

Annual Benefit Statement 2011

We are pleased to enclose your 2011 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.

This year we are unable to include your State Pension forecast due to proposed changes in legislation which are currently being decided upon by Parliament. We hope to be able to reintroduce this information next year when the new framework for State Pensions is agreed.

For further information about the LGPS in general and the Cheshire Pension Fund in particular, please visit our award winning website:

www.cheshirepensionfund.org

We hope you find this statement informative and helpful, but if you’re still unsure about anything included in it 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 that these details are correct if any details listed below are 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 2011:

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 2010 to 31 March 2011. 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 backdated contributions during the period specified.

Hours of Employment at calculation date

The hours listed are those we held for you at the calculation date 31 March 2011.

Membership to 31 March 2011

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 2011 plus your projected membership to age 65 based on your hours of employment at the calculation date.

Paying Additional Contributions

If you have elected to purchase additional service this is included in your membership figures on page 2.

The proportion that you have purchased up to 31 March 2011 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 your statement.

If you make Additional Voluntary Contributions (AVCs) you will have received a separate statement from your AVC provider earlier this year.

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 details relating to the hours of work in your current job are incorrect 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 the Personal Details on page 2 and is also 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 listed.

If you did not elect 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 full-time is displayed 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.

These are shown as either a fraction or a percentage of full-time hours. 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 excluded from this figure.

Break in Membership Details

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

Explanatory Note

The section above details the breaks in membership when you did not pay pension contributions. It does not show a period if you had a break in service and repaid the contributions to make good your membership as 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 service breaks have been deducted from your period of membership.

You cannot repay your contributions for any breaks as this must have been done within 30 days of returning to work.

Your Benefits at 31 March 2011

Value of your benefits at 31 March 2011

	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 after 1 April 2008. There is no automatic lump sum, but you can however 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 figure of both the 80ths and 60ths columns. If you are paying Additional Regular Contributions (ARCs) the amount of pension purchased at 31 March 2011 is included in the Total Pension figure quoted. The total contract is included in your figures to age 65 on page 7.

Please note if you were over age 60 on the calculation date then your benefits show any reduction which may be applicable.

If you were over age 65 on the calculation date then your benefits include an enhancement for delaying retirement until after normal retirement age.

Your Benefits at age 65

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 the estimated benefits you would receive at age 65 calculated using the pensionable pay figure on page 2 and your projected membership to age 65. The projected membership figure is dependent on your hours of employment at the calculation date remaining the same through to age 65. If you are already over 65 you will only have figures shown in the section 'Your Benefits at 31 March 2011' on page 6.

Pensions 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 2011

Death in Service Grant:

**Married Spouse's/Civil Partner's/
Nominated Cohabiting Partner's Pension*:**

Explanatory Notes

Death in Service Grant

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

Married Spouse's/ Civil Partner's/Nominated Cohabiting Partner's Pension*

Survivor pensions are paid to a legal spouse, 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 listed 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%.

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 2010/2011	£1,800,000.00
Total Value of LTA used as at 31 March 2011	<input type="text"/>
Total Percentage of LTA used at 31 March 2011	<input type="text"/>

Explanatory Note:

Your LTA represents the maximum value an individual can build up in pension benefits before being subject to a tax charge. Further details regarding the LTA are available in your newsletter which accompanies this statement.

The Government has reduced the Lifetime Allowance limit from April 2012 and information about this change and the new Annual Allowance limit from April 2011 can be found in your enclosed newsletter 'Your Pension'.

Where's my State Pension value this year?

For last year's statement, we worked closely with the Department for Work and Pensions (DWP) to include the projected value of your State Pension as well as your LGPS benefits. This was designed to help you with your financial planning for retirement, which we think is very important.

This year, because the Government announced its intention to change State Pensions in the future, we can't include any State Pension values. This is what DWP told us:

"The Department for Work and Pensions is unable to provide you with a State Pension forecast in this statement. This is because they need to make some essential changes to their computer systems to include some changes to the State Pension included within the Pension Bill 2011. These changes include the date when some people will be able to get their State Pension".

We're very sorry to bring you this disappointing news, but we'd like to reassure you that we fully intend to include the value of your State Pension in your 2012 statement.

In the meantime, you can find out more about the State Pension by visiting the pensions and retirement planning section within **www.direct.gov.uk**.

Options available to increase 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 £5000 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 the limit of 25% of your Lifetime Allowance, or you can 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**.

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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