

Deferred Members Newsletter

May 2020



LPP

Local Pensions Partnership

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Welcome to the

2020

Deferred Members

Newsletter



It's been nearly 12 months since I took up the post of Director of Pensions Administration for Local Pensions Partnership (LPP) and what a year it has been! I am immensely proud of the progress our teams have made; delivering stability and improved member experiences.

After ensuring that the business was achieving all Service Level Agreements with clients, the focus is moving to deliver qualitative results as well as quantitative results. In order to do this, it's really important to us that we understand what you think about our service and what you would like to see us improve on. We've implemented member satisfaction surveys to hear your opinions – when you call our Pensions Helpdesk; at the end of the retirement process and after we've resolved complaints.

There are a number of strategic change programmes starting across the business. We are reviewing our core IT systems and will replace those that are not fit to support us in delivering enhanced member experience. We are also looking to improve our member communications – ensuring that we move away from pensions jargon and communicate in ways that everyone can understand.

I am hugely excited about the opportunities we have to develop LPP Pensions Administration further and improving our service to members, employers and clients.

I hope you enjoy this newsletter.

Jo Darbyshire
Director of Pensions Administration

My Pension Online



Keeping it simple!

Do you like to keep things simple?

Keeping in touch with your pension is important but it doesn't need to be complicated. At LPP we like to keep things simple for our members which is why we recommend signing up to [My Pension Online](#). Having access to My Pension Online is an easy way to stay up to date with your pension and allows you to access important documents such as your annual benefit statement and keep your affairs in order by recording your death grant nomination.

As a member of My Pension Online you can:-

- Change contact details quickly and securely
- Forecast your pension at normal retirement age
- Forecast survivor benefits
- View and amend nominated beneficiaries for death grant (if applicable)
- View factsheets and access forms
- Contact Local Pensions Partnership

You can register in three easy steps:-

Step 1 – Complete the registration form online

Step 2 – LPP will send you a unique activation code

Step 3 – Once you have been issued your activation code you can go online and set up your username and password.

Once registered, we can then contact you electronically when we want to share information with you about your pension.

If you would like support using My Pension Online call the Pensions Helpdesk on 0300 323 0260.

Preventing Pension Scams

In recent years there has been a rise in pension scams, in many instances individuals have had large portions of their pensions stolen from them through “Pension Liberation”, this is a term used by scammers to convince people they can gain access to pension funds before the age of 55.

Withdrawing your pension savings could put you at risk of losing all your money, facing charges and a tax bill from HMRC.

With the rise in online scams since the onset of the Coronavirus, scammers may use more and more sophisticated methods to get hold of people’s pensions, on average they scam £91,000 per victim.

What are the common tactics you should look out for?:

- Contact out of the blue
- Promises of high/guaranteed returns
- Free pension reviews
- The promise to get you access to your pension before age 55
- Pressure to act quickly

How you can protect yourself:

- Reject any unexplained pension offers
- Check who you are dealing with before changing your pension arrangements
- Do not be rushed into making any decision about your pension
- Consider getting impartial information and advice

What to do if you suspect a scam:

- Report to the Financial Conduct Authority (FCA) using the [reporting form](#) or call 0800 111 6768
- Report online to [Action Fraud](#), alternatively call 0300 123 2040

If you are in the middle of a transfer,

- Contact your provider immediately and then get in touch with the Money Advice Service.

More information can be found on the following websites:
www.pensionwise.gov.uk/en and www.fca.org.uk/scamsmart

Lump Sum Death Grant

As well as survivor pensions, we will pay a death grant if you die before you start drawing your deferred benefits. How we calculate the death grant will depend on when you left the scheme. Generally, if you left before 1 April 2008, the death grant will be equal to the deferred retirement grant; if you left on or after 1 April 2008, the death grant will be equal to five times your deferred annual pension.

Please note, if you return to active membership in LGPS (England or Wales), keep your deferred benefits separate from your new active record, and later die in service, multiple death grants will not be paid. Only the highest death grant available would be payable.

The fund has complete discretion over who they pay the death grant to, although the fund will give full consideration to your 'Death Grant Nomination'. You can keep your death grant nomination updated by completing the online form on My Pension Online.

You can also download a copy of the form from: www.yourpensionservice.org.uk.

Retirement Living Standards

More of us are saving in a workplace pension than ever before. We now have more information, more choices, and more responsibility for our retirement savings. But will the future we want be the future we are able to get?

The Retirement Living Standards, based on independent research by Loughborough University, have been developed to help you picture what kind of lifestyle you could have in retirement.

Take a look at the website for more information: <https://www.retirementlivingstandards.org.uk/>

Pension Increase

The annual inflationary adjustment applied to deferred benefits in April 2020 has been set at 1.7%. This is based on the consumer price index (CPI) over the 12 months to September 2019. In the majority of cases, members whose last day of membership is after 23 April 2019 are not entitled to the full 1.7% increase on the part of their deferred benefits that relates to membership built up before 1 April 2014.

Where you draw your deferred benefits before age 55 on ill health grounds, we will commence paying the inflationary increase element from your 55th birthday unless you satisfy certain further ill health conditions.

Transferring out of the LGPS

You cannot transfer your benefits (other than AVCs) if you leave less than one year before your Normal Pension Age. An option to transfer (other than in respect of AVCs) must be made at least 12 months before your Normal Pension Age.

If a full transfer payment is made, you will not be entitled to any further benefits from the LGPS for yourself, your spouse, civil partner, eligible cohabiting partner or eligible children.

Further information about transferring out can be found on the [LGPS member website](#).

Scheme Changes/Court Rulings

Age Discrimination

The government recently lost a Supreme Court case relating to the move in 2014 of members from Public Sector final salary schemes to the Career Average Revalued Earnings (CARE) scheme. Whilst the court case was not raised by a member of the Local Government Pension Scheme (LGPS), the government have confirmed that the effect of the decision will be applied to all public sector schemes including the LGPS.

We are currently involved in the discussions on what changes will be made to the scheme rules to ensure members benefit from any changes made to comply with this ruling. We can confirm that any member who would benefit will have their benefits improved and backdated without the need to submit any legal appeal. No scheme member will see a reduction in the benefits being paid.

Opposite Sex Civil Partnerships

In December 2019 with the change in law on Opposite Sex Civil Partnerships, the government amended the LGPS regulations. Therefore, should a scheme member die after entering an opposite sex civil partnership their partner would benefit to the same extent as a married partner.

Contacting Us



Tel: 0300 323 0260



E-mail: askpensions@localpensionspartnership.org.uk



Web: www.yourpensionservice.org.uk

Address

Lancashire
LPP - Your Pension Service
PO Box 1381
Preston
PR2 0WP

Cumbria
LPP - Your Pension Service
PO Box 1382
Preston
PR2 0WQ