

DEFERRED DIARIES

The newsletter for members no longer contributing into the Clwyd Pension Fund: Winter 2025

Welcome

This edition of Deferred Diaries brings you all the information you need to know about your deferred pension with the Clwyd Pension Fund. It includes useful information such as:

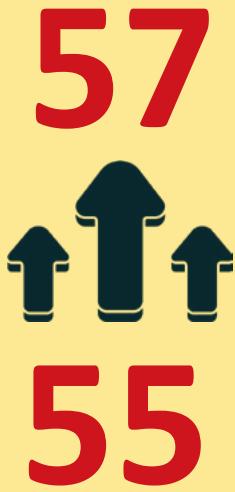
- Pensions checklist: Let's Get Pensions Smart!
- Changes to the minimum retirement age
- Consultation on proposed LGPS changes
- Clwyd Pension Fund financial update

Please get in touch if you have any questions about any information included in this newsletter. Our contact details can be found at the end of this newsletter.

Kind Regards,
Karen Williams,
Pensions Administration Manager



Regulations: Change to minimum retirement age



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. You could also be protected if you transferred a previous pension into the LGPS if certain conditions are met.

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.



Bear this in mind if you are thinking of retiring early.

Regulations: Lump sum allowance

From 6th April 2024, the Government replaced the lifetime allowance with a new limit called the lump sum allowance (LSA). This is the maximum tax-free cash you can take from all your pensions in your lifetime.

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.

For most LGPS members, your lump sum will be well within the allowance. But if you have large pension savings or several pensions, you may want to check how much of your LSA you are using.



CLWYD TIPS: Have you kept us updated? The Pensions Dashboard depends on it!



With the Pensions Dashboard on the way, it's more important than ever to make sure we have your correct personal and contact details.

If you've changed your address, phone number, email, or name, please let us know. This helps to make sure you don't miss any key updates and that your pension information shows up correctly on the Dashboard.

You can update your contact details by logging into your **Member Self Service** account or writing to us, but you will need to provide us with proof of any name changes.



Regulations: Access & Fairness Consultation



The Government has consulted on changes to make the LGPS fairer. Proposals include:

- Equal survivor benefits for all partners
- Death grants being paid even if the LGPS member dies over the age of 75
- Contacting deferred members who opted out of paying LGPS contributions to see if they want to opt back in
- Making it easier to understand the gender pension gap

What is the gender pension gap?

Women often retire with smaller pensions than men. This is called the gender pension gap.

Why does this happen?

- Women are more likely to take breaks from work to look after family
- More women work part-time, so they pay in less towards their pension
- Wages for women can be lower, which affects the value of their pension at retirement

The Access and Fairness consultation expects some of these changes to take place, but it has not happened yet. Once the changes are confirmed, LGPS rules will be updated (and backdated if this applies). Keep an eye on future communications for further updates.

Regulations: Transferring out

If you want to transfer out, you must do so at least 12 months before your normal retirement age in the LGPS. Normal retirement age is between 60 and your State Pension age. Your normal retirement age is shown on the deferred pension statements that you receive from the Clwyd Pension Fund each year.

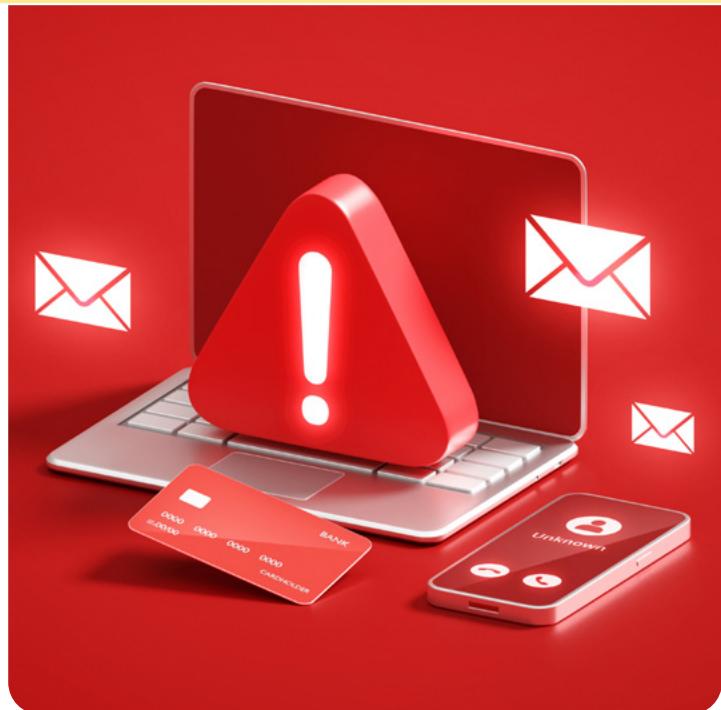
Here are the steps towards arranging a transfer:

1. Check with your new pension provider that they will accept transfers and that you are inside any deadlines they have for receiving them.
2. If so, tell your new pension provider to contact the Clwyd Pension Fund on your behalf for a transfer quote. They may have an online process or form for you to do this.
3. We'll work out the quote and pass it to your new pension provider. They will then let you know what pension benefits the transfer would buy in their scheme.

However, please be careful. Once you have transferred your pension into a scam it's too late. You could end up losing all your pension savings.

It's important to make sure you can spot the warning signs of a pension scam. Some scammers' tactics include:

- Offering free pension reviews or health checks
- Promising better returns on savings



- Suggesting you try to take your pension benefits before age 55
- Promoting tax loopholes, pension loans or upfront cash
- Forcing you to act quickly with tight deadlines or once-only deals
- Contacting you out of the blue.

For more tips on protecting your pension, please visit <https://www.fca.org.uk/scamsmart>

Regulations: McCloud and your 2025 deferred benefit statement



In your 2025 deferred benefit statement, you may have noticed a new section called the final guaranteed amount (FGA). This is part of the work we have done to show how your pension could be affected by the **McCloud remedy**.

The McCloud remedy happened because of a national court case. The courts found age discrimination in public sector pension schemes for some younger members who had pension scheme membership before 1st April 2012.

The FGA is an amount that is already included in your estimated pension total on the statement. You will only get this amount if it gives you a better pension when you take your benefits. The final amount will be worked out at that time.

Don't see the FGA on your statement?

You may not qualify, or we might still be checking. We will let you know on your 2026 statement or when you start to take your pension with us, whichever comes first. Very few members will qualify for an FGA.

Finance: 2024/2025 facts and figures at a glance

Our accounts for 2024/2025 will be included in the Fund's Annual Report which will be available on our website at the end of 2025. In the meantime, here are our audited figures for 2023/2024.

Contributions are paid into the Fund by both employers and their employees. Any money not needed to pay pension benefits in the short term is invested to provide future benefits. Contributions are invested in line with our Investment Strategy and Responsible Investment Policy. You can find our Investment Strategy Statement in the strategies and policies section of our website:

clwydpensionfund.org.uk/en/Governance/Strategies-and-Policies/home.aspx

As the Local Government Pension Scheme is a defined benefit scheme, the Fund's investments have no financial impact on the value of your own pension benefits. Therefore, the figures are for information purposes only.

If you have any queries about the Fund's investments or accounts, please contact pensionsinvestments@flintshire.gov.uk



2023/2024 Income

	£m
Employees	21,808
Employers	59,662
Investment income	35,158
Other	5,493
	<u>122,121</u>

2023/2024 Expenditure

	£m
Pensions	78,691
Lump sums	18,922
Other	38,482
Net deficit	-13,974
	<u>122,121</u>

Contributors 31st March 2024

All contributors	<u>17,813</u>

Pensioners 31st March 2024

Retired members & dependants	15,796
Preserved benefits	18,383
	<u>34,179</u>

Market value of Fund at 31st March 2024

	£m
Fixed Interest Securities	904,445
Sustainable Equities	344,501
Alternative Investments	889,528
UK, Local and Impact Investments	211,746
Cash and Equivalents	125,059
Net Assets	5,441
	<u>2,480,720</u>

Change in net assets

	£m
Fund at 1st April 2023	2,302,598
Net new money	-13,974

Changes in market value during the year

Realised and unrealised gain	192,096
Fund at 31st March 2024	<u>2,480,720</u>

Pension Checklist: Let's Get Pensions Smart!

No matter your age, it's never too early or too late to start thinking about your pension.

The steps you take today can make a big difference to your future peace of mind.

To help you stay on track, we've put together a simple checklist of some of the things to think about at different stages.



Retirement feels far away? Start Strong Anyway

- Understand how LGPS works & register for **Member Self Service**
- Check your deferred benefit statements
- Nominate one or more beneficiaries for your death grant
- Keep your contact details up to date
- Think ahead about future jobs. If you return to work for local government or another LGPS job, you might be able to combine your LGPS benefits

Mid-Career? Review & Plan

- Review your pension statements and use the online calculators on **Member Self Service**
- Check your **State Pension forecast**
- Update your death grant expression of wish
- Think about other ways of saving for retirement
- If you have other pension pots, think about your options but take advice first

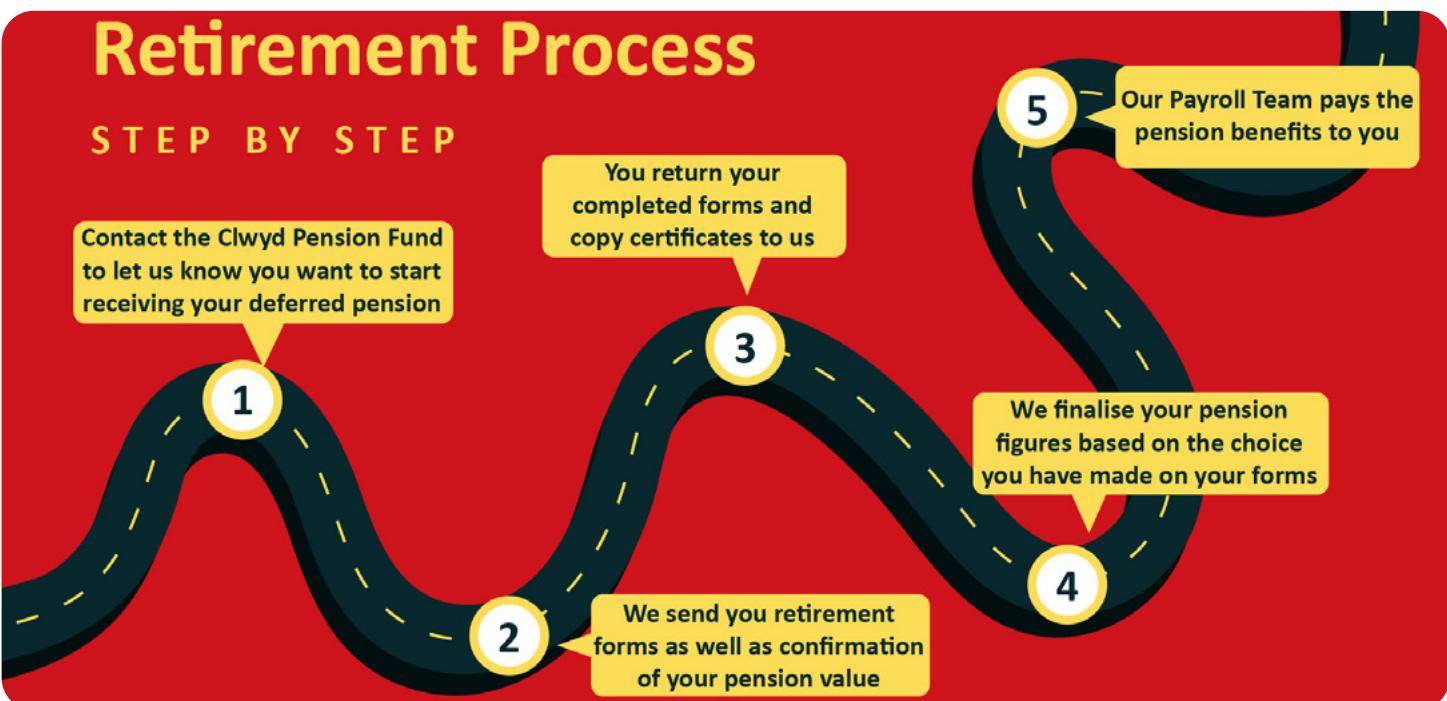
Nearing Retirement? Get Ready

- Get estimates of your LGPS and State Pension income
- Decide when to retire and what lump sum (if any) to take
- Understand early retirement reductions
- Find all relevant certificates and send us copies
- Get independent advice if combining with other pensions or savings



Retirement Process

STEP BY STEP



Survey Feedback

A big thank you to everyone who took part in our member satisfaction survey last year.

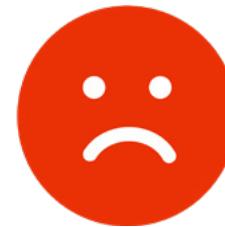
Your feedback really helps us understand what's working and where we can do better. What you told us:

- Many of you feel reassured knowing Clwyd Pension Fund is looking after your interests
- Staff support, written updates, and our use of the Welsh language were especially appreciated
- Some members find pension letters confusing, would like clearer figures, faster delivery, and more choice around receiving Welsh copies

What we're doing:

- Making letters simpler and clearer
- Working to send updates more quickly
- Offering more choice about how you receive information
- Continuing to provide accessible support

This year's survey is now open, so please take a few minutes to share your thoughts again. We would love to hear from you!



Contact details for the Clwyd Pension Fund



Email: pensions@flintshire.gov.uk
Phone: 01352 702940 / 702980 / 702981
(Monday to Friday 9am to 5pm)
Website: clwydpensionfund.org.uk
Address: Clwyd Pension Fund, Tŷ Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

Other useful contact details

Pension Tracing Service	www.gov.uk/find-pension-contact-details	0800 731 0193
MoneyHelper (financial advice)	www.moneyhelper.org.uk/en	0800 011 3797
Unbiased (financial advice)	www.unbiased.co.uk	0800 023 6868
Citizen's Advice (financial advice)	www.citizensadvice.org.uk	0800 702 2020 (Wales) 0800 144 8848 (England)
State Pension	www.gov.uk/new-state-pension	0800 731 7898

This information is available in alternative formats for example Braille, large print, BSL Video/DVD, audio tape and other languages on request.



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.

Clwyd Pension Fund have strong cybersecurity measures in place to keep your pension information safe. Our systems are constantly monitored, and we use the latest technology to protect against threats. To help us keep your data safe, you should use strong passwords, be careful when sending personal information to us by email, watch out for scam emails, and tell us if you think you have received anything suspicious.