

How to Understand Your Active Annual Benefit Statement

Your Annual Benefit Statement is a really important document, it tells you how much your pension is worth at the moment, and how much Essex Pension Fund thinks it will be worth at your normal pension age, so you can see whether your retirement plans are on track. It also covers the death benefits which are automatically included with your pension, and which provide security for you and your family.

So, it's important that you read and understand your statement. To help, we've created this quick guide to your Annual Benefit Statement which answers some of the most frequently asked questions.

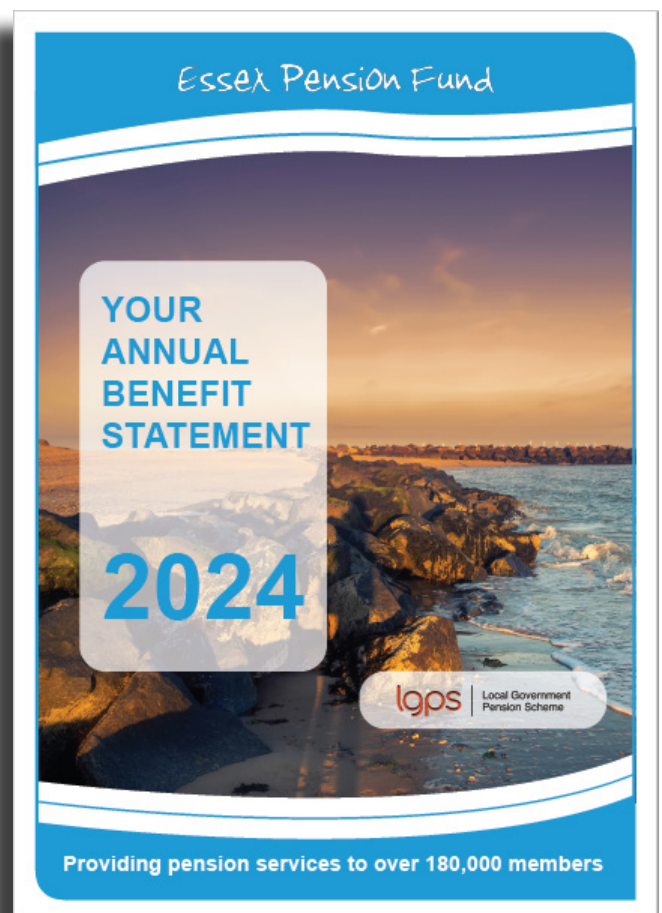
How can I update my name or address?

You can update your personal details quickly and easily via our member self-service portal, [Member Online](#).

Alternatively, you can complete a change of name or change of address form which are available from the 'Resources' section of our website, www.essexpensionfund.co.uk, or you can send us a letter which includes the same details as the form.

Please note that your letter or form must be signed by hand, however we are happy to accept scanned copies or clear photos of the letter or form by email, and you can send these to PensionEnquiries@essex.gov.uk.

If you are changing your name, you must also include a copy of the document which shows the change of name, for example your marriage or civil partnership certificate or deed of name change. Again, scanned copies or clear photos of these documents are perfectly acceptable.



Why is my 'Date Joined Scheme with Current Employer' different from my 'Date Joined Scheme'?

If you were previously in the LGPS, left then later re-joined the scheme and combined your pensions into one, then your statement will show the date you originally joined the LGPS and the date that you re-joined through your current role.

You may also see two different dates if your employer has changed name since you joined, for example if you work at a school which has become an academy.

I think I'm missing some membership, what should I do?

The LGPS is an occupational pension scheme which means that your pension is linked to your job, so when you start a new job, you start a new pension. This also means that if you have more than one job, you will also have more than one pension.

The first thing you need to do is check the details of any other pension statements you've received to see if your membership is just held under a different pension. Annual Benefit Statements for deferred pensions (pensions that you are no longer paying in to but aren't drawing yet either) are sent out in May or June each year.

If you still have concerns, please contact the Fund and we will investigate the issue for you. You will need to include your pension reference and provide details of the membership that you are trying to trace, such as the employer's name and the dates of employment.

Why doesn't my total pension amount reflect how much my employer and I have paid in?

The LGPS is a defined benefits scheme which means that the value of your pension is not linked to the contributions that you and your employer pay or any stocks or shares, so it's not impacted by the ups and downs of the stock markets. Instead, your pension is calculated using a set formula based on your pensionable pay and length of membership in the scheme and grows in a steady way to give you a guaranteed income in retirement.

You can find out more about how your pension is calculated on the national LGPS website www.lgpsmember.org/your-pension/paying-in.

Keep in mind that the pension amount shown is not a one-off payment or pension pot, it's how much we will pay to you every year from when you retire for the rest of your life, so you will likely get back much more than you pay into the scheme.





When can I take my pension benefits?

You can choose to retire and take your pension from age 55, but your pension benefits will usually be reduced for early retirement if they are taken earlier than your Normal Pension Age (NPA). Your NPA is in line with your State Pension Age.

You can find a table of early retirement reductions on the national LGPS website www.lgpsmember.org/your-pension/planning/taking-your-pension.

How can I find out how much my pension will be if I take it early?

You can run your own pension estimates using the Pension Modeller which is available in the Membership Details section on Member Online.

If you are considering retiring within the next 12 months you can also request an estimate of your pension benefits from us, at the date that you are thinking of retiring on, and this forecast will include any early retirement reductions which are applicable.

Can I take or increase my tax-free lump sum when I retire?

Yes, all members of the LGPS (other than those with pension credits awarded as part of a divorce) have the option to exchange part of their pension to take a tax-free lump sum when they retire, including those with an automatic lump sum.

You can use the Pension Modeller on Member Online to find out how much tax free cash you could take when you retire, or you can get a general idea of how big a lump sum you could take by using the Lump Sum Calculator on www.lgpsmember.org.

You cannot take your lump sum separately from your pension benefits. This is known as flexible draw down and is not permitted for defined benefits schemes such as the LGPS.

I'm paying additional contributions, are these included in my statement?

Yes, if you are paying Additional Pension Contributions (APCs) or Additional Regular Contributions (ARCs) the extra pension that you have purchased up until 31 March is included in your total pension amount.



The UK government has announced that from 6 April 2028, the earliest age that you can take your pension benefits will change from age 55 to 57.

The McCloud Remedy for the LGPS

What is the McCloud Remedy?

The LGPS rules were changed on 1 October 2023 to remove age discrimination identified by the McCloud case.

When public sector pension schemes changed from final salary to career average schemes in 2014/15 older scheme members were given protections. In 2018 the Courts ruled that excluding younger scheme members from these protections amounted to age discrimination, and the pension schemes have been working to rectify this issue since then.

In the LGPS these protections are known as the underpin, which has now been expanded to include all eligible scheme members regardless of age.

Not all LGPS members are impacted by McCloud, and you can find out if you're affected by using the online tool on www.lgpsmember.org/mccloud-remedy.

What do you need to do?

You do not need to take any action. When you leave the scheme and take your pension benefits, we will check whether you are affected and whether an underpin increase is applicable to your pension.

Very few members will see an increase to their pensions, and for those who do any increase is likely to be small.

Further information will be included in next year's annual benefit statements for those who are eligible for the expanded underpin protections.

If you are buying Added Years, the extra membership that you have purchased up until 31 March has been added to your final salary scheme membership which is shown on page 4 of your Annual Benefit Statement.

If you are paying Additional Voluntary Contributions (AVC) with either Standard Life or Prudential, then these are not included, and your AVC provider will send you a separate statement.

I've previously transferred in other pensions, are these included in my statement?

Yes, all transfers which were completed by 31 March have been factored in to the total pension amounts shown.

I've got LGPS pensions with different local authorities, will these automatically transfer over?

You just need to tell us about any other LGPS pensions that you have, as we may not be aware of them if they are held with a different pension fund.

Once we have the relevant information about your other LGPS pensions, we will send you details of your options for combining them together.

Can I pay more to increase my pension?

Yes, there are two ways that you can pay extra to increase your pension; Additional Pension Contributions (APCs) and Additional Voluntary Contributions (AVCs).

You can find out more about your options by reading the [Buying Extra Pension Factsheet](#) which is available from the Resources section of our website www.essexpensionfund.co.uk.

Can I reduce how much I pay into the scheme?

Yes, you can switch into the 50/50 section of the scheme just by completing an election form and returning it to your payroll department. In the 50/50 section you pay half the usual amount of contributions, and in turn build up half the usual amount of pension, however your death in service and ill health retirement benefits remain at their full value, so you retain these important protections for you and your family, while cutting the cost of being in the scheme.

You can find more information and a copy of the election form on our [website](#).



How can I submit or change my death grant nomination?

You can submit a nomination, or change your nomination, quickly and easily using Member Online. Just log in and go into the Membership Details section.

Alternatively, you can download a copy of the [Expression of Wish form](#) from the Resources section of our website. Just complete and return the form to Essex Pension Fund either by post or email. Please note, the form must be signed by hand, we are not able to accept electronic signatures.

Do I need to nominate my spouse or partner to receive the surviving partner pension?

No, the recipients of the surviving spouse's pension are set by law and can't be transferred to another person, so you don't need to nominate anyone to receive the pension. Instead, after you die, we will contact the executor of the estate to request the details of your spouse or partner so we can contact them and arrange payment.

Please note, cohabiting partners must provide evidence that they meet the criteria to be eligible to receive the surviving partner pension, and you may want to take a moment to consider whether your partner could provide the necessary evidence if they needed to.

For more information about the eligibility criteria for cohabiting partners, and for details of the documents which may be requested to evidence your relationship, please see our '[Key Facts about the Survivors' Pension](#)' leaflet which is available on which is available from the Resources section of www.essexpensionfund.co.uk.

Introducing Member Online

Essex Pension Fund's quick and convenient member self service portal.

Your pension record is at your fingertips! View your membership details and find copies of your annual benefit statements in one central, secure location, keep the Fund up to date with any changes to your personal details quickly and easily, and run your own pension estimates. You can even take control of your retirement by completing your forms online via Retire Online.

Want to register for Member Online? You don't need to do anything right now, we will be writing to everyone to invite you to sign up shortly.

Already registered but need to recover your login details? Just email PensionOnlineSupport@essex.gov.uk.

www.epfmemberonline.co.uk

Abolition of the Lifetime Allowance (LTA)

The LTA was abolished on 6 April 2024 and there are no longer any restrictions on how much you can save through pensions during your lifetime, however limits on the amount of tax free cash that you can take from your pensions remain, with two new lump sum allowances being introduced.

Most members of the LGPS will not be impacted by these new allowances, however if you have a very large pension either with the LGPS or elsewhere, you may be affected.

We will send members further information about the lump sum allowances when they leave the scheme and/or retire and take their pension benefits. If you have concerns that you may be affected and have questions about the possible impact on your retirement plan, please contact the Technical Hub:
Pensions.Technical@essex.gov.uk

What happens to the surviving partner pension if I'm single?

The surviving partner pension is a portion of your pension which can continue to be paid after your death if you leave a spouse or eligible partner. It is not an additional amount and can't be added to your own pension. If you do not leave a spouse or eligible partner, then your pension will simply stop after you have died.

What is the Annual Allowance?

HMRC sets limits on how much you can save tax efficiently through pensions each year, and this is known as the Annual Allowance (AA) limit. It's not the maximum amount that you can contribute to your pensions but is the most that your pensions can grow by before a tax charge may apply.

The AA limit from 6 April 2023 is £60,000, and if our calculations show that your LGPS pension has exceeded the AA limit in this tax year, we will write to you in October and will explain what you need to do next.

You can find further information about tax and your pension on the following websites:

Money Helper: www.moneyhelper.org.uk

National LGPS Website: www.lgpsmember.org

Contact Us

Phone: 03330 138 384

Email: PensionEnquiries@essex.gov.uk

Post: Essex Pension Fund
Seax House
County Hall
Chelmsford
CM1 1QH

Our Website:

www.essexpensionfund.co.uk

Member Online:

www.epfmemberonline.co.uk

National LGPS Website:

www.lgpsmember.org