	£300.00	
GMP earned before 6 April 1988 *	£75.00	*[The increase on this amount is paid with your State Pension]
Amount of pension to be increased	£225.00	
Increase of 3.10%	£6.98	
Total Increase payable	£6.98	
Total new pension	<u>£306.98</u>	

An example for someone who has both a GMP earned before 6 April 1988 and a GMP earned after 5 April 1988 who retired before 27 April 2021.

Current pension	£300.00	
GMP earned before 6 April 1988 **	£75.00	**[The increase on this amount is paid with your State Pension]
GMP earned after 5 April 1988	£25.00	
Amount of pension to be increased	£200.00	
Increase of 3.1%	£6.20	
Plus		
Amount of GMP earned after 5 April 1988 to be increased ***	£25.00	***[The increase above 3% will be paid with your State Pension]
Increase of 3.00%	£0.75	
Total Increase payable	£6.95	
Total new pension	<u>£306.95</u>	

If you have not yet reached State Retirement Age, the Department for Work and Pensions (DWP) will write to you nearer your state retirement age and let you know how much your state pension will be. In the letter the DWP will give details of the Additional Pension or State Second Pension and the amount of the **Contracted-Out Deduction (COD)** that you are entitled to. You will receive this COD as the Guaranteed Minimum Pension (GMP) element in your pension from us when you reach state retirement age and increases on the amount of your GMP will be paid as detailed in the examples above.

The Queen's Platinum Jubilee 2022 - celebrations and events

In 2022, Her Majesty the Queen will become the first British Monarch to celebrate a Platinum Jubilee after 70 years of service. The celebrations will centre around an extended 'Platinum Jubilee Central Weekend' on 2, 3, 4 and 5 June.

In London, there will be a Platinum Jubilee Pageant with all the excitement and spectacle of an international parade and carnival. The Pageant will combine street arts, theatre, music, circus, carnival and costume to celebrate Her Majesty's unwavering duty, love of the natural world and dedication to the Commonwealth.

To find out about all the events planned to celebrate the Platinum Jubilee and how you can take part, visit the webpage: <https://platinumjubilee.gov.uk/events/>

Becoming a Local Pension Board member

The governance arrangements for the Local Government Pension Scheme (LGPS) provide members and employers with an opportunity to become more involved with the oversight of their pension funds. Members and employers sit on Local Pension Boards (LPB) to help ensure that the LGPS is well managed and representative at a local level.

Each administering authority in our partnership (Camden Council, Merton Council, Waltham Forest Council and Wandsworth Council) has a legal responsibility to maintain and manage their LGPS fund. This role is referred to as the “scheme manager” in the Public Service Pensions Act 2013. The LPB assists in securing compliance with the Regulations, any other legislation relating to the governance and administration of the LGPS, and requirements imposed by the Pensions Regulator in relation to the LGPS.

It is important that LPB members have the time to commit to attend meetings, undertake training and effectively represent members.

If you think that the skills you have developed from your career might suit a role as a board member then please let us know. If you are interested in joining the LPB please put a subject heading in your email “Local Pension Board” and briefly outline your key skills. We will then arrange for a response from the administering authority. Our email address is **pensions@richmondandwandsworth.gov.uk**

If your Local Pension Board does not have a vacancy at this time, your expression of interest will be noted and you will be contacted when a position on the LPB becomes available.

Protect yourself from scams

There are some general things we should all do to avoid scams:

- Treat all unexpected calls, emails and text messages with caution. Don't assume they're genuine, even if the person seems to know some basic information about you.
- Don't be pressured into acting quickly. A genuine bank or financial services firm won't mind waiting if you want time to think.
- Never give out your bank account or credit card details unless you are certain who you are dealing with.
- Don't give access to your device by downloading software or an app from a source you don't trust. Scammers may be able to view, take control of your device and access your bank account.

For more advice on the basic steps everyone should take to avoid scams, check out:

<https://www.moneyhelper.org.uk/en/money-troubles/scams/a-beginners-guide-to-scams>

Need more information?

Information about the scheme is available at **<https://lgpsmember.org/>** or our website **<https://pensionssharedservice.org.uk/>** which has an area dedicated to providing information to pensioners.