



Cronfa Bensiynau Clwyd
Clwyd Pension Fund

LGPS PRE-RETIREMENT COURSE

Local Government Pension Scheme

- One of the largest public sector pension schemes in the UK with over 4.6 million members.
- The scheme is administered locally through 99 regional pension funds. In North Wales there are 2 funds:



- Anglesey County Council
- Conwy C B Council
- Gwynedd Council



- Denbighshire County Council
- Flintshire County Council
- Wrexham C B Council

Who can join?

- You will automatically be brought into the scheme if you have a contract of employment for at least 3 months and you are under age 75.
- If you have a contract of less than 3 months and under 75 you will be given the option to join by your employer.
- If you are a Police Officer, Firefighter or Teacher, you will not be allowed to join the LGPS.

Local Government Pension Scheme

- ▶ Contribution rate between 5.5% and 12.5% of your pensionable pay.
- ▶ Your employer pays the balance of the cost of providing your benefits. Average contribution rate in both funds is around 19.5%.
- ▶ Pension contributions attract tax relief (National Insurance relief came to an end April 2016)
- ▶ The scheme is guaranteed by the Government – Benefits payable dependant on service and pay received rather than on investment returns.

How much do I pay?

Band	Actual Pensionable Pay	Contribution Rate (%)
1	Up to £14,400	5.50
2	£14,401 to £22,500	5.80
3	£22,501 to £36,500	6.50
4	£36,501 to £46,200	6.80
5	£46,201 to £64,600	8.50
6	£64,601 to £91,500	9.90
7	£91,501 to £107,700	10.50
8	£107,701 to £161,500	11.40
9	£161,501 and more	12.50

How much does my employer pay?

- The employer contribution rate is set every three years following the actuarial valuation.
- The last valuation was held on 31 March 2016.
- The employer's contribution does not affect the benefits the member receives.

Paying less..... 50/50 Option

The 50/50 option has been available since 1 April 2014.

You can choose this option at any time, by paying half your normal contributions to build half your normal pension.

Regardless of the option you are in, you will receive full life cover and ill health cover.

Forms are available to select this option.

When can I retire?

Retirement

To qualify for the LGPS retirement benefits, you must be a member of the scheme for at least 2 years or have transferred other pension rights into the LGPS.

When can I take my benefits?

- ▶ You are now able to retire between age 55 and 75.
- ▶ If you choose to take your pension before your Normal Pension Age (NPA) it will normally be reduced, as it's being paid earlier.
- ▶ If you take it later than your Normal Pension Age it's increased as it's being paid later. Increase would be **3.65%** on the pension and **0.365%** on the lump sum for each year worked past your NPA.

What is my Normal Pension Age?

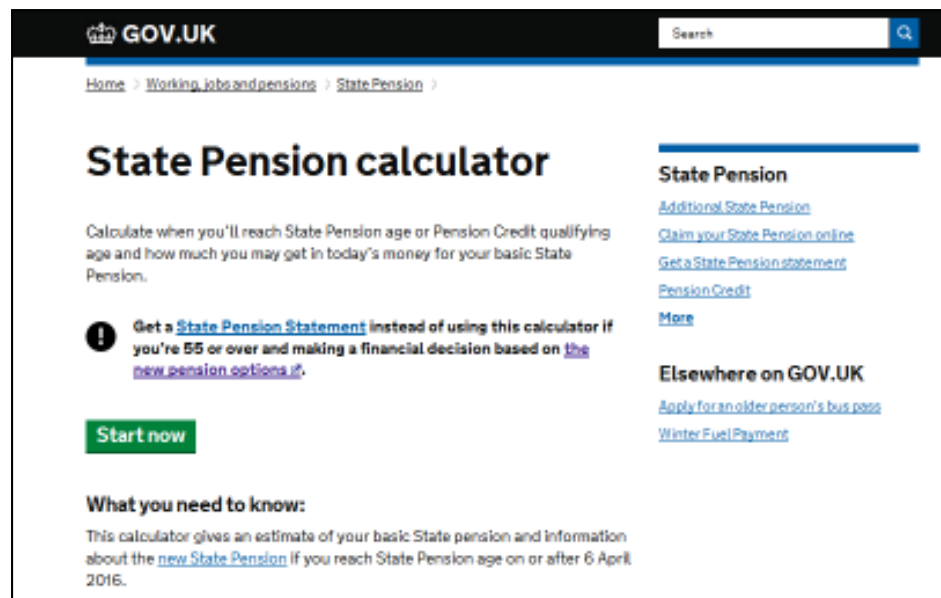
A member's Normal Pension Age (NPA) will now be linked to your State Pension Age:

Date of birth	State Pension Age
Born on or before 5 th December 1953	Age 65
Born on or between 6 th December 1953 and 5 th April 1960	Age 65 - 66
Born on or between 6 th April 1960 and 5 th April 1977	Age 66 - 67
Born on or between 6 th April 1977 and 5 th April 1978	Age 67 - 68
Born on or after 6 th April 1978	Age 68

What is my Normal Pension Age?

Check your State Pension Age at:

<https://www.gov.uk/calculate-state-pension>



The screenshot shows the GOV.UK website's 'State Pension calculator' page. At the top, there is a search bar and a breadcrumb trail: 'Home > Working, jobs and pensions > State Pension >'. The main heading is 'State Pension calculator'. Below it, a sub-heading reads: 'Calculate when you'll reach State Pension age or Pension Credit qualifying age and how much you may get in today's money for your basic State Pension.' A warning icon (exclamation mark in a circle) is followed by the text: 'Get a [State Pension Statement](#) instead of using this calculator if you're 55 or over and making a financial decision based on [the new pension options](#).' Below this is a green 'Start now' button. To the right, under the heading 'State Pension', there are links for 'Additional State Pension', 'Claim your State Pension online', 'Get a State Pension statement', 'Pension Credit', and 'More'. Under the heading 'Elsewhere on GOV.UK', there are links for 'Apply for an older person's bus pass' and 'Winter Fuel Payment'. At the bottom, under 'What you need to know:', it states: 'This calculator gives an estimate of your basic State pension and information about the [new State Pension](#) if you reach State Pension age on or after 6 April 2016.'

What will happen if my SPA was to increase in the future?

If there is an increase in your State Pension Age then your Normal Retirement Age in the Local Government Pension Scheme will also increase to match the new State Pension Age.

Early retirement reductions

Years Early	Annual Pension Reduction	Automatic Lump Sum Reduction
0	0%	0%
1	5.1%	2.3%
2	9.9%	4.6%
3	14.3%	6.9%
4	18.4%	9.1%
5	22.2%	11.2%
6	25.7%	13.3%
7	29.0%	15.3%
8	32.1%	17.3%
9	35.0%	19.2%
10	37.7%	21.1%
11	41.6%	NA
12	44.0%	NA
13	46.3%	NA

We will look at protections available in respect of early retirement reductions later on.

Other types of retirement

Redundancy/Efficiency

- ▶ Age 55 onwards (if you have two years service) would be entitled to receive pension benefits immediately at date of leaving. (Not actuarially reduced to date of leaving).
- ▶ Employer to grant redundancy payment – each employer has their own policy on the level of payment to be awarded subject to statutory minimum – see your HR Department for further information. (Excess over £30,000 is taxable).

Other types of retirement

Flexible Retirement – Employer consent only

- ▶ Age 55 or over can continue in employment and draw your pension benefits if employer:
 - Allows you to reduce your hours or grade AND
 - Has a policy that permits flexible retirement AND
 - Gives consent for flexible retirement to be taken
- ▶ Possibly actuarially reduced.

Late Retirement

- ▶ Can continue in work and pay into the Scheme up to the day before age 75.
- ▶ Benefits actuarially increased when taken later than Normal Pension Age.

Other types of retirement

Ill Health Retirement

There are still 3 tiers of ill health cover(if you have two years service):

- Tier 1 – Accrued benefits up to date of termination plus enhancement of 100% of your prospective membership from your date of termination to NPA.
- Tier 2 - Accrued benefits up to date of termination plus enhancement of 25% of your prospective membership from your date of termination to NPA.
- Tier 3 - Accrued benefits up to date of termination plus NO enhancement.
- (Not actuarially reduced for taking ill health retirement)

Protections

Protection for existing members

The Underpin

The underpin provides protection for those members nearing retirement. It will ensure that you will receive a pension at least equal to that which you would have received had the Scheme not changed on 1 April 2014.

The underpin applies to you if you were:

- an active member of the Scheme on 31 March 2012 and,
- within 10 years of your Normal Pension Age on 1 April 2012 i.e. age 55 at 1 April 2012,
- and you haven't had a disqualifying break in service of more than 5 years.

The references to Normal Pension Age above are to your Normal Pension Age under the 2008 scheme which is normally age 65.

The 85 year rule

- ▶ The 85 year rule is only relevant to members who were active in the fund before 1st October 2006.
- ▶ The rule of 85 is satisfied if your age at the date when you draw your benefits plus your Scheme membership (each in whole years) adds up to 85 years or more.

$$\text{Age} + \text{Service} \geq 85$$

For Example:

A member is aged 60 and has 25 years service:

$$60 + 25 = 85$$

- ▶ If you meet the 85 year rule then you have certain protections in place in respect of when you can take your benefits unreduced.

The 85 year rule

For active members in the fund before 1st October 2006.

Case 1: Born on or before 31st March 1956

All benefits up to 31st March 2016 are protected and no reduction is applied to benefits if you meet the 85 year rule and retire from age 60. Service accrued from 1st April 2016 would however suffer a reduction.

Case 2: Born between 1st April 1956 and 31st March 1960

All benefits up to 31st March 2008 are fully protected but benefits accrued between 1st April 2008 and 31st March 2020 (or retirement date if earlier) suffer tapered reductions if you meet the 85 year rule and retire from age 60.

Case 3: Born on or after 1st April 1960

All benefits up to 31st March 2008 are fully protected but benefits accrued from 1st April 2008 to retirement would suffer the full reduction if you meet the 85 year rule and retire from age 60.

The 85 year rule

If you are part-time, your membership counts towards the rule of 85 at its full calendar length.

Some members satisfy the 85 year rule before their 60th birthday. However if you leave between age 55 and 60 the rule of 85 will not apply automatically, but your employer can exercise their discretion to apply it.

If you don't meet the 85 year rule, then your benefits will suffer the full reduction.

Pension calculation

Local Government Pension Scheme

Up to 31st March 2008 (Final Salary Scheme)

Membership x Final Salary x 1/80

Automatic tax free cash lump sum = 3 x Pension
PLUS Option to exchange some pension for more tax-free lump sum (£1 for £12)

From 1st April 2008 to 31st March 2014 (Final Salary Scheme)

Membership x Final Salary x 1/60

Option to exchange some pension for tax-free lump sum (£1 for £12)

From 1st April 2014 (Career Average Scheme)

Pensionable Pay x 1/49 + Inflation

Option to exchange some pension for tax-free lump sum (£1 for £12)

The Final Salary Scheme

- Final Salary Pension Scheme - All benefits accrued up to 31st March 2014 are calculated under the final salary scheme.
- Annual pension based on the length of your service and:
 - 1/80th of your final pay for service up to 31/03/2008
 - 1/60th of your final salary for service between 01/04/2008 and 31/03/2014.
- **Normal Retirement Age: 65**

Working Part Time (for Final Salary Scheme)

For the majority of our members we class part-time employees as anyone whose contractual hours of work are less than 37 per week (Or 32.50 hours per week in some cases) for 52 weeks of the year.

A part-time employee may also be someone who works 37 hours per week (Or 32.50 hours per week in some cases) but for less than 52 weeks of the year such as an employee of a school who works during term-time only.

Examples:

Working 32.50/32.50 for 80% of the year = 26.00/32.50

Working 19.50/32.50 for 80% of the year = 15.60/32.50

Working Part Time (for Final Salary Scheme)

It takes part time members longer to accrue 1 year's pension scheme membership than a member who works full time.

Comparison:

Working 37 hours a week for 12 month = 1 years membership

Working 18.5 hours a week for 12 months = 6 months membership

Therefore it takes the member working 18.5 hours a week 2 years to build up 1 years membership in the scheme – however the calendar length would be used to calculate the 85 year rule date.

The Career Average (CARE) Scheme

- ▶ Career Average Revalued Earnings (CARE) Pension Scheme, only applies to benefits accrued after 1/4/2014.
 - ▶ Annual pension based on the accrual rate of 1/49 per year (main scheme)
 - ▶ Annual pension based on accrual rate of 1/98 per year (50/50)
- ▶ Normal Retirement Age: Your State Pension Age, but with a minimum of age 65.



Pensionable Pay

For pre 2014 membership it is based on:

- ▶ last 365 days before leaving/retiring, or
- ▶ Best year in the last 3 years, or
- ▶ Average of 3 consecutive years in the last 13 years ending on a 31st March if you have suffered a reduction in pay.
- ▶ If part time – the pay that would represent the full-time equivalent pay for a 37 hour week.

For post April 2014 membership your pension is based on the actual pensionable pay in each year

What's included in 'Pensionable Pay'?

- ▶ Benefits before 1/4/2014 will be calculated on full time equivalent pay.
- ▶ Benefits after 1/4/2014 will be worked out based on your actual pensionable pay.
- ▶ Pensionable pay after 1/4/2014 will now include non contractual overtime and 'additional hours' worked by part time members.

What's included in 'Pensionable Pay'?

This is the pay on which you normally pay pension contributions. Typically pensionable pay includes:

- ▶ your normal salary or wages
- ▶ Bonuses
- ▶ overtime (both contractual and non-contractual)
- ▶ maternity, paternity, adoption and shared parental pay
- ▶ shift allowance
- ▶ additional hours payments if you work part-time
- ▶ any other taxable benefit specified in your contract as being pensionable

What's NOT included in 'Pensionable Pay'?

You do not pay contributions on:

- ▶ any travelling or subsistence allowances
- ▶ pay in lieu of notice
- ▶ pay in lieu of loss of holidays
- ▶ payment as an inducement not to leave before the payment is made
- ▶ any award of compensation (other than payment representing arrears of pay) made for the purpose of achieving equal pay
- ▶ pay relating to loss of future pensionable payments or benefits

How is the pension worked out - Example

The example on the following slides show a member who started 1/4/1988, and retired on 31/3/2019, (31 years service) calculating each element of the pension:

The member has:

20 years service pre 31/3/2008 (based on Final salary **£26,500**)

6 years service post 1/4/2008 and pre 31/3/2014 (based on Final salary **£26,500**)

5 years service post 1/4/2014 (based on salary between **£24,500** and **£26,500**)

How is the pension worked out?

- Example

Pre 31/03/2014 Final Salary Scheme

Final Salary: £26,500 (as at 31/3/2019)
Service: 20 years (Pre 2008) 6 years (Post 2008)

Pension:

Pre 08: $20 \times £26,500 \div 80 = £6,625$

Post 08: $6 \times £26,500 \div 60 = £2,650$

Total: = £9,275

Lump Sum:

Pre 08: $20 \times £26,500 \div 80 \times 3 = \mathbf{£19,875}$

How is the pension worked out? - Example

CARE Scheme – post 1/4/2014

Pension = $1/49^{\text{th}}$ of your pay

Earnings 1st April 2014 to 31st March 2015 = £24,500

$£24,500 \div 49 = £500$

Pension Increase would be added to this amount each year.
The following slide shows how the pension is calculated
over the 5 year period

How is the pension worked out?

- Example

New Scheme – Main section based on 5 years membership on Career Average

Pension Increase would be added to this amount * each year – (pensions increase has not been added to this example to simplify it)

01/04/2014 – 31/03/2015:	£24,500	÷	49	=	£500	£500*
01/04/2015 – 31/03/2016:	£25,000	÷	49	=	£510	£1010*
01/04/2016 – 31/03/2017:	£25,500	÷	49	=	£520	£1530*
01/04/2017 – 31/03/2018:	£26,000	÷	49	=	£530	£2060*
01/04/2018 – 31/03/2019:	£26,500	÷	49	=	£540	£2600
Total					=	£2600

How is the pension worked out? - Example

Final Calculation

Pre 2014 (Final Salary element):

Annual Pension:	£ 9,275
Automatic Lump Sum:	£ 19,875

Post 2014 (Career Average element):

Annual Pension:	£ 2,600
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Total Value:

Total Value of Annual Pension:	£ 11,875 (£9,275 + £2,600)
Automatic Lump Sum:	£ 19,875

Can I convert pension for more lump sum?

- ▶ There is an automatic lump sum for service accrued before 1st April 2008.
- ▶ The option to convert 25% of the Capital Value of your pension benefits to create or increase your tax free lump sum payment remains in the new scheme.
- ▶ For every £1 of pension that you decide to give up you will receive £12 of tax-free cash in return, subject to your 25% limit, which is set by Her Majesty's Revenue & Customs (HMRC).
- ▶ There is no need to make a decision now – The Pension Section will provide full details when you retire.

Can I convert pension for more lump sum?

Conversion example

Standard Benefits:

Annual Pension: **£ 11,875**

Automatic Lump Sum: **£ 19,875**

Maximum pension that can be converted in this case is: **£ 3,176.34**

Revised Benefits:

Reduced Pension: £ 11,875 - £3,176.34 = **£8,698.66**

Increased Lump Sum: £ 19,875 + (£3,176.34 x 12 = £38,116.08) = **£57,991.08**

Can I convert pension for more lump sum?

Conversion example – how Maximum Lump Sum is calculated

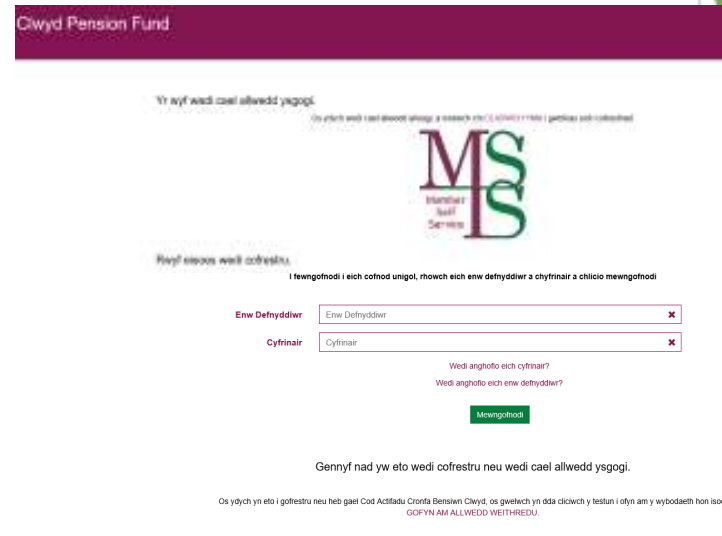
120 x Annual Pension +
10 x Lump Sum (if any) +
10 x In-house AVC Fund (if any)
÷ 7 = Total Capital Value

Total Capital Value x 25% = Maximum Lump Sum

$(120 \times \text{£ } 11,875) + (10 \times \text{£ } 19,875) \div 7 = \text{£ } 231,964.28$ (Total Capital Value)

$\text{£ } 231,964.28 \times 25\% = \text{£ } 57,991.07$ (Maximum Lump Sum)

Member Self Service



Once registered, you can:

- ▶ View your personal data
- ▶ Generate a range of calculations
- ▶ Update your personal details

Website address:

<https://members.gwyneddpensionfund.org.uk>

<https://mss.clwydpensionfund.org.uk/home/login/>

Leaving Before Retirement

Less than two years of membership:

If you have a total membership of less than two years, no previous LGPS pension entitlements and have not transferred previous pension rights to the LGPS, you can:

- Receive a refund of your contributions, less tax deductions.
- transfer your benefits to a new arrangement, such as your new employer's plan, or personal pension scheme.
- wait until you re-join the LGPS and choose to combine your benefits.

Leaving Before Retirement

More than two years of membership:

If you have a total membership of more than two years or have transferred previous pension rights to the scheme, you can:

- Leave your benefits with the Pension Fund up to the time you retire. This is referred to as deferred benefits. Your pension rights will be calculated on the date you leave but the payment will be deferred up to your normal retirement age. (You can take your deferred pension from age 55 onwards)
- transfer your benefits to a new arrangement, such as your new employer's plan, or personal pension scheme.

Salary Sacrifice

Salary sacrifice

If you were to take advantage of any salary sacrifice schemes offered by the Council e.g. buying additional holidays then your pension benefits will be reduced as a result.

To work out how much you would lose in pension rights you would need to find out how much pay you would be losing and divide that figure by 49. This will give you the annual pension that you would lose by taking advantage of the scheme.

Example: $£1,000 \div 49 = £20.41$ annual pension lost

You would be able to pay additional pension contributions to cover any pension lost.

Improving Benefits

Can I improve my benefits?

There are two tax efficient ways of increasing your pension savings from April 2014:

- Additional Voluntary Contributions (AVCs)
- Additional Pension Contributions (APCs)

Both qualify for tax relief on contributions e.g. if you contribute £100 and pay tax at 20% then you would save £20 tax (£40 if you pay 40% tax).

Additional Voluntary Contributions (AVCs)

- ▶ Additional Voluntary Contributions (AVC) allow you to pay more to build up extra savings for your retirement. For new AVC accounts you can pay up to 100% of your pensionable pay (less statutory deductions).
- ▶ Contributions would be invested in a separate fund managed by the fund's AVC Provider Clerical Medical / Prudential
- ▶ You decide on an investment fund(s) to invest your money and the money available at retirement will depend on the amount contributed and returns on investment.

Additional Voluntary Contributions (AVCs)

Upon retirement you can:

- ▶ Purchase an annuity from your AVC provider, the open market or from the LGPS.
- ▶ Potentially take 100% of the AVC Fund as a tax-free lump sum.
- ▶ Convert the Fund into LGPS service providing you commenced paying your AVC prior to 13th November 2001 (no lump sum attached).
- ▶ Contracts started before 1st April 2014 will be based on pre April 2014 regulations.

Additional Pension Contributions (APCs)

- ▶ You can elect to buy additional pension of up to £7,026 (increases each year in line with cost of living), but the extra pension would be for yourself only and not for additional dependants benefits.
- ▶ Able to contribute up to 100% of your pensionable pay (less statutory deductions), payable in a form of a lump sum or over a period of time.
- ▶ Cost depends on how much extra pension you want to buy, the age you start paying and the length of time you want to pay them for.
- ▶ Quotes available online:
<https://www.lgpsmember.org/more/apc/extra.php>
- ▶ ARC contracts started before 1st April 2014 will be based on pre April 2014 regulations.
- ▶ Added Years contracts started before 1st April 2008 will be based on pre April 2008 regulations.

Additional Pension Contributions (APCs)

For you, for now, for the future
lgps 2014 The Local Government Pension Scheme 2014

[EXIT THE CALCULATOR](#)

Buy Extra Pension

Don't want to apply at this time?
 Get a quote by checking this box (Fields 1 to 5 not required)

Personal details click on this image for help on the form fields

1. Full name 5. Email address (optional)

2. National Insurance Number 6. Gender

3. Employer 7. Date of birth

4(a). Payroll Number 8. Section of scheme

4(b). Job Title 9. Percentage of the cost your employer has agreed to pay %

Regular Payments	OR	Lump Sum Payment
10(a). Pension £ OR <input type="text"/>		11(a). Pension £ OR <input type="text"/>
10(b). Amount £ <input type="text"/>		11(b). Lump Sum £ <input type="text"/>

To buy extra pension by EITHER regular or lump sum payments enter EITHER (a) the total extra pension you wish to buy OR (b) the payment you can afford. DO NOT ENTER BOTH. If you wish to pay by regular amounts please also enter the number of years you wish to pay over and your pay frequency.

12. Pay frequency 13. Payment method

14. Years (whole)

Results

click on this image for help on the results

Your Normal Pension Age (NPA) 65

Total extra pension to be bought £

Years of agreement

Pension added to account each year of agreement £

Gross total cost of pension being bought £

Cost to employer £

Cost to member before tax relief £

Based on a gross cost of £ per £100 of extra pension

ERRORS/WARNINGS: Errors in red must be cleared before a quote can be obtained

QUOTE OR APPLICATION

Please check the box to confirm that the information entered is correct and that you have read and understood the [terms and conditions](#) for additional pension applications (not required for quotes)

Clicking on the button below will open a new window with a PDF version of your quote or application form. If the PDF is for an application please print, sign and send to your pension fund.

RESET ALL: Click on this button only if you wish to reset ALL values to blank

Tax Reforms on Allowances

Annual Allowance

The annual allowance for tax-privileged pension saving is £40,000 for tax years from 6th April 2014 onwards.

Lifetime Allowance

The lifetime allowance from 6th April 2019 is £1,055,000

Your Pension Fund will perform some calculations to see if you have gone over these 2 allowances.

If you have, we will inform you. A tax charge will be payable to HMRC.

Death Benefits

Life Assurance Cover

The image shows a form titled 'MANYLION MANEGI DYMUNIAD GRANT MANULAETH' from the 'ALL WALES PENSION FUND'. The form is divided into sections for 'Eidd Manegol Personol', 'Manegol Personol - Benifisial 1', 'Manegol Personol - Benifisial 2', and 'Manegol Personol - Benifisial 3'. Each section includes fields for 'Enw', 'Dyddiad Genedl', 'Cofrestru', and 'Cofrestru'. There are also checkboxes for 'Cofrestru' and 'Dyddiad'. At the bottom, there is a section for 'Datganiad' and a footer with contact information.

It is essential that each member completes a Death Grant Expression of Wish form in respect of the Death Grant for both Death in Service and Death in Pension Lump Sum.

You can nominate one or more individuals or an institution/charity to receive the death grant in the event of your death.

Please request a form today if you have not yet nominated anyone.

Death Grant - Death in Service

- ▶ Death Grant is three times your actual pay, paid as a lump sum to your nominees.
- ▶ If no completed form available, money may be paid to your Estate and will await Probate.
- ▶ Pension Administrators have final discretion.

Death Grant - Death as a Pensioner

10 year guarantee up to age 75

Example – member retires at 65, dies at 70, 5 years pension remains unpaid, to be paid as Death Grant to your beneficiaries

2008 Equation:-

$(10 \times \text{post-converted pension}) - (5 \text{ years} \times \text{pension paid})$

2014 Equation:-

$(10 \times \text{pre-converted pension}) - (5 \text{ years} \times \text{pension paid}) -$
converted lump sum

Dependants Benefits

Upon your death there will be a monthly pension payable to your dependents. The benefits would be payable to the following dependants:

Widow's pension

- ▶ Up to 31/03/2014: Final pay x membership / 160
- ▶ From 01/04/2014: annual pension x 49 / 160
- ▶ Payable for life.
- ▶ Post retirement marriage: membership from **5th April 1978** only.

Dependants Benefits

Widower's pension

- ▶ Up to 31/03/2014: Final pay x membership / 160
- ▶ From 01/04/2014: annual pension x 49 / 160
- ▶ Payable for life.
- ▶ Post retirement marriage: membership from **April 1988** only.

Civil Partner's pension

- ▶ Up to 31/03/2014: Final pay x membership / 160
- ▶ From 01/04/2014: annual pension x 49 / 160
- ▶ Payable for life.
- ▶ Post retirement Registered Civil Partnership: membership from **April 1988** only.

Dependants Benefits

Cohabiting Partner's pension

- ▶ Up to 31/03/2014: Final pay x Membership from April 1988 / 160
- ▶ From 01/04/2014: annual pension x 49 / 160
- ▶ Payable for life.
- ▶ All membership will count if paying Additional Survivor Benefit Contributions (ASBCs).
- ▶ Need Nominated Partner personal details on record*

*Up to 31st March 2014 a formal co-habiting partner declaration form had to be completed – From 1st April 2014 it is not compulsory for this form to be completed. However, for record keeping purposes both Clwyd and Gwynedd Pension Funds require your partner's details.

Dependants Benefits

Cohabiting Partner's pension – eligibility criteria:

- ▶ You both currently are and have been free to marry/enter a civil partnership with each other
- ▶ You both have been living together as if you were married /civil partners, and neither you or your cohabiting partner have been living with someone else as if you/they were a married couple or civil partners
- ▶ Either your cohabiting partner is, and has been, financially dependent on you or you are, and have been, financially interdependent on each other

Dependants Benefits

Children's pension

- ▶ Pensions also payable for dependant children under the age of 18 or if continuing in full-time education/training up to age 23.
- ▶ Disabled children – May be payable for life.



Payment of benefits

Annual Benefit Statement

Your Annual Benefit Statement should give you an idea of the benefits payable at the end of the last tax year and at your Normal Retirement Age.

The information in the statement is supplied by your employer and is created in a bulk exercise without being manually checked.

Before handing in your notice it is recommended that you contact us by letter or email to request a formal estimate of your pension benefits.

Processing your benefits

- ▶ Handing in your notice.
- ▶ Pension Section receives a Termination form from your Employer.
- ▶ Estimate sent to you, together with the Retirement Forms to complete:
 - ▶ Personal details
 - ▶ Certificates requested – Birth, Marriage, Divorce etc.
 - ▶ Bank details
 - ▶ Conversion of pension to lump sum
 - ▶ Declare any other pensions (not State Pension)
- ▶ **Benefits paid out on receipt of completed forms from both you and the employer.**

After retirement

After Retirement

Method of Payment

- ▶ Pension paid monthly on the last working day of each month for Gwynedd Pension Fund pensioners.
- ▶ Pension paid on 28th of the month for Clwyd Pension Fund pensioners
- ▶ Bank credit to bank/building society.

Income Tax

- ▶ Pensions liable for Tax - 2019/2020 Personal Tax Allowance £12,500
- ▶ P45 is retained and tax code transferred to pensions payroll on a Month 1 basis
- ▶ Future tax code changes notified to both pensioner and pensions section. Any tax queries should be directed to HMRC. Phone Number: 0300 200 3300 (English) 0300 200 1900 (Welsh)

After Retirement

- ▶ Pensions might be adjusted annually - index linked. When you receive your pension it will be adjusted each year in line with the cost of living - as currently measured by the Consumer Prices Index (CPI) - to ensure it keeps its value.
- ▶ Adjustment made each April and payable from age 55 (or any age for ill health or dependant benefits).
 - ▶ 2013 C.P.I. = 2.2%
 - ▶ 2014 C.P.I. = 2.7%
 - ▶ 2015 C.P.I. = 1.2%
 - ▶ 2016 C.P.I. = - 0.1%
 - ▶ 2017 C.P.I. = 1.0%
 - ▶ 2018 C.P.I. = 3.0%
 - ▶ 2019 C.P.I. = 2.4%

After Retirement

- ▶ Further employment with any employer (LGPS or otherwise) will not affect your pension, unless you have been awarded a previous enhancement e.g. awarded additional years or Tier 1 or 2 ill health enhancements.



Copies of the slides can be found in the 'Publications' page on the Information section of our website:



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Thank you for listening



Any questions?