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Cheshire Pension Fund



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Your Annual Benefit Statement 2015

Dear

We are pleased to enclose your 2015 Annual Benefit Statement for the Local Government Pension Scheme (LGPS). The statement has been redesigned this year and includes your pension benefits built up under the first year of the new LGPS (introduced on 1st April 2014).

The statement also includes any previous membership and pension benefits you may have built up prior to 1st April 2014 (all of which are fully protected in the new scheme).

To assist in your financial plans we have also provided a projection of estimated benefits at your normal retirement date.

Please note that your statement is an estimate only and is not a guaranteed statement of entitlement. The actual benefits that you could receive may be different and you should consult the Cheshire Pension Fund before making a retirement decision.

We hope you find the statement and newsletter useful and as always we welcome any feedback you may have.

Your personal and employment information as at 31 March 2015

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Full name	▶	D.O.B	▶
Employer	▶		
Partnership status	▶	N.I number	▶
Section of LGPS	▶	Job ref	▶

Your summary of total benefits as at 31 March 2015

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Standard benefit option

Annual Pension	▶
Lump Sum Retirement Grant For membership before 01.04.2008	▶

OR

Maximum lump sum option

Reduced Annual Pension	▶
Increased Lump Sum Retirement Grant	▶

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How your pension is calculated

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Please Note: The benefits calculated in this statement are based on the pay figures below which have been supplied by your employer. It is important that you check these figures and contact your employer quickly to report any inaccuracies.

Your Final Salary Pensionable Pay*

Your CARE Pensionable Pay Main Section

Your CARE Pensionable Pay 50/50 Section

*The Final Salary Pensionable Pay figure used is your Full Time Equivalent Salary as at 31 March 2015 (As supplied by your employer)

Your summary of total benefits on page 1 is made up of:

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Your Final Salary (FS) Pension Scheme

For Membership
to 31.03.2008 of

For Membership
from 01.04.2008 to 31.03.2014
of

Total FS Annual Pension

Lump Sum Retirement Grant

based on membership to 31.03.2008

*As 2014/15 is the first year of CARE these figures are intentionally zero as no opening balance can be recorded and any adjustment is applied on 1 April each year.

Your total CARE account

Opening balance at 01.04.2014*

Adjustment for cost of living
at 01.04.2014*

In year build up

Total CARE closing balance



Your total CARE 'In year build up' is made up of:

Scheme year 1 April 2014 - 31 March 2015

Your CARE Pensionable Pay Main Section/49**

+ Your CARE Pensionable Pay 50/50 Section/98**

+ Additional Pension Purchased**

+ Transfers in**

** If applicable

Value of death in service benefits as at 31 March 2015

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Annual Survivors Pension

Death in service lump sum

Nomination details for death in service lump sum

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Projections if you remain in the scheme until your Normal Pension Age (NPA)**6** **Your Normal Pension Age (NPA)** **Projected Final Salary Pension built up to NPA** **Projected CARE Pension built up to NPA** **Total Projected Annual Pension at NPA** **Total Projected Lump Sum Retirement Grant** **Projected Final Salary Survivors Pension at NPA** **Projected CARE Survivors Pension at NPA** **Total Projected Survivors Pension at NPA** **Tax and your pension****7** 

There are tax limits applicable to pension savings. These are called Lifetime Allowance (LTA). The LTA is £1.25m from 2014/15.

Lifetime Allowance**The percentage of your Lifetime Allowance used by the present value of your LGPS benefits shown in this statement** NOTES | **Section 6** / **Section 7**: Page 6**KEEP IT SAFE:** Remember this statement contains personal information

These notes have been provided to explain your Annual Benefit Statement (ABS) 2015. They cannot cover every circumstance and in the event of any dispute, the appropriate legislation will prevail. They do NOT confer any contractual or statutory rights.

Section 1

Your personal and employment information as at 31 March 2015

Partnership status

Your partnership status held on your Pension Fund records. If these details are incorrect please complete the enclosed enquiry form.

Employer at 31 March 2015 and Job Reference

This is your employer as at 31st March 2015 and the specific Job reference for your post. If you held more than one active post at this date then you will receive an ABS for each post. If you have left employment after 31 March 2015 you will receive a separate notification of benefits built up to your date of leaving.

Section of LGPS

From 1 April 2014 there are two Sections to the LGPS, the Main and 50/50. The Section you are in on the 31 March 2015 is shown here.

Section 2

Your summary of total benefits as at 31 March 2015

Annual Pension = Total value of pension as at 31 March 2015, including Final Salary Pension (FS), (membership up to 31 March 2014) and Career Average Revalued Earning (CARE) benefits (for membership from 1 April 2014).

Lump Sum Retirement Grant = Lump sum in respect of membership before 1 April 2008.

You have the option to convert the amount of pension you receive to increase the tax free lump sum, which subject to HMRC limits, will for every £1 of annual pension converted increase the lump sum by £12.

Reduced Annual Pension = The present value of your reduced pension if you opt to maximise your lump sum grant.

Increased Lump Sum Retirement Grant = The present value of the maximum amount you can increase your tax free lump sum retirement grant.

Please note as these figures are governed by HMRC limits, and will be calculated by the Fund on your retirement. These figures do not include any in-house Additional Voluntary Contributions (AVC's) fund you may have (if applicable). A statement showing your in-house AVC fund value is issued separately.

This section shows your total benefits built up until 31 March 2015. **Your benefits may be reduced if paid before your Normal Pension Age (NPA) and any reduction applied is NOT reflected in your statement.**

Section 3

How your pension is calculated

YOU MUST CHECK the pay figures quoted in the statement. If you think the pay is incorrect contact your **EMPLOYER** not the Fund as the pay figures quoted have been supplied by your employer.

Your Final Salary (FS) Pensionable Pay

If you became a member of the LGPS before 1 April 2014, your FS Pensionable Pay shown in this section is your **FULL TIME EQUIVALENT** pay as at 31 March 2015 as provided by your employer.

If you joined the LGPS on or after 1 April 2014, the FS field on your statement has been intentionally left blank.

Your CARE Pensionable Pay Main Section

From 1 April 2014, your Career Average Revalued Earning (CARE) benefits are calculated on your CARE Pensionable Pay during a Scheme Year as provided by your employer.

For a full explanation of FS and CARE Pensionable Pay and how any periods of authorised unpaid leave may affect it please refer to the Funds website.

Your CARE Pensionable Pay 50/50 Section

The pay in this section is based on the definition of CARE Pensionable Pay as stated above. If a figure is shown here it means you have elected to be in the 50/50 Section. Your 50/50 Section CARE Pensionable Pay is split from your Main Section CARE Pensionable Pay so you can check the pension you have built up in each Section.

If you had been a member of both Sections of the scheme at different times during the scheme year, then you will have figures in both fields.

Section 4

Your summary of total benefits on page 1 is made up of:

This section shows separately the values of your Final Salary (FS) Benefits (if applicable) and your Career Average Revalued Earning (CARE) benefits. Although, the FS and CARE benefit elements are calculated differently, they form a single pot, with both elements being linked and taken together.

Your FS Pension Scheme

If you joined the LGPS on or after 1 April 2014, the FS Pension field on your statement will be shown as zero.

If you have FS benefits, they are calculated as follows:

Total FS Annual Pension

- For membership to 31 March 2008 = 1/80th of FTE as at 31 March 2015 for each year of membership,
- For membership from 1 April 2008 to 31 March 2014 = 1/60th of FTE as at 31 March 2015 for each year of membership

Lump Sum Retirement Grant

- Lump Sum retirement grant based on membership to 31 March 2008 = 3/80th of FTE as at 31 March 2015 for each year of membership

The membership used includes any transferred in pension rights from previous pension schemes.

Your total CARE account

Opening balance

As the year ending 31 March 2015 was the first Scheme Year for the CARE Scheme your opening balance is shown as zero.

Adjustment for the cost of living

Your total CARE Pension will be adjusted each April in line with HM Treasury Revaluation Orders. As the adjustment to your benefits was made on 1 April 2015 it is **not included** in this year's statement.

In year build up

For membership from 1 April 2014, you have built up benefits in the CARE scheme. Each scheme year you are a member, your CARE Pensionable Pay will be divided by either 49 if you are in the Main Section, or by 98 if you are in the 50/50 Section, and added to your pension account for that year.

Additional Pension Purchased and Transfers in

Any additional pension that you have purchased during the scheme year under an Additional Pension Contribution (APC) will be shown here. Any additional CARE pension purchased from a transfer in of previous pension rights will be shown in 'Transfers in'.

Section 5

Value of death in service benefits as at 31 March 2015

Annual Survivors Pension

A survivor's pension is paid if, when you die, you are married, have a civil partner or eligible cohabiting partner.

The partnership status held on our records has been used to determine the survivor's benefit shown:

- i. If your status is held as single – no benefit will be shown. If this is not correct please send us a copy of your certificate confirming your partnership status.
- ii. If you have declared a cohabiting partner – the survivor's benefit shown will be based on your post 5 April 1988 membership (and any pre 6 April 1988 membership purchased by an Additional Survivor Benefits Contribution (ASBC)).
- iii. If your status is held as married or in a civil partnership – the survivor's benefit shown will be based on all your LGPS membership.
- iv. Survivor's pensions may be payable to eligible children, however the rates of such pensions are not shown on your ABS.

If you leave the LGPS a survivor's pension is still paid but could be a lower sum. If you have not kept the Fund updated with your partnership status, any eligible survivor's pensions would still be paid in the event of your death upon receipt of the relevant marriage/civil partnership certificate or evidence of meeting the requirements for payment of a survivor's benefit to a cohabiting partner.

The survivor benefits shown in this Section will have been calculated based on your Final Salary survivor benefits accrued to 31 March 2014 plus the survivor benefits due under the CARE scheme. This includes any additional pension benefits being purchased from any Additional Regular Contributions (ARCs) that included a survivor's benefit but excludes any deductions due to a Pension Sharing Order.

Death in service lump sum

If you die whilst an active member a death grant is payable. The amount payable would be three times your actual Pensionable Pay at your date of death. If however, you die whilst an active member and also have either deferred benefits, or a pension in payment and/or a suspended Tier 3 ill-health pension, the amount payable would be the greater of **EITHER** a) the aggregate of all death in service lump sums **OR** b) the aggregate of all death in grants from the deferred, pension in payment or suspended tier 3 ill health pension records.

Nomination details for death in service lump sum

Please check who you have nominated to receive any death grant that may become payable in the event of your death. If this section is blank we have no record of your nomination. If you would like to make a nomination, or change one we hold for you, please complete and return the 'Expression of wish' Form enclosed or alternatively a copy can be found on the Fund's website. You can nominate whoever you wish to receive your death in service lump sum but as this is an expression of wish it is not legally binding and payment of the lump sum is at the Fund's discretion.

Section 6

Projections if you remain in the scheme until your Normal Pension Age (NPA)

The NPA is the date at which you can retire from the LGPS with unreduced pension benefits. Your current individual NPA is linked to your State Pension Age (SPA) or if later age 65 **and may change if your SPA changes in the future before your benefits are paid**. Your NPA only applies to benefits built up in the CARE scheme. NPA for benefits built up before 1 April 2014 is still age 65.

It is possible to take your benefits earlier than your NPA, from age 55, although a reduction would be applied for early payment. The figures in this statement **DO NOT** take account of the reductions that would be applied. If your NPA is after age 65 and you have FS benefits, these FS benefits will be subject to actuarial increase in respect of the period from age 65 to NPA and these increases are included in the projected figures to NPA. The increases applied are based on the current rates and are subject to review by the Government Actuary's Department which may go down or up. The rates applicable at the date of retirement will apply.

Your projection of benefits is based on your CARE pensionable pay for the Scheme Year ended 31 March 2015. It assumes that your pay will not change to your NPA and does not assume any future pay increases or pension inflation for cost of living increases, under the CARE or FS scheme.

When you leave the Scheme your FS benefits will be based on your FS Pensionable Pay, under the 2008 Scheme definition of pensionable pay. See the Funds website for the full 2008 Scheme pay definition.

The projected CARE benefits include any Additional Pension Contributions (APCs) or Shared Cost Additional Pension Contributions (SCAPCs) purchased but exclude any deductions due to Scheme Pays or a Pension Sharing Order. The projection of benefits is based on the Section of the scheme you were a member of as at 31 March 2015.

Survivor's pensions are generally based on all your scheme membership, however, there are some exclusions for membership counted towards the calculation of these benefits. See the Fund's website for further information.

Section 7

Tax and your pension

Lifetime Allowance

The Lifetime Allowance (LTA) is the limit on the total value of pension benefits you can draw from all pension arrangements without incurring a Lifetime Allowance Tax Charge. The standard LTA is currently £1.25m and has been since 6 April 2014; from 6 April 2016 it will reduce to £1m.

If the percentage of standard LTA shown on your statement is greater than 100%, you may have to pay tax on the excess over the LTA when you take payment of your benefits. This may also be the case if you have other pension benefits (including in house AVCs which are not included in this statement) that when combined with your LGPS benefits have a value exceeding the LTA. If excess benefits are taken as annual pension the charge on the value of excess pension (calculated as 20 x the excess annual pension) will be at the rate of 25%, with income tax deducted on the ongoing pension payments. If the excess benefits are taken as a lump sum the excess lump sum will be taxed once, at the rate of 55%.

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