

April '25

# Pensions Newsletter

## Welcome

This Newsletter from the Pensions Shared Service contains important information for our Pensioners.

More information is available on our website <https://pensionssharedservice.org.uk/pensioners/> an area dedicated to our pensioners.

You can write to us at: **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.

We also now offer face to face video appointments, through Microsoft Teams.

To request a Teams meeting, just email us at [pensions@richmondandwandsworth.gov.uk](mailto: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.

## Contents

- Page 1 Welcome  
Pensions Increase 2025
- Page 2 Income Tax
- Page 3 Income Tax – Cont'd  
HMRC App  
Overseas Certificates
- Page 4 Pensions Increase 2025  
GMPs
- Page 5 GMP's (Cont'd)  
State Pension Increase  
Protect yourself from  
scams
- Page 6 Your Questions  
Answered  
Need more  
information?

## Pensions Increase 2025

The Government has confirmed that the annual increase to pensions this year is 1.7%. This is the equivalent of the Consumer Prices Index (CPI) for the 12 months ending September 2024. The increase will be applied to pensions from 7 April 2025.

Your April pension payment will not include the full increase because the first 7 days will be paid at the 2024 rate. Your May pension payment will include the full increase.

If some of your pension is made up of Guaranteed Minimum Pension (GMP) then you may not get the full increase applied to your pension. An example of how the increase is calculated is set out later in this Newsletter.

Please note, if left your LGPS employment after 21 April 2024 you will usually only receive a partial increase this April as shown on page 4 of this Newsletter.



April '25

## 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
	2025/2026
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 £125,140	40%
Additional rate	over £125,140	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
<b>Income after tax</b>	<b>£14,034.00</b>	<b>£1,169.50</b>

April '25

## 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.

Open the app and enter your Government Gateway user ID and password to sign in for the first time. If you do not have a user ID, you can create one in the app.

## 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, in May, 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.

April '25

**Pensions Increase 2025**

This year pensions will increase by 1.7% from 7 April 2025. The Government sets the level of this increase. If your pension started after 22 April 2024, it will be increased by a proportion of 1.7% as shown in the table below.

<b>Pensions Beginning</b>	<b>Percentage Increase</b>
On or before 22 April 2024	1.70%
23 April 2024 to 22 May 2024	1.56%
23 May 2024 to 22 June 2024	1.42%
23 June 2024 to 22 July 2024	1.28%
23 July 2024 to 22 August 2024	1.13%
23 August 2024 to 22 September 2024	0.99%
23 September 2024 to 22 October 2024	0.85%
23 October 2024 to 22 November 2024	0.71%
23 November 2024 to 22 December 2024	0.57%
23 December 2024 to 22 January 2025	0.43%
23 January 2025 to 22 February 2025	0.28%
23 February 2025 to 22 March 2025	0.14%

**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 1.70%, the Council will pay the full increase on the GMP earned after 5 April 1988.

An example of how the increase is calculated this year is shown on the next page.

April '25

**Guaranteed Minimum Pensions (GMPs) – cont'd**

An example for someone who has a GMP earned before 6 April 1988 and who reached State Retirement Age before 6 April 2016:

Current pension	<b>£300.00</b>	
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 1.70%	£3.83	
Total Increase payable	<b>£3.83</b>	
Total new pension	<b><u>£303.83</u></b>	

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. For those who reached State Retirement Age on or after 6 April 2016 and the DWP has informed you that you have a GMP, the Council will pay the full amount of increase on your total pension.

**The state pension rises by 4.1% from April 2025**

The Government has confirmed that State Pensions will increase by 4.1% in April 2025, making the amount payable £230.25 a week for the full, new flat-rate State Pension (for those who reached State Pension Age on/after 6 April 2016) and £176.45 a week for the full, old basic State Pension (for those who reached State Pension Age before 6 April 2016).

This rise is in line with the government's 'triple lock', which guarantees that the increase payable from April will be the highest of three measures - the September 2024 CPI inflation measure, average earnings growth between May and June 2024 (including bonuses), or 2.5%.

As September's CPI measure was 1.7%, this means state pensions will go up by average earnings growth instead, which was higher at 4.1%.

If you have not yet reached State Pension Age, you can get a forecast from the **Gov.uk** website.

For all other queries about State Pensions, you can contact the State Pension Service whose details are here [www.gov.uk/contact-pension-service](https://www.gov.uk/contact-pension-service)

**Protect yourself from scams**

Scams can be sophisticated, but if it sounds too good to be true, it probably is.

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>



April '25

## Your Questions Answered

### Q Why do I pay tax on my pension and who do I need to contact if I have a tax query?

A Your pension is a taxable income and the rate at which you pay tax is determined by HMRC. The tax you pay depends on many factors such as other income, your age and your marital status. If you have a query relating to the tax code that HMRC have issued, please contact the tax office (contact details are on page 3), quoting the reference shown and your National Insurance number.

	Camden	Merton	Richmond	Waltham Forest	Wandsworth
Reference	120/LB2	120/LB22	120/B24	120/LB13	845/LLB10A

### Q Can I still receive my pension if I move overseas?

A If you have a UK bank account and you move abroad, you should check that this is possible with your bank. Alternatively, your Pension Fund can pay your pension overseas by using a third party as detailed below

Camden	Merton	Richmond	Waltham Forest	Wandsworth
Xafinity Paymaster	Convera	Equiniti	Convera	Equiniti

Please contact the Pensions Shared Service if you want your pension to be paid into an overseas bank account, we will send you a bank mandate form.

### Q What happens to my pension if I die?

A If you pass away, there may be annual pensions payable for a qualifying spouse, civil partner, cohabiting partner or dependent children. You can find the eligibility criteria on our dedicated webpage. A death grant may also be payable. Please visit <https://pensionssharedservice.org.uk/pensioners/death-benefits-for-pensioners/> for further details.

### Q I've been asked for information about my pension for a divorce, how much does this cost?

A You will need to tell the Court the value of your pension pot(s). In order to do this you will need to request a Cash Equivalent Value from the Pensions Shared Service by completing the "Pension Sharing on Divorce - Request for a CEV form" at <https://pensionssharedservice.org.uk/forms-and-guides/> There may be a charge for providing you with this information, and details of this will be provided on receipt of your form.

## Need more information?

Our website <https://pensionssharedservice.org.uk/pensioners/> has an area dedicated to providing information to our pensioners. It also has our contact details at <https://pensionssharedservice.org.uk/about-us/contact-us/>