

Pensions Shared Service Newsletter

For members and prospective members of the Local Government Pension Scheme (LGPS)

CONTENTS

- Page 1 • Annual Benefit Statements
- Page 2 • Amendments to the LGPS
• Exit payments
- Page 3 • Your Pension Contribution
- Page 4 • Your CARE pension
• User Group Lunch
• Change of Head of Pensions
• Any changes?



Annual Benefit Statements

Your Annual Benefit Statement has been sent to your home address. Please read the notes pages included with your statement carefully as they include important information about how your statement has been prepared.

You will receive more than one statement if you are contributing to the scheme in respect of more than one post. Statements for any previous jobs with the Council for which you have a deferred benefit are produced separately.

If you joined the LGPS after 31 March 2019, your first statement will be issued next year.

If you have a query about the information contained in your Annual Benefit Statement (ABS), please complete our **ABS Query Form** specifically designed for this exercise. The ABS Query Form can be downloaded here

<https://pensionssharedservice.org.uk/forms-and-guides/>

When you have completed the form please attach it to an email and send it to pensionsabs@richmondandwandsworth.gov.uk

The subject line of your email should be “Active ABS 2019”. Please keep in mind that we won't be able to deal with your enquiry unless it is made via this method. Please read the notes pages accompanying the ABS or visit the national LGPS members' website **<https://lgpsmember.org/>** before contacting us as the answer to your question may be covered in the notes or on the website.

If your query relates to information that we have been given, for example pay details or the number of hours you work in a week, we will check this with your employer. You will then see the changes on your next statement.

We have issued over 27,000 individual benefit statements so we will be dealing with a lot of queries at this time and some of these will require you, us and your employer to put right. It may take a while therefore to review all the queries, so we ask for your understanding whilst we deal with these.

Amendments to the Local Government Pension Scheme (LGPS)

Changes to survivor benefits for same sex spouses and civil partners

A change to the LGPS regulations has been made to provide that survivor benefits payable to a same sex spouse or a civil partner are equal those paid to the widow of a male scheme member. Previously the entitlement was instead to the benefits which would be payable to a widower of a female member.

This is a significant change for those who left employment under some of the earlier LGPS schemes, in some circumstances benefits for a widow take account of past service right the way back to 6 April 1978 but benefits for a widower are limited to past service only as far as 6 April 1988. This differential treatment between widows and widowers remains lawful.

Why has the change been made?

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

The change will automatically be taken into account in survivor benefits paid to civil partners and same sex spouses in the future.

If you would like to know more about how any spouse or partner's pension would be calculated in the event of your death then visit:

<https://www.lgpsmember.org/more/partner-dis.php>

Exit payments – legislation update

In 2015 the Government announced a proposed limit on the total value of payments that could be made when public-sector employers end a staff member's employment - a £95,000 cap on exit payments. This includes redundancy payments (including statutory redundancy payments) severance payments, pension strain costs which arise when a Local Government Pension Scheme (LGPS) pension is paid unreduced before Normal Pension Age and other payments made as a consequence of termination of employment.

The statutory redundancy element of an exit payment cannot be reduced. If the cap is exceeded, other elements that make up the exit payment will have to be reduced to achieve an exit payment of £95,000.

The impact of the proposed regulations on a LGPS member if the cap is exceeded and where the exit payment includes pensions strain cost is unclear. We understand that the policy intent is that pension benefits are to be reduced to the extent that the exit payment cap is not breached, with the member having the option of paying extra to buy-out some or all of the reduction.

There are circumstances when the cap must be (mandatory cases) or may be (discretionary) relaxed.

A person with multiple public sector employments who receives an exit payment will be required to inform any other public body that employs them about that payment.

A fresh Government consultation about the reforms ended on 3 July 2019 and we await the final legislation. We will tell you about any future updates.

Your Pension Contribution

The contribution rates for employees are set by the Government. The current bands are set out below - reflecting the April 2019 increase on pensionable pay in line with the cost of living.

Contribution table 2019/20

If your actual pensionable pay is: **You pay a contribution rate of:**

Up to £14,400	5.50%
£14,401 to £22,500	5.80%
£22,501 to £36,500	6.50%
£36,501 to £46,200	6.80%
£46,201 to £64,600	8.50%
£64,601 to £91,500	9.90%
£91,501 to £107,700	10.50%
£107,701 to £161,500	11.40%
£161,501 or more	12.50%

You pay contributions on your normal salary or wages plus any shift allowance, bonuses including PrP, overtime (both contractual and non-contractual), pay for child related leave and any other taxable benefit specified in your contract as being pensionable. If you earn enough to pay tax, you receive tax relief on your contributions.

You should always check your payslip to make sure that pension contributions are being deducted.

You can either contribute to the Scheme as a 'Main Section' member, or in the '50/50' section. As the name suggests, within the '50/50 Section' you pay half the contributions and get a lower annual pension in return, whilst retaining full life and ill-health cover. The 50/50 section is designed to help members stay in the scheme, building up valuable pension benefits, during times of financial hardship. Further information and a form for the '50/50' section is available on our website.

The 50/50 section is intended to be a short-term option, your employer is required re-enrol you back into the main section of the scheme approximately every three years on a re-enrolment date set by them. You are also able to revert back to the main section of the LGPS at any time by informing your employer in writing.

Can I pay more to increase my benefits? Yes there are options to increase your retirement benefits in the LGPS including APCs and AVCs as well as outside the LGPS.

Visit <https://pensionssharedservice.org.uk/active-members/increasing-your-pension-benefits/> to find out more about these options.

CARE pensions increase by 2.4% in 2019

The adjustment to your CARE pension for 2019 is an increase of 2.4%.

Why isn't the 2.4% increase on my 2019 statement? The reason is that the statement only shows your pension up to 31 March 2019 – the day before the 2.4% increase was applied to your pension on 1 April 2019. You'll see the 2.4% increase on your 2020 statement instead.

About the adjustment We adjust your CARE pension every April in line with HM Treasury's Revaluation Order, currently set by the Consumer Price Index (CPI) for the September before the increase date. The adjustment only applies to the CARE part of your pension. If you also have final-salary pension benefits from membership before April 2014 they're worked out differently and the increase does not apply to them until you retire – visit this national LGPS website for further information:

<https://www.lgpsmember.org/arm/already-member-how.php>

User Group Lunch – Your views

We aim to continually improve the quality and cost effectiveness of our service. As part of this aim we would like to set up a new User Group, which would meet once or twice a year to discuss these issues. Our first user group meeting would be in the Autumn and the venue for this first meeting will be at Wandsworth Town Hall – we will provide lunch. If you are interested in joining the group please email pensions@richmondandwandsworth.gov.uk or telephone 020 8871 8036.

Announcing the Retirement of Colette Hollands - Head of Pensions Shared Service

Colette Hollands has retired from the role of Head of Pensions Shared Service and after spending the next few months on projects-based work, Colette will be leaving to enjoy a happy and varied retirement. We would like to take this opportunity to thank Colette for her assured leadership which has brought together 5 pensions administration teams into one very effective shared service. Colette has had a senior role in the pension team for over 31 years and has been instrumental in helping us achieve our nationally well regarded reputation.

Martin Doyle will succeed Colette as Head of Pensions Shared Service. Martin joined the team 21 years ago and became a Pensions Manager in 2008 and is committed to retaining excellent standards of customer service and will pursue continuous, technology-driven improvement to the Pensions Shared Service's administration. Martin commented: "I am delighted to have the opportunity to lead the Service – I am very fortunate to be able to lead such a hard working and conscientious team."

Any Changes?

Please remember to let us know of any change to your name, address or marital status as quickly as possible. You can download our ABS Query Form to do this. See page 1.