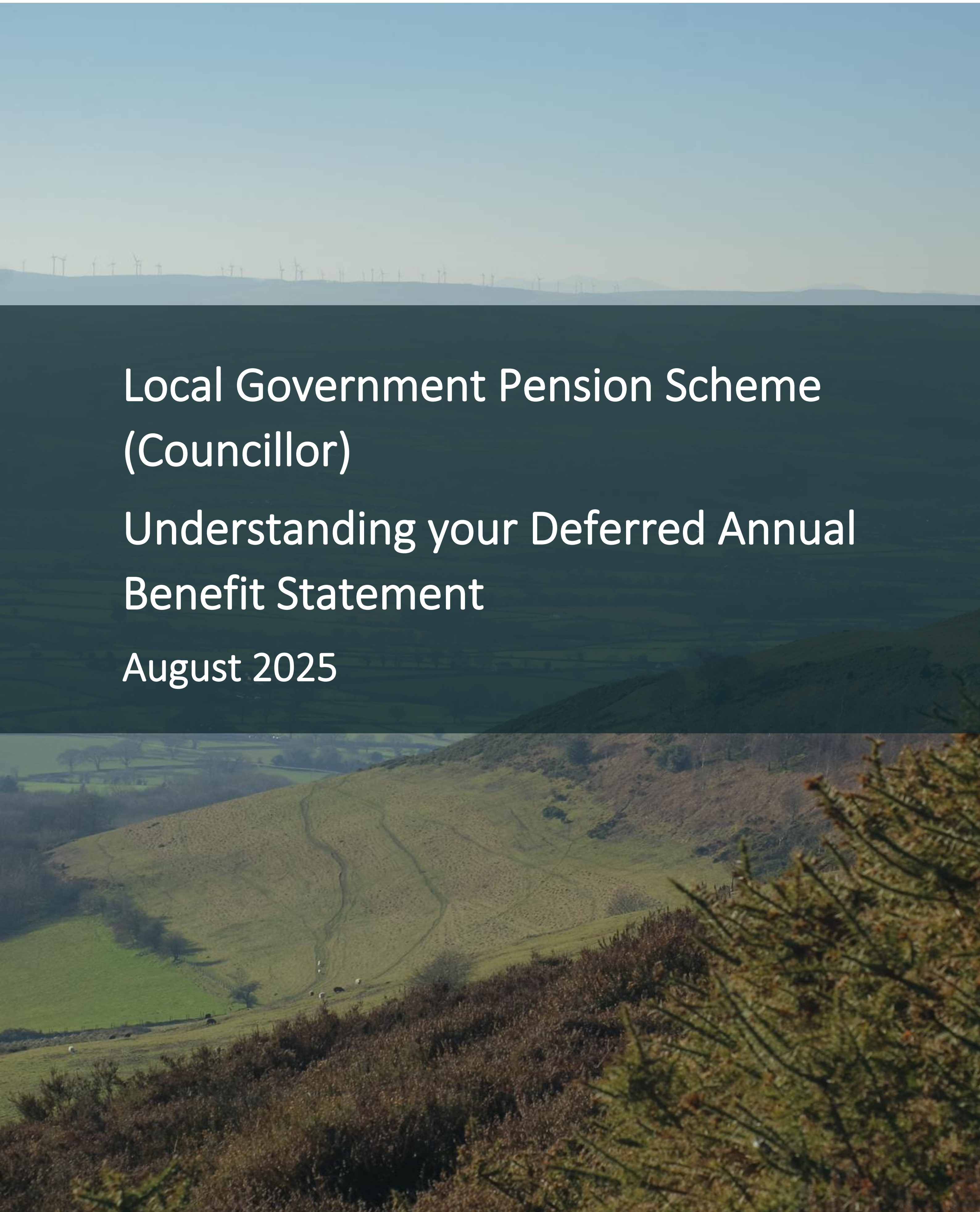
lgps | Local Government Pension Scheme

Cronfa Bensiynau CLWYD Pension Fund



Local Government Pension Scheme (Councillor)

Understanding your Deferred Annual Benefit Statement

August 2025

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Mae'r ddogfen hon ar gael yn Gymraeg / This document is available in Welsh

Why have I received a Deferred Benefit Statement?

You have received a statement because you have a deferred pension in the Clwyd Pension Fund. Your pension is deferred because you stopped paying pension contributions into the Local Government Pension Scheme (LGPS Councillor) and your pension is not being paid to you yet. You may have stopped paying pension contributions because:

- You have left the role you were paying LGPS contributions in, or
- You have opted out of paying pension contributions even though you are still in the role

You may also have a deferred pension with us because you have left your role and are over age 55, but you have decided not to take your pension yet.

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 Deferred 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 the deferred pension details section of your statement. For example, if your date of birth is incorrect, it will affect the date when your unreduced benefits can be paid to you. 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 following table explains the information in the employment details section of your statement. These details have been given to us by your ex-council and have been used to work out your pension benefits.

Heading on Deferred Benefit Statement	Members who have previously paid LGPS contributions
Ex-council	This shows which council you were a councillor for at the time you were paying pension contributions into LGPS Councillor
Your reference number	Your reference number is usually the payroll number which was given to you by your ex-council for this role
Date joined fund	The date you started paying pension contributions into LGPS Councillor
Date of leaving	The date you stopped paying pension contributions into LGPS Councillor
Career average pay used in calculation	Your pension benefits have been worked out using a revalued average of the fees or pay you paid 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. An example of how a career average pay is worked out can be found on **page 5** of this factsheet

Deferred pension details

The pension figures on your Deferred Benefit Statement include a cost of living increase of 1.70%. The increase is applied from 7th April 2025. The value of your pension will change every April. LGPS Councillor uses the Consumer Price Index (CPI) to add cost of living increases to your pension.

How your pension scheme works

Your pension benefits are based on:

- A build-up rate of 1/80,
- Your career average pay, and
- Your total membership in LGPS Councillor

Career average pay example

In this example, the councillor was a member of LGPS Councillor for five years. Their career average pay is based on all of the fees or pay they 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 below are for illustrative purposes only. Please read your Deferred Benefit Statement for your own career average pay information and pension figures.

Year 1 Earnings £9,400	x Revaluation Factor 1.12	= £10,528
Year 2 Earnings £9,600	x Revaluation Factor 1.08	= £10,368
Year 3 Earnings £9,900	x Revaluation Factor 1.05	= £10,395
Year 4 Earnings £10,400	x Revaluation Factor 1.02	= £10,608
Year 5 Earnings £11,000	x Revaluation Factor 1.00	= £11,000
	Accumulative Total	= £52,899
	Career Average Pay (£52,899 ÷ 5 Years)	= **£10,579.80**

Total membership

Your total membership is based on the number of years and days that have passed from your start date to your leave date of paying LGPS Councillor contributions.

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)

If your pension has been shared with your ex-husband, wife or civil partner as part of your divorce or dissolution of your civil partnership, your pension value on your statement is what is left after the deduction of pension awarded to them.

Unreduced pension benefits

Your unreduced benefits date shows when your pension can be paid to you without any early retirement reductions. However, early retirement reductions will be applied to your pension if you choose to take your benefits before your normal retirement date.

Annual survivor's pension

Your statement includes the value of any surviving partner's pension that would be paid if you die and leave behind 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.

Death grant expression of wish details

If you die before your pension is paid to you, a one-off death grant lump sum may be paid out instead. 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.

If a deferred member dies before becoming a pensioner with us, the value of the death grant would be:	Three times your deferred annual pension value plus cost of living increase

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

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

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