Deferred members

Pensions Shared Service Newsletter

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

Pensions Shared Service

Camden • Merton • Richmond
Waltham Forest • Wandsworth

Frequently asked questions

What are deferred benefits?

Deferred benefits are benefits that are set aside to be taken at a later date. If you stop paying LGPS contributions, or finish working for an employer in the LGPS, we work out the deferred benefits and write to you.

Your annual benefit statement shows the pension we have worked out that will be payable if you claim it from your normal pension age (NPA). If you are over 65 and older than your NPA, your annual statement will also include increases for retiring after your NPA.

What is my NPA?

Your Normal Pension Age (NPA) is the date from which your LGPS pension can be paid without any reductions. This age is different for each member and depends on when you left the scheme

- If you left after 1 April 2014, your NPA is linked to your State Pension age.
- If you left between 1 October 2006 and 1 April 2014, your NPA is 65.
- If you left before 1 October 2006, your NPA is normally 65 but could be as early as 60

If you're unsure of your State Pension age, you can check it online at gov.uk/state-pension-age

continued overleaf

Inside

Camden LONDON BOROUGH OF MERTON LONDON BOROUGH OF RICHMOND UPON THAMES Waltham Forest Wandsworth Council

When can I take my deferred benefits?

Currently, you can take your deferred benefits at any age between 55 and 75, as long as you have left the job those benefits are linked to.

You can take your benefits:

- **From age 55 to your Normal Pension Age (NPA):** You can take your benefits early, although they will usually be reduced.
- **At your NPA:** You can take your benefits in full, with no reduction.
- **After your NPA (up to age 75):** Your benefits may increase as they are being paid later. However, if you left the LGPS before 1 April 1998, you must take your pension by your NPA.
- **Before your NPA due to ill health:** If approved by your former employer, you may be able to take your benefits early without any reduction.

The Government has announced that the earliest age you can take your pension, other than for ill-health reasons, will increase to 57 from 6 April 2028. See 'Changes to NMPA from 2028' section later in the newsletter for more details.

How much will I get if I take my benefits before my NPA?

If you choose to take your deferred benefits before your Normal Pension Age (NPA), they will usually be reduced. This is because your pension is likely to be paid over a longer period of time.

The following table shows the percentage your pension will be reduced by if you take it earlier than your NPA. If the number of years is not exact, the reductions will be adjusted accordingly. Please note we are expecting these percentages to change shortly.

Number of years early	Pension reduction	Lump sum reduction (for membership to 31 March 2008)
0	0%	0%
1	4.90%	1.70%
2	9.30%	3.30%
3	13.50%	4.90%
4	17.40%	6.50%
5	20.90%	8.10%
6	24.30%	9.60%
7	27.40%	11.10%
8	30.30%	12.60%
9	33.00%	14.10%
10	35.60%	15.50%
11	39.50%	N/A
12	41.80%	N/A
13	43.90%	N/A

Our benefit calculators in Member Self Service can help you work out how much your pension might be with these reductions.

I paid additional voluntary contributions (AVCs) before I left – what happens with those?

If you paid AVCs before you left, your AVC provider will continue to send you a separate annual statement. Your provider may also have a portal you can access to view your AVC pot.

When you choose to claim your LGPS pension, we will include your AVCs into the options we provide to you.

I can't work because of ill health, so can I take my deferred benefits?

If you can't work because of ill health, you may be able to have your benefits paid without reductions, whatever your age.

For your application to be approved, you must be permanently incapable of doing the job you were in when you stopped paying LGPS contributions and your benefits became deferred. If you left the LGPS after 31 March 2008, your former employer must also consider whether you are likely to be able to undertake any gainful employment within the next three years.

Gainful employment is paid work of at least 30 hours a week that lasts for a year or more.

If you think this may apply to you, you should contact your former employer. They will arrange for an independent registered medical practitioner to provide an opinion, to help with their decision.

Do my deferred benefits keep their value against inflation?

Yes. Each April, the value of your deferred pension is adjusted, based on the Consumer Price Index from the previous September. The standard increase applied from 6 April 2026 was 3.8%.

If you became a deferred member before 22 April 2025, you'll get the full increase. However, if you became a deferred member after that date, your pension increase will normally only be a proportion of the full increase.

Can I transfer my deferred benefits to another pension scheme?

If you meet certain conditions, you may be able to transfer your deferred benefits to another pension scheme. Transferring your pension is an important decision and one that you should think about carefully. Visit our website to find out more about

continued overleaf

transferring your pension: [PSS Website - Transferring Your Pension](#)

If you join another public sector pension scheme, you will usually need to register your interest in transferring your deferred LGPS pension within 12 months of joining your new scheme. Your new pension scheme will be able to provide more information about the transfer process and your options.

What happens to my deferred benefits if I die?

A death grant may be paid as a lump sum and the amount depends on when you left the scheme:

- If you stopped paying LGPS contributions before 1 April 2008, the death grant is three times your deferred pension.
- If you stopped paying contributions on or after 1 April 2008, the death grant is five times your deferred pension.

If you are also still paying LGPS contributions for a different job at the time of your death, only the highest death grant will be paid.

If you have a linked Additional Voluntary Contribution (AVC) fund, the value of the fund at your date of death will be paid with the death grant.

Please see the following section for details on how to nominate a beneficiary to receive any death grant that is due or how to update an existing nomination.

A survivor's pension may also be paid to your dependants, such as:

- your spouse or civil partner;
- any eligible children; or
- someone you live with as if you were married (if you were still paying LGPS contributions on or after 1 April 2008).

You can use our online portal to find out how much your dependants could get: Member Self Service

How do I update my personal details?

You can update your information by logging into Member Self Service If you need to change your name, partnership status or gender, we need to see a copy of the relevant legal document.

Access and fairness

Scheme Changes – Improving access and fairness in the LGPS

The Government has confirmed a series of changes to the Local Government Pension Scheme (LGPS) to make the LGPS fairer for all members. Most changes took effect from 1 April 2026 and some applied retrospectively.

Below is a summary of some key changes and what they may mean for you.

Fairer survivor benefits

From 1 April 2026, survivor pensions are calculated more consistently to ensure equal treatment regardless of the sex of the deceased member or their surviving spouse/civil partner.

Some survivor pensions will be increased as more of the member's service before April 2014 will now count. Some survivor pensions will become payable for the first time, this is most likely to affect male survivors of female members who left the pension scheme before April 1988.

Who could be affected?

The changes apply to deaths dating back to:

- **5 December 2005** for opposite sex marriages and same sex civil partnerships
- **14 March 2014** for same sex marriages
- **31 December 2019** for opposite sex civil partnerships.

Some cohabiting partners' pensions may also increase if the member died between 1 April 2008 and 31 March 2014.

You do not need to take any action

We will identify any affected cases and contact you if a review applies. This is a complex exercise. We will work through the legislation, identify potential cases and then recalculate pensions. The government department responsible for the LGPS has issued statutory guidance setting out an overall timescale of 18 months from the date the legislation took effect.

Changes to death grants

There are also changes to the rules around death grants:

- **Age limit removed:** A lump sum death grant may now be paid even if a member dies after age 75. This is backdated to 1 April 2014. We are working to identify any new death grants in respect of members who died after age 75 since April 2014. Where applicable, we will contact the beneficiaries or personal representatives to arrange payment of the death grant. Interest for late payment will be added.
- **More flexibility:** Pension funds can now use discretion to decide who receives a late death grant. This means the death grant will be taxed at each beneficiary's marginal rate of tax, rather than the 45% charge that applies when it is paid to personal representatives. A 'late' death grant is usually one that is not paid within two years of the date of death.

Pensions Dashboards update

You may have picked up from previous communications from the Fund about the introduction of Pensions Dashboards.

In the past twelve months, the Pension Shared Service has connected to pensions dashboards digital ecosystem, and we are now reporting Scheme member pensions data.

Pensions Dashboards are an online tool which will allow you to securely locate and view all your pension information in one place including your LGPS benefits, State pension and any other pension savings you may have accumulated over the years.

The Government is prioritising a non-commercial dashboard which will be provided by The Money and Pensions Service (MaPS), an arm's-length body of the Department for Work and Pensions. This will be available on the MoneyHelper website – the government backed money and pensions guidance service. It will be open to all savers with a pension built up in the UK that has:

- not yet been accessed, or
- is not currently being paid (for the State Pension, you must be under State Pension age).

Commercial dashboards will follow later, provided by banks and other financial bodies.

We don't yet know when dashboards will be available to the public. However, their development has taken an important step forward with the second phase of consumer testing for the MoneyHelper Pensions Dashboard (MHPD) now underway. This will support further refining and improving of the service before it is publicly available.

Over the coming months, MaPS are looking to build up the pool of people interested in testing the dashboard. This is so they can gain valuable insights from a broad range of participants and increase volumes over time. If you would like to help test the new MoneyHelper Pensions Dashboard, you can sign up here to join the MoneyHelper Research Panel.

For more information on Pensions Dashboards, please visit: www.pensionsdashboardsprogramme.org.uk

Pension scams

The number of pension scams continues to rise, so it's more important than ever to understand how to protect your money and recognise the warning signs.

Scammers often pretend to be from genuine pension providers. They may contact you unexpectedly by email, text message, social media or through illegal cold calls. They might offer a free review of your finances or claim you can access your pension before the normal minimum pension age (currently 55 increasing to 57 from 06 April 2028).

Their aim is to persuade you to transfer your pension savings to them by promising high returns with little or no risk.

To reduce the likelihood of being scammed:

- Reject unexpected offers, unsolicited messages or cold calls
- Always check who you are dealing with on the Financial Services Register: **https://register.fca.org.uk/s/**
- Read The Pension Regulator's leaflet on pension scams
- Do not be rushed or pressured into making decisions
- Get free, impartial guidance from MoneyHelper: **www.moneyhelper.org.uk**

If you receive a phone call or email that appears to be from us but you are unsure, do not share any personal or financial information. Contact us directly to confirm whether the communication is genuine.

Planning your retirement income

Thinking about how much income you'll need in retirement is an important step in planning your future. The Retirement Living Standards can help you picture what life after work might look like – and what it might cost.

What are the Retirement Living Standards?

The standards were developed by Loughborough University and describe three lifestyles in retirement:

- **Minimum** - covering basic needs, with little left over for extras
- **Moderate** - offering more financial comfort and flexibility
- **Comfortable** - providing greater choice, security and leisure

They estimate typical spending on everyday essentials like housing costs, food, transport, clothing and leisure. The figures are updated regularly to reflect changes in prices and living expectations.

How much income might you need?

Based on the 2026 figures, the estimated yearly income needed is:

For a single person

- £13,400 - minimum lifestyle
- £31,700 - moderate
- £43,900 - comfortable

For a couple

- £21,600 - minimum lifestyle
- £43,900 - moderate
- £60,600 - comfortable

You can find out more about what each lifestyle includes at www.retirementlivingstandards.org.uk

Everyone's retirement is different

These figures are a helpful guide, but they won't be the same for everyone. Your own costs may be higher or lower depending on things like:

- Whether you still have a mortgage or rent to pay
- Any health or care costs
- Tax on your pension income
- Your hobbies, travel plans or family commitments

It's worth thinking about what you want your retirement to look like and setting your own personal income target.

Where will your retirement income come from?

Once you have an idea of how much income you might need, the next step is to look at what income you're likely to have.

State Pension

The full State Pension for 2026/27 is £12,548 a year.

This goes a long way towards meeting the minimum standard for a single person.

Couples where both partners receive the full State Pension would usually meet the minimum standard together.

You can check your State Pension forecast at: www.gov.uk/check-state-pension

Other income

Your retirement income may also come from:

- Your LGPS pension
- Any additional payments you make, like AVCs or APCs
- Other workplace or personal pensions
- Savings or investments

If you have lost track of an old pension, the Pension Tracing Service can help: www.findpensioncontacts.service.gov.uk

Checking your LGPS benefits

You can log in to your LGPS online member portal at any time to view an estimate of your benefits. This includes:

- Your expected pension at retirement
- Estimates for early retirement
- Any reductions that may apply

Taking time to review your expected income alongside your likely spending can help you feel more confident and better prepared for retirement.

Pension Awareness Week 2026

Pension Awareness Week takes place from 15 September 2026 and it's a great opportunity for you to check in on your retirement planning.

Securing a financially stable retirement is a topic that affects us all! Pension awareness week helps to give you tools to educate yourself and includes national and local activities - **free webinars, live sessions and pension clinics** aimed at helping you better understand your pension and plan your financial future, with confidence.

The annual Pensions Awareness campaign aims to **demystify pensions** and encourages you to **take proactive steps toward your retirement planning,** making pensions more accessible and understandable, breaking down complex jargon and providing clear, actionable information.

Despite the importance of pensions in ensuring financial security during retirement, many people remain disengaged or uninformed about their pension plans. According to recent studies, a significant portion of the population is not saving enough for retirement, and many are unaware of how their pension schemes operate.

Pension Awareness aims to bridge the knowledge gap by highlighting the importance of early and consistent contributions, understanding different types of pension schemes, and recognising the value of employer contributions and tax reliefs.

Pensions Awareness Week is the perfect time to take small steps to engage with your pension, such as exploring your pension provider's online portal, using pension calculators, or watching a webinar to learn how to get the most from your savings.

So spread the word and save the date!

Pensions Awareness Week starts on 15 September 2026 - look forward to taking a few little steps now, that could make a big difference to your future.

More information about Pension Awareness week is available at: https://pensionawarenessday.com

You can also find clear, reliable information about your LGPS pension at www.lgpsmember.org

Cost of living support

Most of us would like to be able to make our money stretch a bit further – and there are lots of ways to do this.

With household budgets under pressure as costs go up, for many people, budgeting is more crucial than ever before. MoneyHelper, the government-backed service, provide free impartial guidance on money and pensions. They have now launched a budget planner tool which can help you keep track of your money and suggest ways you can improve your finances: **www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner**

The planner will give you a clear idea of where you're spending your money. Once you know this you can start to look at whether you could cut your costs by changing your spending patterns or how to get the most out of any money you have left over.

There are a range of tools available on their site, including budget guides, a bill prioritiser and debt advice locator tool.

If you don't have enough money to live on, help and advice can be found through Citizens Advice. Their help is available even if you work, have savings or own a home:

www.citizensadvice.org.uk/debt-and-money/cost-of-living/get-help-with-the-cost-of-living/

Your Local Authority may also be able to provide some practical support if you contact them directly.

Deferred members – rejoining the scheme/aggregation

If you were previously a member of the LGPS in England or Wales and you re-join the Scheme

If you re-join the LGPS in England or Wales, you have the option of joining your deferred pension(s) with your new pension or leaving them separate.

Even if you don't wish to join the pensions together, you must let your new fund know the dates of service as this may affect your future pension benefits.

If you do not inform the new fund of the former service within 12 months of re-joining, your benefits may automatically be joined or kept separate depending on the type of previous LGPS pension benefits you hold.

Different rules apply depending on what type of LGPS benefits you have, when you left the LGPS, and how long you were a member.

Things to consider when deciding whether to combine your benefits:

- Redundancy or ill health: if you leave your role because of ill health or redundancy and you keep your pension records separate, whilst your current LGPS pension would be paid early without reductions, your previous LGPS pension would not.
- Retiring early: If you retire before your Normal Pension Age (NPA), your pension would normally be paid at a reduced rate to take account of the early payment. If you choose to join your pension records together, you will not be able to take one pension early and leave the other until your NPA, as your entire pension will be reduced for early payment.
- Final salary link: If you were in the LGPS before 31 March 2014, left after 1 April 2014, rejoin within five years, and combine your benefits, your pension will keep its final salary link and your LGPS membership from pre-April 2014 will be linked to your new full-time salary.

Please note, if you opted out on or after 10 April 2015 and qualify for Deferred pension benefits, your pension cannot be combined (unless your service is concurrent).

It may not always be in your interest to join a deferred benefit with an active pension account. You should contact your new pension fund when you join the LGPS to tell them that you have been a member of the Scheme before. They will let you know your options and what you should think about when you make your decision. It is important that you think about your options carefully and that you are aware of the deadlines that apply. You will not be able to change your decision later.

The Normal Minimum Pension Age (NMPA) is changing

The Normal Minimum Pension Age (NMPA) is the earliest age you can usually take your pension benefits. The NMPA is currently 55, but it is due to increase to 57 from 6 April 2028. This change does not apply if you take your pension early due to ill health.

What does this mean for me?

If you were born after 5 April 1973
The earliest age you can take your pension will increase to 57.

If you were born between 6 April 1971 and 5 April 1973
You can choose to take your pension between age 55 and 5 April 2028 (the day before the NMPA increases). If you do not take your pension before this date, you will need to wait until age 57.

If you were born on or before 5 April 1971
You will already be age 57 by 6 April 2028, so this change will not affect you.

Will I be protected from the increase in NMPA?

Some members may be entitled to a protected pension age of 55, meaning they could still take their benefits before age 57.

This may apply if:

- you were a member of the LGPS in England and Wales before 4 November 2021, or
- you transferred pension benefits into the LGPS and meet certain conditions.

The Government has consulted on proposals to allow eligible LGPS members to retain a protected pension age. However, final regulations have not yet been confirmed, and the position may still change.

We will provide further updates once the regulations are finalised. You can also keep up to date at gov.uk.

Pensions made simple

Understanding your pension with videos

If you'd like a clearer understanding of your LGPS pension and the options available to you as a scheme member, but don't have much time, the Pensions Made Simple videos are perfect to watch. These short videos offer a quick summary of important topics, including 'How your pension works,' 'Protection for you and your family,' 'Life after work,' and 'The McCloud remedy.'

To watch the videos, visit:
www.lgpsmember.org/help-and-support/videos/

Are your nominated beneficiaries up to date?

As a deferred member of the LGPS, if you die before taking your pension, a lump sum death grant may be paid to one or more people you have nominated (your beneficiaries).

The amount payable depends on when you left:

- **Left after 31 March 2008**
  A lump sum equal to five time your deferred annual pension is payable.
- **Left before 1 April 2008**
  A lump sum equal to three times your deferred annual pension is payable.

However, if you are also an active member of the LGPS when you die, the death grant payable is the higher of your deferred death grant as calculated above, or the death grant payable in respect of your active membership.

If you hold more than one deferred LGPS benefit, a separate death grant will be payable from each deferred benefit, provided you are not also an active LGPS member at the time of your death.

You can complete an "expression of wish" to tell the Fund who you would like to receive any death grant. While any expression made is not legally binding, it helps guide the Fund's decision. The Fund retains absolute discretion over the final payment. If you are considering nominating a child under age 18, you may wish to seek independent legal advice, particularly about setting up a trust.

To make or update your expression of wish, log on to our online portal: https://mss.pensionssharedservice.org.uk We recommend reviewing your nomination regularly and updating it if your personal circumstances change.

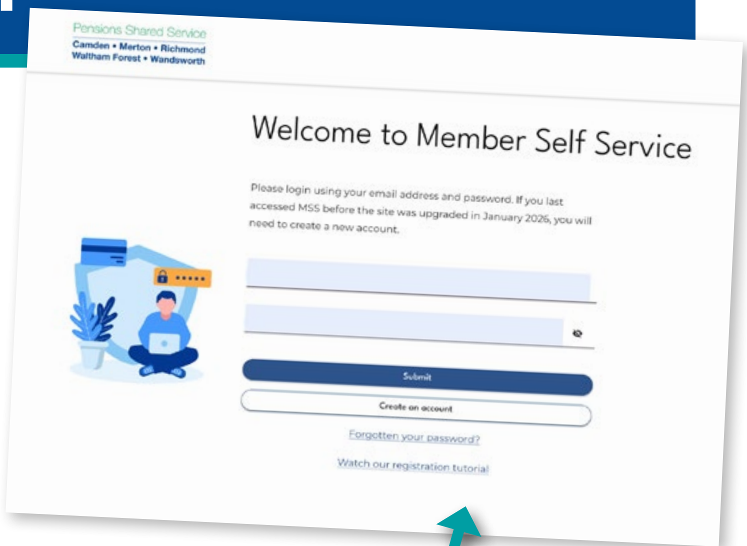
Register today!

Have You Registered for Member Self Service?

You can use Member Self Service (MSS) 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)

It is now easier to register for MSS and keep up to date with your pension in a secure and easy to use online facility – just visit our website to start and click on 'Register.



mss.pensionssharedservice.org.uk

Contacting the Pension Team

Log in to your Member Self Service account and use the 'Contact Us' section to submit a query.

Email: pensions@richmondandwandsworth.gov.uk

Write to:

Pensions Shared Service
PO Box 72351
London
SW18 9LQ