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Dear Member

2016 Annual Benefit Statement (ABS) – Local Government Pension Scheme (LGPS)

We are pleased to enclose your 2016 Annual Benefit Statement. As you will be aware your pension is very important, providing you with income in retirement and also financial protection for your dependents.

It is our aim, therefore, to provide you with enough information about your pension so you can better plan for your retirement.

The enclosed statement contains all the key information that we currently hold for you and an estimate of the pension benefits you and your dependents would be entitled to under the LGPS.

Section 8 of the enclosed statement provides notes to help explain your Annual Benefit Statement 2016.

It is very important that you check all the personal information that we hold for you and we recommend that you check the statement carefully and let your employer know if any of the information contained within the statement is incorrect. The employer will then inform the Fund.

If the information is incorrect then the pension benefit you or your dependents receive will be affected.

You should pay particular attention to the following:

Pre 1st April 2014 membership of the LGPS (section 3 & 4 of the ABS)

The section includes any membership and pension benefits you may have built up prior to 1st April 2014. The pension benefits shown are based on your years and days membership in the pension scheme and your final salary pensionable pay i.e. Full Time Equivalent Pay at 31st March 2016.

If you believe either the years of membership or the salary information are incorrect you should contact your employer.

Post 1st April 2014 membership C.A.R.E (section 3 & 4 of the ABS)

From 1st April 2014 members build up a pension pot which is added to each year. The annual pension is calculated by dividing your actual pay by 1/49th. If you are a member of the 50/50 section of the scheme you will pay a half rate pension contribution and your pension would be based on actual earnings divided by 1/98th.

Cheshire Pension Fund, Cheshire West & Chester Council,
Council Offices, 4 Civic Way, Ellesmere Port, CH65 0BE
www.cheshirepensionfund.org

Example:

Actual Earnings	Divided by	Annual Pension Pot
£20,000	49	£408.16

The total pension pot is adjusted annually in line with the consumer price index (CPI) This method of building up pension is called a Career Average Revalued Earnings (CARE Scheme).

If you believe the actual earnings figure is incorrect you should contact your employer.

Have you been absent from work due to sickness or injury or during child related leave and received reduced pay?

If so, your CARE pensionable pay in Section 3, should include an amount of pay called **Assumed Pensionable Pay (APP)**. APP is calculated as the pay you were receiving before you received reduced pay. This means that you will continue to build up a similar pension to that which you would have had if you had been working normally and receiving pay. If you have been absent due to sickness or injury and received no pay the same principle would apply for this period of absence. A more detailed explanation of APP is included in the explanatory notes (section 8) under Your CARE pensionable pay.

If you believe the earnings figure is incorrect you should contact your employer.

Did you join the Pension Scheme between 1st April 2015 and 31st March 2016?

If you joined the Scheme between these dates the 'pension pot' that you have earned for 2015/16, shown in section 4 of your statement, has been calculated using the part year earnings that you received from your date of joining the scheme up to 31st March 2016. As the Scheme does not currently hold a full years pay for you, the projection of pension benefits to your Normal Pension Age has been based on a part years earnings which will mean the projection is undervalued. Your 2017 Annual Benefit Statement will include a more realistic projection of pension benefits to your Normal Pension Age based on a full year of earnings.

More information about the Local Government Pension Scheme (LGPS), including factsheets, on-line pension forecast, ways of increasing your pension and much more, can be found on the Funds website at www.cheshirepensionfund.org.

We hope you find your statement informative and helpful, but if you are unsure about anything and need further clarification, please contact us using any of the methods on the contact details shown on page 1 of your annual benefit statement.

Yours Sincerely



Pension Fund Manager

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