

Local Government Pension Scheme Annual Benefit Statement 2012

We are pleased to enclose your 2012 Annual Benefit Statement.

This statement includes information on the value of the benefits you hold in the Cheshire Pension Fund as well as some questions and answers to help you to understand your statement in more detail. If any of the information we hold about you is incorrect you should tell us straight away. Please see the “Questions and Answers” section of the accompanying newsletter “Your Pension”, which explains where to direct your enquiry.

Important news about your Statement

We have projected your pension scheme benefits to age 65 on the Local Government Pension Scheme (LGPS) in force at 31 March 2012. The LGPS is changing in 2014 and your projections will also change. We have included an article in our newsletter “Your Pension” about the changes and you can also find out more information about the 2014 changes and other general information on our website: **www.cheshirepensionfund.org**

We hope you find your statement informative and helpful, but if you’re unsure about anything and need further clarification, please contact us using any of the methods on the Contact Details section on page 12.

IMPORTANT: This statement contains personal information. **KEEP IT SAFE.**
You should notify us of any change of address or personal circumstances.

Your Personal Details

Please check your details carefully if any of the information below is incorrect please complete the enclosed reply form and return it to the **Cheshire Pension Fund**.

Full Name:

Date of Birth:

National Insurance Number:

Personal Status:

Employer:

Payroll/Employee Number:

Pensionable Pay:

Hours of Employment at Calculation Date:

Membership to 31 March 2012:

Membership to age 65:

Whilst every effort is made to ensure the accuracy of the information displayed on your statement, it should not be treated as a statement of entitlement in case some of the information we hold is incorrect. In the event of a dispute regarding your pension benefits, the appropriate statutory legislation must be applied.

Explanatory Note

Pensionable Pay

This is your pensionable pay from 1 April 2011 to 31 March 2012. If you worked part-time between these dates the pensionable pay on your statement is your full-time equivalent pay. This pensionable pay figure could be affected if you have been absent, paid reduced contributions or paid arrears during the year.

Hours of Employment at calculation date

The hours shown are those we held for you at 31 March 2012.

Membership to 31 March 2012

This is the membership you have built up in the scheme (including any transferred in membership) up to the calculation date.

If you have ever worked part-time or term-time, the membership shown has been adjusted to take account of this. For example if you worked for the last 10 years at 18.5 hours per week (50% of the full-time hours) your membership will show 5 years.

Similarly if you work term-time your membership is reduced and there is an example calculation in your newsletter.

Membership to age 65

This is the membership you have built up to 31 March 2012 plus your projected membership to age 65 based on your hours of employment at the calculation date.

Paying Additional Contributions

If you are buying additional service this is included in your membership figures on page 2.

The proportion that you have bought up to 31 March 2012 is included, while the whole contract is included in your membership at age 65. If you have elected to pay Additional Regular Contributions (ARCs) the additional pension you are buying is included in the total pension figures on pages 6 and 7 of this statement.

If you pay Additional Voluntary Contributions (AVCs) you should have already received a separate statement from your AVC provider.

Your Membership Details

This section is your scheme membership, which is used in the calculation of your estimated pension benefits. The information relating to your current employment is supplied by your employer. Also included are any transferred in pension rights from previous pension schemes.

If the hours you work in your current job are incorrect on this statement, please contact your employer directly. For queries relating to transferred in membership or additional service please contact the Cheshire Pension Fund.

Employer	Period		Calendar Length Years/Days	Hours or % of Full Time	Period of Membership Years/Days
	From	To			

The information above is limited to the last 16 changes, however your total membership is included in your Personal Details on page 2 and is used in the calculation of your benefits.

Your Membership Details

Explanatory Note

Calendar Length

This figure is the number of years and days between the from and to dates shown.

If you chose not to combine or transfer a previous period of Local Government membership into the Cheshire Pension Fund this will be shown, but will not be used in the calculation of your benefits.

Hours or % of Full-Time

If you work full-time you build up membership on a day for day basis. If you work part-time or term-time the hours you work

over the year are shown and there is an example calculation in your newsletter.

Hours are shown as either a fraction or a percentage of full-time. For example, if you work 10 hours per week it would be shown as 10.00 / 37.00.

Period of Membership

This is the number of years and days used in calculating your pension benefits. The years and days are proportioned based on the hours that you work. Any breaks in pensionable service are shown below and are excluded from this figure.

Break in Membership Details

Break Start Date	Break End Date	Reason for Break	Period of Break Years/Days

Explanatory Note

Breaks in membership are when you did not pay pension contributions. If you had a break in service and repaid the contributions this is included in your full membership details quoted on page 2. The above information is limited to the last six service breaks, however all membership breaks have been deducted from your total period of membership.

You cannot repay contributions for any breaks; this must be done within 30 days of returning to work.

Your Benefits at 31 March 2012

Value of your benefits at 31 March 2012

	80ths	+	60ths	=	Total benefits
Membership		+		=	
Pension	<input type="text"/>	+	<input type="text"/>	=	<input type="text"/>
Lump Sum	<input type="text"/>	+	Nil	=	<input type="text"/>

Explanatory Note

80ths membership

Your 80ths benefits are based on your scheme membership before 1 April 2008 and include an automatic lump sum which is 3 times your 80ths pension.

60ths membership

Your 60ths pension is based on your scheme membership from 1 April 2008. There is no automatic lump sum, but you can choose to convert some of your pension into a lump sum at a rate of £1 pension to £12 of lump sum.

Total Benefits

This is the total of your 80ths and 60ths columns. If you are paying Additional Regular Contributions (ARCs) the amount of pension purchased at 31 March 2012 is included in the Total Pension figure. The total contract figure is included in your projection to age 65 on page 7.

Note: If you were over age 60 on 31 March 2012 your benefits show any reduction which may be applicable.

If you were over age 65 on 31 March 2012 your benefits include an increase for delaying retirement until after normal retirement age.

Your Benefits at age 65

(Based on Current LGPS)

Value of your benefits at 65

	80ths	+	60ths	=	Total benefits
Membership		+		=	
Pension	<input type="text"/>	+	<input type="text"/>	=	<input type="text"/>
Lump Sum	<input type="text"/>	+	Nil	=	<input type="text"/>

Explanatory Note

These are your estimated benefits projected to age 65 and calculated using the pensionable pay figure on page 2. The projected membership figure is dependent on your hours of work remaining the same to age 65. If you are already over 65 you will only have figures shown in the section “Your Benefits at 31 March 2012” on page 6.

Pension: is paid monthly, the value shown on your statement is the yearly amount.

Lump Sum: is a one-off tax free payment and paid in addition to your pension when you retire.

Death Benefits

Value of your death in service benefits at 31 March 2012

Death in Service Grant:

**Widow's/Widower's/Civil Partner's/
Nominated Cohabiting Partner's Pension*:**

Explanatory Notes

Death in Service Grant

The value of your death in service grant would be three times your actual pensionable pay. If you are a full-time member this is three times the pensionable pay figure on page 2. For part-time or term-time members it is three times your actual pensionable pay, not your full-time equivalent pensionable pay.

Widow's/Widower's/Civil Partner's/ Nominated Cohabiting Partner's Pension*:

Survivor pensions are paid to a husband, wife, civil partner or nominated cohabiting partner should you die in service. The figure quoted above includes an enhancement based on projected membership to age 65 which only applies if you were to die in service before you retire.

***Nominated Cohabiting Partners Pension is subject to the qualifying conditions detailed on the nomination form, being met at the date of death. The nomination form for Cohabiting Partners is available on our website www.cheshirepensionfund.org.**

Your Nomination Details

If you have previously completed a **Death Grant - Expression of Wish Form** your beneficiaries are shown below:

- If you have not completed an Expression of Wish Form or want to change the nominations listed above please complete the form enclosed with this Statement.
- The advantage of nominating a beneficiary is that payments can usually be made quickly and normally without any liability to Inheritance Tax.

The Cheshire Pension Fund cannot be legally bound by a nomination and the administering authority retains absolute discretion as to the payments, but we will make every effort to comply with your wishes where lawful to do so.

If you wish to nominate more than one beneficiary please ensure that the overall percentage totals 100%.

HM Revenue and Customs (HMRC) Limits

HMRC simplified the tax rules in 2006 which allow most people greater pension savings than before, although tax charges will apply if you go above certain limits.

Lifetime Allowance

This section shows the current value of your benefits compared to the Lifetime Allowance (LTA). It is a legal requirement to notify you of your LTA.

Lifetime Allowance for 2011/2012	£1,800,000.00
Total Value of LTA used at 31 March 2012	<input type="text"/>
Total Percentage of LTA used at 31 March 2012	<input type="text"/>

Explanatory Note:

The LTA is the limit on the total value of pension benefits an individual can draw at retirement without incurring a tax charge. The LTA for 2011/12 is £1.8m. In the LGPS, exceeding the LTA is only likely to affect very high earners with a significant amount of pension scheme membership.

The LTA has reduced to £1.5m from April 2012 and Cheshire Pension Fund will contact members who are directly affected by this reduction.

Annual Allowance

The Annual Allowance is the maximum amount you can build up each year in pension savings that benefit from tax relief. The limit for 2011/12 is £50,000 and savings above this will incur a tax charge. Cheshire Pension Fund will notify you separately if you breach this allowance.

Increasing your Pension Benefits

Did you know there are two ways in the LGPS to increase your benefits? Additional Regular Contributions and Additional Voluntary Contributions.

Additional Regular Contributions (ARCs)

You can “buy” additional pension through the Fund by paying ARCs. The cost is calculated in accordance with guidance issued by the Government Actuary’s Department and you can choose to buy additional pension of between £250 per year and a maximum of £5,000 per year in multiples of £250. You can also choose to pay extra to provide survivors’ benefits as part of your additional pension contract.

To find out more about paying ARCs please contact us using the enclosed Reply Form or request a quote by completing our online request form at **www.cheshirepensionfund.org**.

Additional Voluntary Contributions (AVCs)

You can pay AVCs to Standard Life or Clerical Medical, the Fund’s nominated AVC providers to make extra saving towards your retirement. You can pay up to 50% (maximum per month) of your pensionable pay into an AVC scheme and the contributions attract tax relief. AVCs are invested separately into a “money purchase” arrangement and you can choose to take this pot as a tax free lump sum when you retire as long as the amount doesn’t exceed 25% of your Lifetime Allowance. You could also choose to buy an annuity (pension) from the provider, Cheshire Pension Fund or another insurance company, bank or building society.

To get more information about paying ARCs and AVCs, please ask us by using the Reply Form enclosed, or by visiting our website and completing the online request form at **www.cheshirepensionfund.org**.

Contact Details

The information in this statement can also be provided in large print, audio CD or Braille format. Please contact the Cheshire Pension Fund if you require any assistance.



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