

How to Understand Your Deferred Annual Benefit Statement

Every year we send you an annual benefit statement which details the current value of your pension benefits. It's important that you read and understand your statement, so we have created this guide to help answer some of the most frequently asked questions.

Section 1 • Personal Details

How can I change 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 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.

What does 'deferred benefit' mean?

You are no longer actively contributing to the scheme but are not yet receiving payment of your pension benefits.

You can't pay into your pension anymore, but we do add a cost of living increase to your benefits every year to protect them from the impact of inflation.



Section 2 • Details of Deferred Benefits

The Local Government Pension Scheme (LGPS) is an occupational pension scheme which means that your pension is linked to your former employment. If you contributed to the pension scheme with more than one role, even if all the jobs were with the same employer, you will have more than one pension and will receive a separate annual benefit statement for each pension.

The details provided here should help you identify which former employment your pension is linked to.

Former Employer

This will either be the name of your former employer or that of the local authority, for example Essex County Council.

Essex Pension Fund Reference

This reference relates specifically to this pension, each pension that you hold with Essex Pension Fund will have a different reference.

Date of Leaving (DOL) LGPS

This will either be the date you left the employment that this pension is linked to, or the date that you opted out of the pension scheme.

Date Benefits Payable From

This is your Normal Pension Age (NPA) – the date that you can receive your pension benefits in full.

Members of the LGPS can choose to retire and take their pensions anytime between ages 55¹ and 75, however your pension benefits will be reduced for early retirement if taken before your NPA and increased slightly if taken later.

If you joined the LGPS on or after 1 April 2014 your NPA will be the later of either age 65 or your State Pension Age. If you both joined and left before 1 April 2014, your NPA will be age 65.

If the NPA listed in your statement is earlier than age 65, this means that you hold protections under the 85 year rule which enable you to take your benefits unreduced earlier than usual.

What if I become ill?

Your deferred benefits may be paid to you at any age if you have become permanently incapable of carrying out the duties of your former job through ill health.

The qualifying conditions, which have to be met, depend upon the LGPS regulations which were in force when your LGPS membership ended, and your former employer must obtain a certificate from their Independent Registered Medical Practitioner before a decision can be made.

If you would like to apply to have your deferred benefits paid to you on ill health grounds, please contact Essex Pension Fund in the first instance and we will forward your request on to the relevant authority.

¹ The UK government has announced that from April 2028 the earliest age for accessing pension benefits will change from age 55 to age 57, and this will apply to the LGPS.

What happens if I re-join the LGPS?

If you re-join the pension scheme you may be able to combine your LGPS pensions together. Your new employer should give you an 'Employment History Form' to complete and return to the pension fund, but you can also get a copy from the 'Resources' section of our website www.essexpensionfund.co.uk.

Once we receive your form, we will start looking into your options for aggregating your pensions into one and will send you a letter explaining what you need to consider when making your decision whether to combine your pensions.



Section 3 • Value of Deferred Benefits

Every year we apply a cost of living increase to your deferred pension benefits to protect them from inflation. The increase is in line with the Consumer Price Index (CPI) from the preceding September and is applied from the first Monday on or after the start of the financial year.

The figures shown on your statement do not include any early retirement reductions which may be applied for taking your benefits before your NPA.

Annual Pension

This is the current value of your deferred pension, including all cost of living increases. This sum will be paid to you every year from when you retire for the rest of your life.

Automatic Lump Sum

If you contributed to the scheme before 1 April 2008, you will have built up a tax free lump sum which will be paid to you along with your pension when you retire.

All members of the LGPS have the option to convert part of their pension in order to take a tax free lump sum when they retire. You can use the Lump Sum Calculator on the national LGPS website www.lgpsmember.org to find out how big a lump sum you could take.

Annual Survivor Pension

A pension may also be paid to a surviving spouse, civil partner or, for leavers after 31 March 2008, an eligible cohabiting partner if certain qualifying conditions are met. The pension is payable for the rest of your spouse or partner's life and will increase in line with inflation every year.

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](#) or need to recover your login details? Just email PensionOnlineSupport@essex.gov.uk.



Section 4 • Death Grant Expression of Wish

LGPS death benefits are made up of both a survivor pension and a one off lump sum, known as a death grant. The value of lump sum death grant payable depends on when you left the scheme:

- if you left after 31 March 2008, it is calculated as 5 times your deferred annual pension
- if you left before 1 April 2008, it is calculated as 3 times your deferred annual pension

Because the death grant does not form part of your estate it is usually tax free. Essex Pension Fund has absolute discretion over who the death grant will be paid to, however we always take your wishes into account, so it's important that you keep your nomination up to date.

If you have more than one pension with the LGPS only one death grant, the largest value, will normally be payable. This will either be the combined value of all the death in service death grants, or the combined value of the death grants due from deferred pensions and pensions already in payment to you.

How to Nominate a Beneficiary of the Death Grant

You can find your current nomination details in section 4 of your annual benefit statement. You can update your nomination via [Member Online](#), or you can complete and return an **Expression of Wish** form which you can find in the 'Resources' section of our website, www.essexpensionfund.co.uk.

Your form must be signed by hand, however we are happy to accept scanned copies or clear photos of your completed forms by email, please send these to : PensionEnquiries@essex.gov.uk.

What Happens to the Survivor Pension if I am Single?

Your pension will simply cease on your death. The survivor pension is a proportion of your pension which is paid to your spouse or partner after your death, it is not an additional sum and cannot be added to your pension or paid to a third party.

Are There Any Pensions Payable to my Children?

Yes, Children's Pensions can be paid to dependent children up to age 18, or age 23 if they remain in full time education or vocational training.

Children's pensions may be paid for life if the child is unable to engage in gainful employment due to a permanent physical or mental impairment, which means that they were dependent on their parent at the date of death.

Contact Us

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