



your  
pension  
service



Cumbria  
County Council

# Cumbria County Council

Pension Fund

# Active Members Newsletter 2019

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## Welcome to the 2019 Active Members Newsletter

I'm delighted to have this opportunity to introduce myself, I joined Local Pensions Partnership (LPP) which operates in Cumbria as Your Pension Service (YPS) in April 2019 as Director of Pension Administration. I started my career as an actuarial student working for what was then Bacon and Woodrow, where I was involved in all aspects of pension scheme valuations and benefit calculations. I moved to Countrywide Assured into a broader actuarial role in life and pensions that included calculating redress for optouts and non-joiners as part of the personal pension mis-selling scandal and product disclosure.

In 2003, I joined the Co-operative Group, and held several different strategic and commercial roles and was also employer nominated Trustee and Investment Committee member of the Group's United Norwest pension scheme. In my last role as Commercial Director at Avalon, I was accountable for delivery of auto enrolment.

As a pensions administration provider our aim is to deliver quality, value for money services underpinned by increased automation, efficiency and member self-service. We are also more focused on the benefits of good communications, for a few reasons.

Firstly, it allows you to understand your predicted financial situation at retirement, and therefore adequately prepare. From a fund perspective, member communications also gives us a window into what our members want from us and ensures we continue to innovate in response to member demand while remaining transparent and accountable.

In my role at LPP, I'm most looking forward to making a difference. It's a cliché but we have so many dedicated and knowledgeable people and some amazing opportunities to really make a difference. I'm looking forward to bringing my diverse skills and experience to continue to drive a programme of building a strong and sector-leading pension administration offering. This will focus and deliver on increased operational efficiency for clients, tailored and effective member communications, robust risk and data management, leveraging on LPP's heritage and expertise. I hope you enjoy reading this newsletter.

**Jo Darbyshire**  
Director of Pension Administration  
Local Pensions Partnership

New look

## My Pension Online Member Self Service

After listening to your feedback, we have made some improvements to the look and feel of My Pension Online - Member Self Service. We hope that you like the new version and as always please share any feedback with us by using the contact details at the end of this newsletter.

My Pension Online – **Member Self Service** allows you to:

- ✓ Calculate your pension benefits due at retirement
- ✓ View what your annual pension benefit is currently worth
- ✓ View the estimates that you have requested from us
- ✓ View your deferred benefit statement, once you have left the scheme
- ✓ Change your address
- ✓ Receive electronic communications from us
- ✓ View who you have nominated to receive your lump sum Death Grant (where applicable)
- ✓ Access and print the death grant nomination form
- ✓ Check the accuracy of your pension scheme record

Visit **My Pension Online – Member Self Service** now!

As always, if you have questions or issues you would like to discuss, please get in touch with us using the contact details at the end of this newsletter.



## Contributions Rates 2019-20

The rate of contributions you will pay is based on how much you are paid. When you join, and every April afterwards, your employer will determine your contribution rate. If you have more than one job your contribution rate will be determined separately for each job. If your pay changes throughout the year, your employer may decide to review your contribution rate at that time, rather than wait until the following April.

If your actual pensionable pay is:	You pay a contribution rate of:	
	Main Section	50/50 Section
Up to £14,400	5.50 %	2.75 %
£14,401 to £22,500	5.80 %	2.90 %
£22,501 to £36,500	6.50 %	3.25 %
£36,501 to £46,200	6.80 %	3.40 %
£46,201 to £64,600	8.50 %	4.25 %
£64,601 to £91,500	9.90 %	4.95 %
£91,501 to £107,700	10.50 %	5.25 %
£107,701 to £161,500	11.40 %	5.70 %
£161,501 or more	12.50 %	6.25 %

## Pensions Increase

On 1 April 2014, the scheme became a Career Average Revalued Earnings scheme (CARE scheme). You build up benefits under that scheme as you receive pensionable pay.

At the end of each scheme year (1 April to 31 March) during which you paid into the scheme we adjust the balance in your CARE account by inflation (prices). The government advise us each year what percentage we should use. In recent years, they have used the percentage by which the Consumer Price Index (CPI) changed over the year (Sept to Sept).

With effect from 1 April 2019, we have added 2.4 % to your CARE balance as long as you were a paying member as at the end of 31 March 2019.

You may have transferred benefits into the scheme from a different public sector scheme under club arrangements, buying you additional CARE benefits. If so, we may have adjusted those benefits by a different percentage. Under club arrangements, we must revalue the CARE pension bought by the transfer in line with the percentage under the previous public sector scheme.

For more information on how your CARE benefits build up, please see the **Employees Brief Guide** on our website.

## Retirement Process

From recent feedback we have noticed that members wish to understand more about the process which happens when they retire.

As a result of this we have created a retirement process guide which you can find at: [www.yourpensionservice.org.uk/local-government-scheme/members-active-deferred-pensioner/retirement-process/](http://www.yourpensionservice.org.uk/local-government-scheme/members-active-deferred-pensioner/retirement-process/)

# Going Halves

**Did you know you can reduce your monthly pension contribution by half?**

Section	Main (salary 24,000 per annum)	50/50 (salary 24,000 per annum)
Pension contribution per month	6.50 % £130.00	3.25 % £65.00
Annual pension build up per year	£489.80	£244.90
Death in Service Grant	£72,000	£72,000

If you cannot afford the full contribution you can elect to join the 50/50 section of the scheme and pay half of your normal monthly amount. During this time your pension will build up at half the rate of your normal pension but you will still get the same full life cover and ill health cover as you always have.

The 50/50 option is a great alternative to opting out of the scheme all together for those members who are struggling to make the full contribution. The box on the left shows an example of how your pension would be affected in the 50/50 section, based on a salary of £24,000 per annum.



## Death Grant

**Were you to die whilst you are a paying member, generally, the death grant will be three times your annual pensionable pay.**

We will pay this at the Fund's absolute discretion to the person(s) you nominated, your personal representative or any person deemed by the Fund to have been your relative or dependent.

**In most cases we will not deduct tax from the death grant unless:**

- The death grant exceeds your available lifetime allowance (see the Lifetime Allowance Factsheet available on our website); or
- The death grant is paid more than two years after we were informed of the death.

If you also hold deferred benefits, suspended Tier 3 ill health benefits or are receiving a pension in payment under any fund in the LGPS (England and Wales), multiple death grants will not be payable. Generally, the largest death grant will be payable.

Also note that if we pay the grant after the end of the 2 year period from the date of your death we will pay the grant to your personal representative.

To check or review your nomination or to make a new nomination, please visit **My Pension Online – Member Self Service**. Your nomination form can be found within the nominations section once you have logged in.

You can also change your nominees by completing the form available at **[www.yourpensionservice.org.uk](http://www.yourpensionservice.org.uk)**.

## Survivors Pensions for Co-habiting Partners

**If you have a cohabiting partner, they may be eligible upon your death to receive a survivors pension. You can write to us to tell us about your partner, however, not doing so will not in itself result in them being ineligible to receive the pension. It could simply help speed up the process after your death.**

At the time of your death, your cohabiting partner will be eligible to receive a survivors pension. Evidence will need to be provided that shows the relationship met the following conditions for a continuous period of at least 2 years on the date of death:

- Both you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- You and your cohabiting partner have been living together as if you were husband and wife, or civil partners, and
- Neither you nor your cohabiting partner have been living with someone else as if you/they were husband and wife or civil partners, and
- Either your cohabiting partner is financially dependent on you or you are financially interdependent on each other.

# Pension Scams

It has recently been brought to our attention that some members have received potential scam phone calls. Callers have asked for personal details such as name, address, NI number and date of birth. Never give these details to anyone over the phone if you cannot be 100% certain of their identity.

In recent years there has been instances where 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. Scammers can be very sophisticated, current figures show on average they scam £91,000 per victim.

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

## Common tactics used:

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

## How to protect yourself:

- Reject any unexplained pension offers
- Check who you are dealing with before changing your pension arrangements
- Don't 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](http://www.pensionwise.gov.uk/en) and [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



# Cumbria Local Government 2018/2019 Pension Fund Accounts

Member contributions  
**£17.3m**

Investment income  
**£52.4m**

Retirement lump sums  
**£11.3m**

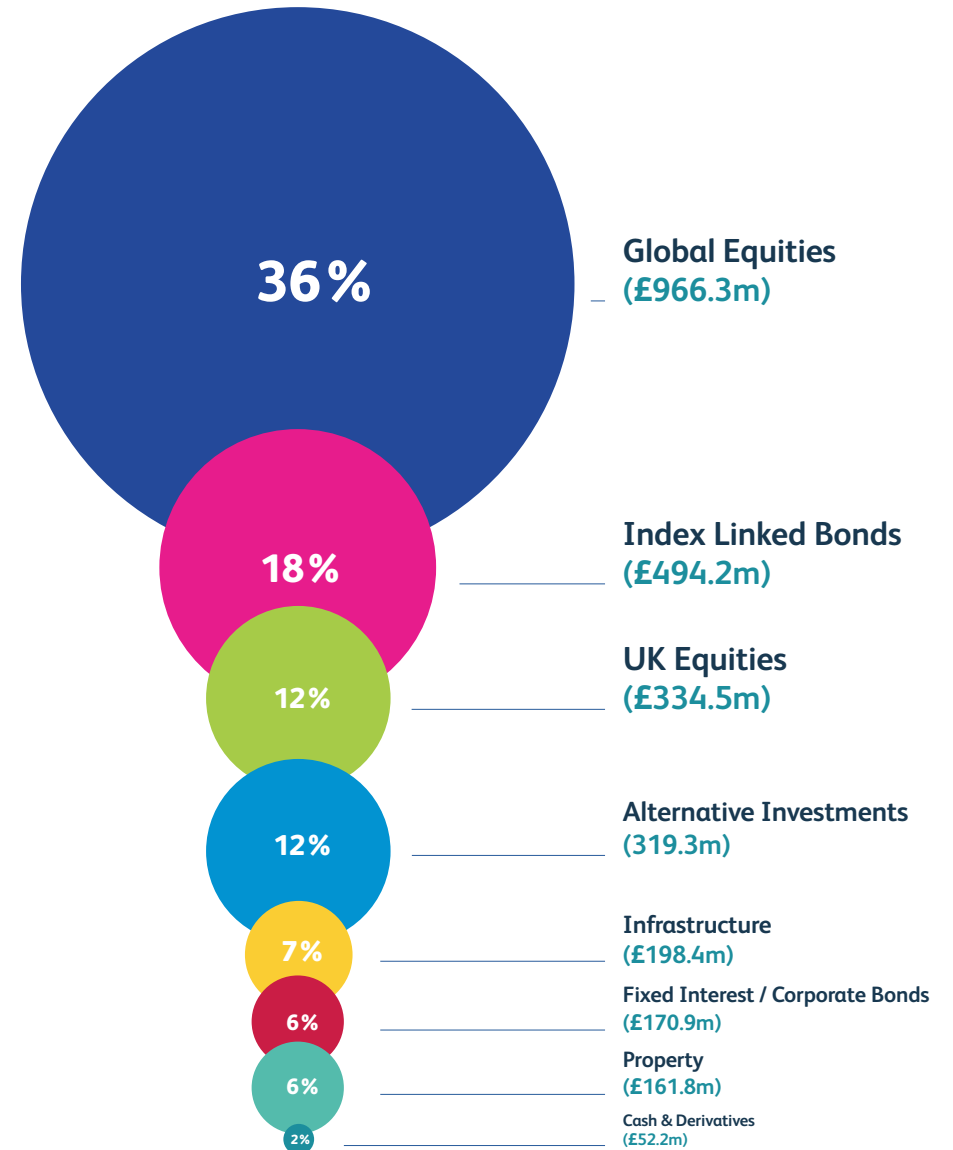
Employer future service contributions  
**£43.3m**

Pensions paid  
**£70.5m**

Annual increase in the value of the Fund  
**£140m**

Value of fund at 31 March 2019

# £2.7bn



This information is taken from the 2018/19 Annual Report & Accounts and is unaudited at the time of going to press.

Assets held by the Fund at 31 March 2019 (**£2,698 million**)

# LGPS Pension Surgeries

Towards the end of the year Your Pension Service will start to hold a series of pension surgeries across Cumbria. Staff from Your Pension Service will be available for you to speak to regarding your LGPS pension queries or if you want some information about joining the scheme.

To book a 20 minute appointment, please click on the relevant surgery within the table - remember to book early.

Please bring with you your login details for **My Pension Online** so that we can make the appointment as worthwhile as possible. If you have forgotten your password then please request a password reset ahead of the appointment. If you have not yet registered, then please visit [www.yourpensionservice.org.uk](http://www.yourpensionservice.org.uk) and complete the sign up process.

No matter who your employer is, you can book an appointment at any of the sessions listed.

Where	When
<b>Barrow Borough Council</b> The Forum, The Ante Room, 28 Duke Street, Barrow-in-Furness, Cumbria LA14 1HH	<b>03 Oct 2019</b>
<b>Cumbria County Council</b> Conference Room A, Cumbria House, 117 Botchergate, Carlisle CA1 1RD	<b>28 Oct 2019</b>
<b>South Lakes District Council</b> Bindloss Room, Kendal Town Hall, Kendal, Highgate LA9 4DL	<b>05 Feb 2020</b>
<b>Copeland Borough Council</b> Bainbridge Room, The Copeland Centre, Catherine Centre, Whitehaven CA28 7SJ	<b>19 Mar 2020</b>

## Booking Instructions

To book your appointment at your chosen surgery online please click on the relevant venue on the previous page, this will take you to Eventbrite where you can select your preferred appointment slot.

Following on from booking your surgery place please follow the instructions below if you wish to opt out of future emails from Eventbrite that do not relate to this booking.

## Eventbrite – opting out of emails

If you do not wish to receive emails from Eventbrite you can change your settings.

1. Log in to your Eventbrite account using your email address and password.
2. Click on the icon on the menu bar and go to your account settings.
3. Select **'Email Preferences'** from the left hand menu, and change the settings to the following.

## Attending Events

News and updates about events created by event organisers

### Email Me

- Updates about new Eventbrite features and announcements:
- Eventbrite's weekly event guide: A digest of personalised event recommendations
- Requests for additional information on an event after you have attended:
- Unsubscribe from all Eventbrite newsletters and updates for attendees:

Within the Account Settings option you can also close your account if you wish by selecting **'Close Account'** from the left hand menu.

You can also contact us by phone on: **0300 323 0260** (8am - 6pm)



# General Data Protection Regulation (GDPR)

**LPP are fully compliant with the GDPR and Data Protection Act 2018 regulations that came into effect on 25 May 2018. This will not impact the way you receive your pension. However, it does change the way we hold and process your data.**

You now have more control over your personal data to ensure it is used for the express purpose it was collected for. LPP use your personal data to calculate and pay your benefits. The GDPR strengthens the existing Data Protection Act and ensures greater protection of your data. From time to time we will share your personal data with third parties, including our contractors, advisors, government and law enforcement agencies and insurers. This is in order to comply with our obligations under law, and in connection with the provision of services that help us carry out our duties, rights and discretions in relation to the Fund. These organisations are listed in the full Privacy Notice which is available at: [www.localpensionspartnership.org.uk/cookie-policy](http://www.localpensionspartnership.org.uk/cookie-policy)

# Topping Up

## Additional Voluntary Contributions

**It's never too soon, or too late, to think about the difference you could make to your lifestyle later in life. In addition to your Local Government Pension Scheme (LGPS), Additional Voluntary Contributions (AVCs) can help your retirement pot to go further.**

### **AVCs are one option that could help you:**

- **Retire early** – you might want to stop working before your main pension benefits are due so you can spend more time enjoying the things you like. You could build up a pot of money to help keep you going until you take your Local Government Pension.
- **Work fewer hours** – you might want to reduce your hours for a few years before you stop work. Building up an AVC pot could help you 'top up' your reduced pay.
- **Retire with more money** – you might just want to save a little bit more to put towards the mortgage, help children or grandchildren with a deposit on a house, or maybe you'd like to travel? AVCs could help you do just that.
- **Benefit from tax savings** – this means the amount you contribute costs you less. The more tax you pay, the higher the tax saving could be. The amount of tax you pay depends on your individual circumstances and tax rules may change in the future. Of course, if you don't pay tax, you don't benefit from tax savings.
- **Pay in flexibly** – you build up a pot, separate to your Local Government pension, by making contributions regularly through your pay. You can change them at any time to suit your circumstances. If you reduce or stop them, it'll affect how much money you'll eventually have, and you'll still pay charges.
- **Choose where to invest your money** – AVCs are invested in funds, so they have the potential to grow over time. Any growth depends on the investments you choose, how they perform and any changes you make. You'll have various options depending on your LGPS. As AVCs are an investment the value can go down as well as up and you may not get back what you put in.

### **Are there any tax limits?**

Yes. There's an annual allowance which limits the amount of tax relieved money you can pay into your pensions, including your AVC pot. It's currently £40,000. For more details on this and other limits, go to [www.yourpensionservice.org.uk/local-government-scheme/members-active-deferred-pensioner/tax-issues/](http://www.yourpensionservice.org.uk/local-government-scheme/members-active-deferred-pensioner/tax-issues/). The amount of tax you pay depends on your individual circumstances. Tax rules may change in the future.

### **Are there any other options?**

You'll find more information at [www.yourpensionservice.org.uk/local-government-scheme/topping-up/](http://www.yourpensionservice.org.uk/local-government-scheme/topping-up/) or [www.lgpsmember.org](http://www.lgpsmember.org).

## Additional Pension Contributions (APC)

**As an active member, you may buy additional annual pension by paying APC's which you pay alongside your normal contributions.**

You may pay APC's by regular deductions from your pay over a set number of years or by making a one-off payment (there are certain situations in which this would be the only option).

You can only buy additional pension for yourself. It will not increase any benefits payable upon your death. The additional annual pension you buy is adjusted in line with the cost of living, both before and after you draw your benefits.

There is a limit on the amount of additional pension that you may buy. From 1 April 2019, the limit is £7,026 which will increase each 1 April thereafter in line with the cost of living. The cost of buying additional pension will depend upon several factors, for example, your age, your gender, the amount you wish to buy, whether you will pay by lump sum or regular deductions.

Please visit [www.yourpensionservice.org.uk/local-government-scheme/topping-up/](http://www.yourpensionservice.org.uk/local-government-scheme/topping-up/) where you will be able to estimate the cost by using the APC Calculator and access the application form.

# Annual Allowance & Lifetime Allowance

## Annual Allowance

The Annual Allowance (AA) is the amount by which the value of your pension benefits may increase in any one year (6 April to 5 April) without you having to pay a tax charge. This is in addition to any income tax you pay on your pension once it is in payment. The AA limit for tax years 2018/19 and 2019/20 is £40,000.

If the value of your pension savings in any one year (including pension savings outside of the LGPS) are in excess of the annual allowance limit, the excess will be taxed as income. You are most likely to be affected if you have a lot of scheme membership and you receive a significant pay rise, you are a high earner and/or pay a high level of additional contributions.

Where you exceed the annual allowance, any unused annual allowance from the previous 3 years is used to offset or eliminate the excess. To have unused annual allowance in a year, you must have been a member of a tax registered pension scheme in that year.

Most people will not be affected by the AA tax charge because the value of their pension savings will not increase in a year (6 April to 5 April) by more than £40,000, or, if it does they are likely to have sufficient unused allowance from the previous 3 years.

From the tax year 2016/17 the AA is tapered for members who have a 'Threshold Income' in excess of £110,000, and 'Adjusted Income' in excess of £150,000. For every £2 that your Adjusted Income exceeds £150,000, your AA is tapered down by £1 (to a minimum of £10,000). For further information regarding threshold income and adjusted income please visit the [Tax Issues](#) page on our website.

We will inform you if the value of your LGPS benefits increase in a tax year by more than £40,000. We will write to you by no later than 6 October of the following tax year.

You may ask us for a statement even where you won't exceed the AA in this LGPS fund. You will need to do so if you have pension savings elsewhere and you consider there to be a possibility that when taken together you will exceed the amount allowed. You may also wish to do so if you are subject to the taper AA and there is a chance that you will exceed your taper but not the £40,000 AA.

## Lifetime Allowance

The Lifetime Allowance (LTA) is the total value of all pension benefits you can have without triggering an excess benefits tax charge. If the value of your pension benefits when you draw them (not including any state retirement pension, state pension credit or any partner's or dependant's pension you may be entitled to) is more than the LTA, or more than any protections you may have, you will have to pay tax on the excess benefits.

The LTA covers any pension benefits you may have in all tax registered pension arrangements - not just the Local Government Pension Scheme (LGPS). The LTA limit for the year 2019/20 is £1.055 million.

When any LGPS benefit, or any other pension arrangement you may have, is put into payment you use up some of your LTA - so even if your pensions are small and individually will not be more than the LTA you should keep a record of any pensions you receive. There are other events upon which you use up some of your LTA (if you transfer your benefits to an overseas scheme, if we pay a death grant in respect of you, etc).

If the value of your LGPS benefits are more than the LTA you have remaining at that point you will have to pay tax on the excess. If your excess benefits are paid as a pension the charge will be 25 %, with the ongoing pension payments subject to income tax; if the excess benefits are taken as a lump sum they will be taxed once only at 55 %.

The LTA factsheet also contains information about protections for which you may apply if you believe that the value of your pension benefits is or will exceed £1.055 million.

Not many people are affected by the LTA but for information on this and the Annual Allowance please visit the [Tax Issues](#) page on our website.

# Useful Contacts



## Contact Us

LPP - Your Pension Service

PO Box 1382

Preston

PR2 0WQ

Tel: 0300 323 0260 (8am - 6pm)

Email: [askpensions@localpensionspartnership.org.uk](mailto:askpensions@localpensionspartnership.org.uk)

[www.yourpensionservice.org.uk](http://www.yourpensionservice.org.uk)

## Pension Tracing Service

Tel: 0800 731 0193

From outside the UK:  
+44 (0)191 215 4491

Textphone: 0800 731 0176

NGT text relay (if you cannot  
hear or speak on the phone):  
18001 then 0800 731 0193

Website: [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

## Pensions Service (State Pension Enquiries)

Tel: 0345 60 60 625

Web: [www.gov.uk/contact-pension-service](http://www.gov.uk/contact-pension-service)

## Cumbria LGPS

E-mail: [pensions@cumbria.gov.uk](mailto:pensions@cumbria.gov.uk)

Web: [www.cumbria.gov.uk/Finance/finance/cumbrialgps.asp](http://www.cumbria.gov.uk/Finance/finance/cumbrialgps.asp)

## The Pensions Advisory Service

(part of the Money and Pensions Service)

Pensions Helpline: 0800 011 3797

The Pensions Advisory Service

11 Belgrave Road

London

SW1V 1RB

Web: [www.pensionsadvisoryservice.org.uk/](http://www.pensionsadvisoryservice.org.uk/)

## HMRC

Tel: 0300 200 3300

Textphone: 0300 200 3319

Pay as You Earn  
and Self-Assessment,  
HM Revenue  
and Customs,  
BX9 1AS

Web: [www.gov.uk/contact-hmrc](http://www.gov.uk/contact-hmrc)

