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Your annual benefit statement 2018

Dear

I am pleased to enclose your 2018 annual benefit statement from the Local Government Pension Scheme (LGPS).

Your statement is an estimate of your LGPS benefits as at 31 March 2018. Your employer has provided us with pay and employment details as at this date. We have produced this statement in line with the LGPS regulations as at 31 March 2018. And in line with your current normal pension age. Please read the notes for more detail.

Section 1 | Your personal and employment information at 31 March 2018



Full name

Partnership status

Employer

Date of birth

Pay reference

Date joined LGPS

Section of LGPS

Person reference

Section 2 | Summary of your total benefits at 31 March 2018



Standard benefit option

Annual pension

Lump sum retirement grant
For membership before 1 April 2008

or

Maximum lump sum option

Reduced annual pension

Maximum lump sum retirement grant

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Section 3 | How we calculate your pension



Please note: We have calculated your benefits in this statement using the figures below. Your employer has provided us with this information. You should check the accuracy of these figures. Please contact your employer if any of the information is wrong.

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 2018 (As supplied by your employer)

Section 4 | Breakdown of your total standard benefits



Your final salary pension

For membership to 31 March 2008 of ▶

For membership from 1 April 2008 to 31 March 2014 of ▶

Total final salary annual pension ▶

Lump sum retirement grant based on membership to 31 March 2008 ▶

Your CARE pension

Opening balance at 1 April 2017 ▶

Adjustment for cost of living at 1 April 2017 ▶

Pension earned this year ▶

Total CARE closing balance ▶



Breakdown of your CARE pension earned this year

Scheme year April 2017 to March 2018

Your CARE pensionable pay - main section divided by 49 ▶

+ Your CARE pensionable pay - 50/50 section divided by 98 ▶

+ Additional pension bought ▶

+ Transfers in ▶

Please note: This includes any pension purchased or transferred into the Fund before 31 March 2017

Section 5 | Value of death in service benefits at 31 March 2018



Annual survivor's pension ▶

Lump sum death grant ▶

Nomination details for lump sum death grant



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Section 6 | Estimated benefits if you stay in the scheme until your normal pension age

Your normal pension age (NPA) 

Estimated final salary pension at NPA 

Estimated CARE pension at NPA 

Total estimated annual pension at NPA 

Total estimated lump sum retirement grant 

Estimated final salary survivor's pension at NPA 

Estimated CARE survivor's pension at NPA 

Total estimated survivor's pension at NPA 

Section 7 | Tax and your pension

Two tax limits apply to pension savings. A lifetime allowance and an annual allowance.

The standard lifetime allowance for 2017/18 is £1 million. This will be revalued each year in line with the consumer prices index.

The standard annual allowance for 2017/2018 is £40,000.

Lifetime allowance

The percentage of your lifetime allowance used by the current value of your LGPS benefits shown in this statement 

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Keep it safe: Remember, this statement contains personal information





We have provided these notes to explain your annual benefit statement (ABS). They cannot cover every circumstance. If there is a dispute, the relevant legislation will apply. They do not give you any rights under a contract or by law.

Section 1 | Your personal and employment information at 31 March 2018



Full name

Have you changed your name? We will need a copy of your marriage certificate or change of name deed so that we can update our records.

Partnership status

Please contact the Pensions Team if our records are wrong.

Employer at 31 March 2018

You will receive an ABS for each post that you were paying into the scheme at this date. If you left employment after 31 March 2018, you will receive a separate notice of your benefits.

Section of LGPS (Local Government Pension Scheme)

The LGPS has been a Career Average Revalued Earnings (CARE) scheme since 1 April 2014. It has two sections – the main section and the 50/50 section. This is the section you were a member of as at 31 March 2018.

Person Ref.

This is your unique Pension reference number for this job. Please have this number ready if you contact the Pensions Team.

Section 2 | Summary of your total benefits at 31 March 2018



Annual pension

This is the total value of your pension at 31 March 2018. It includes your final salary pension (for membership up to 31 March 2014). And your CARE pension (for membership from 1 April 2014). Your pension values assume you retire at your normal pension age.

Lump sum retirement grant

This is the lump sum relating to your LGPS membership before 1 April 2008. We have assumed you will retire at your normal pension age.

You can give up some of your annual pension in exchange for, or to increase your lump sum. Every £1 of your annual pension you give up provides a lump sum of £12.

HM Revenue & Customs limits will apply to the amount of pension you can exchange.

Reduced annual pension

This is the reduced value of your pension if you choose to exchange the maximum amount of pension for lump sum. We have assumed you will retire at your normal pension age.

Increased lump sum retirement grant

This is your maximum lump sum if you exchange annual pension for a lump sum. We have assumed you will retire at your normal pension age.

The figures do not include any AVC funds you may have.

Your AVC provider will issue you with a separate AVC fund value statement.

HM Revenue & Customs limits will apply to the amount of pension you can exchange.

This section shows your total benefits as at 31 March 2018. We have assumed that you will take your pension benefits at your normal pension age (NPA). Your NPA is the later of your 65th birthday or your state pension age.

Visit gov.uk for more information about your state pension age.

You may draw your benefits before your NPA. If you do, early retirement reductions may apply. This reduction is not shown in this statement.

Please visit cheshirepensionfund.org for information about reductions that may apply.

Reductions relating to any pension sharing order are not included in this statement.

Section 3 | How we calculate your pension



Please check the figures quoted in the statement. We have calculated your benefits using information provided to us by your employer. Contact your employer if any of the information is wrong.

Your final salary pensionable pay

This is your full-time equivalent pay as at 31 March 2018. Your employer has provided us with this information.

We have used this figure to calculate your pension for pre 1 April 2014 membership.

If you joined the LGPS on or after 1 April 2014 this section will show zero.

Your CARE pensionable pay – main section

We calculate your post 1 April 2014 CARE pension using your CARE pensionable pay earned in a scheme year. Your employer has provided us with this information.

This is your CARE pensionable pay for any period that you were paying into the main section of the scheme in 2017/18. If you worked part-time, this represents actual pay, and not your full-time equivalent.

The definition of pensionable pay in the CARE scheme is different to the final salary scheme. As it includes any pay received for extra hours worked such as overtime and additional hours.

You may be, (or have been) off work. Due to sickness, injury, or during relevant child-related leave. Assumed pensionable pay (APP) is the pensionable pay figure for any periods you were on reduced or zero pay.

APP is the pay you were receiving before your pay reduced or stopped. You will therefore build up a pension as if you had been working normal hours and receiving normal pay.

For more information on final salary and CARE pensionable pay. And, how periods of authorised unpaid leave may affect you. Visit the Fund's website cheshirepensionfund.org

Your CARE pensionable pay – 50/50 section

This is your CARE pensionable pay for any period that you were paying into the 50/50 section of the scheme in 2017/18.

The pay in this section is the same definition of CARE pensionable pay as the main section.

We have presented your 50/50 and main section CARE pensionable pay on separate lines. So you can check the pension you have built up in each section.

You will have entries on both lines if you were a member of both sections of the scheme at different times in 2017/18.

Section 4 | Breakdown of your total standard benefits



This section shows a breakdown of your total pension into final salary and CARE pension.

We calculate the final salary and CARE pensions separately. But they are a single benefit, and you take both together.

Your final salary pension scheme

If you joined the LGPS on or after 1 April 2014 the final salary pension amount on your statement will be zero.

If you worked part-time we have converted your final salary to a full-time equivalent. We have adjusted your membership to your contractual hours (including term-time weeks). Your membership includes any transferred-in pension rights from other pension schemes.

Total final salary annual pension

- For membership to 31 March 2008:
1/80th of your final salary pensionable pay for each year you were a member of the scheme.
- For membership from 1 April 2008 to 31 March 2014:
1/60th of your final salary pensionable pay for each year you were a member of the scheme.

Lump sum retirement grant

- Lump sum retirement grant based on membership to 31 March 2008:
3/80th of final salary pensionable pay for each year you were a member of the scheme.

Your total CARE pension

Opening balance

Your pension built up between 1 April 2017 – 31 March 2018, including any adjustment applied at 1 April 2017 will be shown here.

Adjustment for the cost of living

We will adjust your total CARE pension on 1 April each year in line with the consumer prices index (CPI). CPI can be positive or negative. This can increase or decrease the value of your CARE pension.

Pension earned this year

For membership from 1 April 2014, you will have built up CARE pension. We divide your CARE pensionable pay by either 49 (if you are in the main section) or by 98 (if you are in the 50/50 section). The resulting amount (or amounts) is your CARE pension earned this year.

Additional pension bought

You may have bought more pension during the year. Through an additional pension contribution (APC). Or through a shared cost additional pension contribution (SCAPC).

Transfers in

The extra CARE pension from transferring your pension from another pension scheme.

Only additional pension bought or transferred in during 2017/18 are shown in this section. Your total pension calculations do include purchases or transfers made before this period.



Annual survivor's pension

A survivor's pension is payable if you die, and you are either married, have a civil partner or an eligible 'cohabiting partner'.

We have used the partnership status we have on our records to calculate the survivor's benefit. We may not hold your partnership status. In that case, we have assumed a status of married. If your status is:

- Single - no Survivor benefits are payable
- Cohabiting partner - Survivor benefits based on membership after 5 April 1988
- Married/civil partnership - Survivor benefits based on all your LGPS membership

Survivor's pensions may be payable to eligible children. But, these pensions are not shown on this statement.

If you have not told the fund about your partnership status. An eligible survivor's pensions will still be payable should you die. The Fund will need the relevant marriage or civil partnership certificate. Or, evidence that a cohabiting partner meets the eligibility requirements.

Your survivor's pension shown in this section does not take account of any deductions relating to a pension sharing order

If you die after leaving the LGPS, a survivor's pension is still paid but could be a lower amount.

Lump sum death grant

The death grant is three times your assumed pensionable pay at the date you die.

If you also:

- have deferred benefits in the LGPS or,
- are receiving an LGPS member pension

The death grant will be the higher of

- the total of all death in service lump sums; or the total of all death grants from the deferred pension and pension in payment.

Nomination details for lump sum death grant

Please check who you have nominated to receive any death grant that may become due if you die. If this section is blank, we have no record of your nomination. If you would like to make, or change a nomination, please fill in and return the 'Expression of Wish' form on the fund's website.

You can nominate whoever you like to receive your lump sum death grant. But, as an 'expression of wish', this is not legally binding. The fund decides who to pay the lump sum to.



Your normal pension age (NPA)

This is the later of your 65th birthday or your state pension age.

Your NPA only applies to benefits built up in the CARE scheme. The NPA is 65 for any pre April 2014 final salary benefits.

Your NPA may change if your State Pension age changes in the future.

Visit gov.uk for more information about your state pension age.

You can take your benefits earlier than your NPA. From age 55 onwards. If you do, early retirement reductions may apply. The figures in this statement do not take account of any reductions that may apply.

We have applied an increase to final salary benefits if your NPA is after age 65. The increase applies for the period from age 65 to your NPA.

The Government sets and reviews the rate that we apply. The rate that will apply at your retirement date may be higher or lower than the current rate.

Estimated final salary pension at NPA

We will calculate your final salary benefits using your final salary pensionable pay.

This is generally the contractual pay you received for the 12 months before leaving. Or for one of the two years immediately before then, if that amount is higher.

Estimated CARE pension at NPA

We have estimated your CARE benefits using your CARE pensionable pay for the 2017/18 year.

We have assumed that your pay will stay at the 2017/2018 rate until you retire.

The estimate makes no assumption of future pay or pension inflation. The estimate includes any additional pension you have bought. Through additional pension contributions (APCs) or shared cost additional pension contributions (SCAPCs). The estimate does not take account of any deductions to your pension. Linked to the recovery of a tax charge through your pension or linked to a pension sharing order. The estimate assumes that you stay in the same section of the scheme that you were in at 31 March 2018.



Two tax limits apply to pension savings. A lifetime allowance and an annual allowance.

Lifetime Allowance (LTA)

The LTA is the limit on the total pension benefits you can draw from all your pensions without paying a tax charge. The standard LTA allowance for 2017/18 was £1 million. This will be reviewed each year in line with the consumer prices index.

If the percentage of LTA used is more than 100%, you may have to pay a tax charge when you draw your benefits.

Even if the percentage is less than 100% you may still exceed the limit if you have other pension benefits e.g. AVCs, or another workplace pension scheme. Which, when combined with your LGPS benefits, have a value of more than the LTA.

If you exceed your LTA, you do have options how to take your benefits and pay any tax charge.

For more information please visit the Fund's website or the HMRC website.

Annual Allowance (AA)

Is the amount your pension savings can increase in any one year, without you having to pay a tax charge.

The AA for the 2017/18 tax year was £40,000. Except for some higher earners who have what is known as a 'tapered annual allowance'.

We will contact you in October 2018 if the increase in the value of your pension savings with the Cheshire Pension Fund exceeds the AA.

You may have pension benefits elsewhere. You will need to take these into consideration when calculating your AA growth.

For more information please visit the Fund's website or the HMRC website.

Pension Surgeries

Help plan
your
retirement

Thinking of
Increasing
your
pension

Speak
to an
expert

Securing
your future
together

No
appointment
needed

Would you like to get to know your Local Government Pension Scheme?

Over the coming months we will be running a number of roadshows throughout the county, where you will have the opportunity to drop in and speak to one of our pension team about any questions you may have in relation to your Cheshire Pension Fund benefits.

This is an opportunity for you to speak to one of our experts.

The Sessions are being held with an open door policy so there is no need to book.

**Further details of the dates, times and venues can be found at:
www.cheshirepensionfund.org/active-members/pension-surgeries**

For more information please contact our helpdesk, tel: 01244 976000

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