

Local Government Pension Scheme (Councillor)

Understanding your Annual Benefit Statement

August 2025

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Why have I received an Annual Benefit Statement?

You have received a statement because you are paying pension contributions into the Local Government Pension Scheme (LGPS Councillor). By paying these contributions, you are building up pension benefits in the LGPS. The Clwyd Pension Fund is your pensions administrator and is responsible for looking after your pension record. Your Annual Benefit Statement allows you to keep up to date with your pension benefits.

Point to note

The lowest age you can retire from the Local Government Pension Scheme, or LGPS Councillor, is currently age 50. However, you need your council's agreement to retire before age 55.

The UK Government has announced that the earliest age you can take your pension will increase from age 55 to 57 with effect from 6th April 2028. This does not apply if you have to take your pension early due to ill health.

You could be protected from this increase if you joined the LGPS in England and Wales before 4th November 2021. However, you will only be able to use this protection when you take your LGPS pension, if the LGPS rules allow you to take your pension before age 57.

The UK Government makes the LGPS rules. It has not yet confirmed if it will allow members who qualify for protection to take their LGPS pension before age 57, from 6th April 2028.

Stay safe from pension scams

Pension scams are tricks that can steal all the money you saved for retirement. Be careful if someone calls, emails, or offers you something that sounds too good to be true. Always check that any financial adviser or pension provider is registered with the Financial Conduct Authority (FCA). For more tips on protecting your pension, please visit <https://www.fca.org.uk/scamsmart> and also download the scam awareness leaflet from Pension Scams Action Group [here](#). If you would like a paper copy of the leaflet, please get in touch and we can send you a copy.

Reviewing your Annual Benefit Statement

Personal details

Please read this section of your statement carefully. This section contains your name, date of birth and marital status. It is important that you check all details are correct, as any errors will affect the pension figures shown on your statement. For example, if your date of birth is incorrect, your normal retirement age will be wrong. If your marital status is incorrect, the value of your surviving partner's pension may be wrong. It is important that we have

accurate information to make sure that you receive the full benefits that are due to you when you retire.

If any of the details we hold for you are incorrect, please get in touch to let us know and we can update them for you. We will need to see proof for certain changes, such as a relevant certificate for a change of name or date of birth.

You should check that the following pieces of information that we hold for you are correct:

- Home address
- Current surname
- Date of birth
- Marital status

Employment details

The table below explains the information held in the employment details section. These details have been given to us by your council and have been used to work out your pension benefits shown on your statement. The information on your statement is based on your circumstances at 31st March 2025. If you think any of the information is wrong, please contact your council directly.

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
Council	This shows which council you are a councillor for whilst paying pension contributions into the LGPS
Your reference number	Your reference number is usually the payroll number which has been given to you by your council
Date joined fund	The date you started paying pension contributions into the LGPS
Total membership	The total membership on your statement is based on the number of years and days that have passed from your start date of paying LGPS contributions to 31st March 2025. This will allow you to see the current value of your LGPS benefits
Career average pay	Your pension benefits are worked out using a revalued average of the fees or pay you are paying pension contributions on during your time as a councillor. The earnings are revalued to make sure that your career average pay takes cost of living increases into account.

Summary of Benefits section

For you to understand the pension figures on your statement, it's important to first understand how the LGPS works.

How your pension scheme works

Your pension benefits have been estimated using:

- A build-up rate of 80ths,
- Your career average pay, and
- Your total membership in the LGPS

Career average pay example

In this example, the councillor has been a member of LGPS Councillor for five years. Their career average pay is based on all of the fees or pay they have paid pension contributions on, as well as cost of living increases, in line with an inflation measure called the Retail Price Index, or RPI. **The figures shown in these notes are for illustrative purposes only. Please read your Annual Benefit Statement for your own career average pay information and pension figures.**

Year 1 Earnings £9,400	x cost of living increase 1.12	= £10,528
Year 2 Earnings £9,600	x cost of living increase 1.08	= £10,368
Year 3 Earnings £9,900	x cost of living increase 1.05	= £10,395
Year 4 Earnings £10,400	x cost of living increase 1.02	= £10,608
Year 5 Earnings £11,000	x cost of living increase 1.00	= £11,000
Accumulative Total		= £52,899
Career Average Pay (£52,899 ÷ 5 Years)		= <u>£10,579.80</u>

Total membership

When you stop paying pension contributions in the future, your final total membership will be based on the number of years and days that have passed from your start date of paying LGPS contributions to your leave date.

How LGPS Councillor pensions are worked out

Career Average Pension Scheme Accrual rate of 80ths (also known as a build-up rate)	Your annual pension is worked out using the following sum: Years and days membership ÷ 80 x career average pay	Your automatic lump sum is usually tax free and is worked out using this sum: Three x your annual pension value You also have the option to have a bigger lump sum at retirement by turning some of your annual pension into lump sum	Normal retirement age between 60 and 65 (depends on case-by-case basis)
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Summary of benefits built up to 31st March 2025

The figures in this section do not take into account early retirement reductions. Instead, the figures show how much your pension benefits are worth if you had stopped paying LGPS contributions on 31st March 2025, but then wait to take your pension until your normal retirement age.

If you have paid additional voluntary contributions (AVCs), they have not been included in your statement. You will receive a separate statement from the AVC provider. Your AVC will be held with either the Prudential or Utmost Life.

Please read the explanations in the table. They will help you understand the figures in this section of your statement.

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
Payable from (normal retirement age)	This shows the age that is confirmed as your normal retirement age in LGPS. Normal retirement age from LGPS (Councillor) is usually age 65. It is important that you check that we have the correct date of birth for you on the personal details section of your statement, as this will affect your normal retirement age.
Annual pension	This shows the value of your annual pension based on your membership from your start date of paying pension contributions to 31st March 2025. The figure in this section does not take into account any early retirement reductions.
Automatic lump sum	This shows the value of your automatic lump sum based on your membership from your start date of paying pension contributions to 31st March 2025. Lump sums are usually tax-

Heading on Annual Benefit Statement	Members who are currently paying LGPS contributions
	free for most members. You can read more about lump sums below. The figure in this section does not take into account any early retirement reductions.
Annual surviving partner's pension	This shows what the surviving partner's pension value is so far at 31st March 2025. Surviving partner's pensions are payable to a husband, wife, or civil partner.

Lump sum allowance

When you retire, you will receive an automatic lump sum and you will also be able to turn some of your pension into a bigger lump sum if you wish.

The lump sum will be paid tax-free to most members, but there is a limit on how much tax-free cash you can take from UK pension schemes. HM Revenue & Customs limits the amount of tax-free lump sum you can take when your pension is paid to you. This limit is called a lump sum allowance (LSA). Currently, the maximum lump sum is the lowest of:

- 25% of the capital value of your benefits
- £268,275*
- £268,275* less the total lump sums you have already taken

*If you hold a valid Lifetime Allowance protection, you may be able to take a lump sum that is larger than £268,275.

The lump sum will usually be tax-free, but if you go over the lump sum allowance, you will have to pay tax on the excess at your marginal rate.

Annual allowance

Your annual allowance is the amount the value of your pension benefits can grow in a tax year without you having to pay a tax charge. If the value of your pension savings from 6th April to 5th April is more than your annual allowance, the excess will be taxed as income. This annual allowance check includes pension savings outside of the LGPS. Most members are not affected by annual allowance.

The current standard annual allowance limit is £60,000. The information on your 2025 statement is based on how much you have used of the £60,000 annual allowance limit during the 2024/2025 tax year.

If the amount in this section of your statement is under £60,000, then you will not have a tax charge on your LGPS pension for the 2024/2025 tax year.

If the amount in this section is close to or over £60,000, then you will receive a Pensions Saving Statement (PSS) from us in October 2025. The PSS will show you information only

about your annual allowance and will explain what to do next if you do have a tax charge to pay.

If you think you may be affected and want more in-depth information, you can read our **Pensions Taxation: Annual Allowance** factsheet available on the **forms and resources (LGPS Councillor)** section of our website.

Death in service benefits

As a member of the LGPS, when you die, there are possible payments due: a death grant lump sum and a surviving partner's pension. The table below explains the figures on your Annual Benefit Statement.

Death in service lump sum	The figure shown on your statement is based on what the death grant would have been if you had died in service on 31st March 2025. It uses two times the career average pay figure which is shown on the employment details section of your Annual Benefit Statement. This is because the death grant value is worked out as two times your career average pay.
Annual surviving partner's pension	This section states how much the surviving partner's pension would have been if you had died (whilst still a councillor) on 31st March 2025. Surviving partner's pensions are payable to a husband, wife or civil partner.

Death grant expression of wish details

Your death grant beneficiaries can be one or more family members, friends, or charities. Without a valid expression of wish form, the death grant will be paid to your personal representative, for example, your Estate.

This section of your statement shows who you have currently nominated to receive any death grant payable and the percentage you have said should be paid to each of them. If this section is blank, or the names of your beneficiaries are no longer up to date, it is important that you update your expression of wish. You can do this by logging into your **Member Self Service** account and clicking on the 'Death Grant Nomination(s)' section, or by completing an expression of wish form which can be found under the **forms and resources (LGPS Councillor)** section of our website. If you need a paper copy, please contact us.

Who do I contact if I have a query on my Annual Benefit Statement?

If you have any queries about your pay details or membership on your statement, please contact the payroll department of your council directly.

If you have any general LGPS queries please get in touch using one of the below options, stating your name and National Insurance number. This will help us to find your pension record and answer your query.

Tel: 01352 702940 / 01352 702950

Email: pensions@flintshire.gov.uk

Address: Clwyd Pension Fund, Tŷ Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

Website: clwydpensionfund.org.uk



clwydpensionfund.org.uk

Clwyd Pension Fund, Tŷ Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

Please note that Flintshire County Council is the administrative authority of the Clwyd Pension Fund and we use your personal data in accordance with Data Protection legislation to provide you with a pension administration service. For more information about how we use your data, who we share it with and what rights you have in relation to your data, please visit the Privacy Notice on our website.