

Welcome

This edition of PENPAL brings you all the information you need to know about the pension you are building up with the Clwyd Pension Fund. It includes useful information such as:

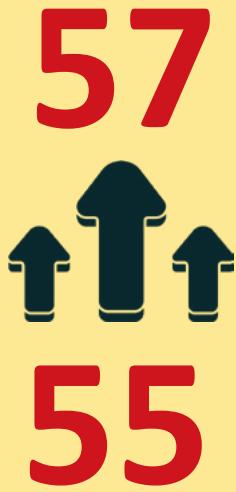
- Pensions checklist: Let's Get Pensions Smart!
- Changes to the minimum retirement age
- Consultation on proposed LGPS changes
- Clwyd Pension Fund financial update

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
- Better method of buying back lost pension after a break in service
- 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.

Increasing your pension: Additional Pension Contributions (APCs) or Additional Voluntary Contributions (AVCs)?



Want more money in your retirement?

APCs and AVCs let you top up your pension by paying more than the usual contributions. Take a look at the differences below.

Additional Pension Contributions

- Extra contributions to buy extra annual pension
- Pay monthly or make a one-off lump sum payment
- Cost depends on how much extra pension you want to buy, your age and how long you pay the extra contributions for
- Increases and decreases in line with inflation
- No investment needed
- No option to buy additional survivor's pension or benefits

Additional Voluntary Contributions

- Taken from your pay and transferred to your own personal AVC account with the Prudential
- Use AVCs to purchase extra annual pension, or possibly take up to 100% of AVCs as tax-free lump sum
- You decide how much you pay and can change the amount at any time
- You decide where to invest your money
- Your AVC returns will increase and decrease in line with investment performance
- Option to increase survivor's pension or life cover

How to set up an APC

You can see how much you will need to pay in APCs to increase your pension by the amount you want, using the online calculator: <https://www.lgpsmember.org/help-and-support/tools-and-calculators/buy-extra-pension-calculator/>

You might need to have a medical examination by a Registered Medical Practitioner to get a certificate, at your own expense, to confirm that you are in 'reasonably good health' before you can start paying APCs.

How to set up an AVC

If you are setting up an AVC, contact the Prudential: www.pru.co.uk/localgov or 0345 6000 343. Tell them you're a member of the LGPS through the Clwyd Pension Fund and they will help you set up an AVC account linked to the pension you have with us.

Some employers pay into your AVC pot with you if you take part in salary sacrifice. This option is called a shared cost AVC. You will need to check with your employer to see if they offer shared cost AVCs, as they are set up differently. Your employer will explain what to do and how you start sacrificing some of your salary to set one up.

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>
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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
<u>Fund at 31st March 2024</u>	<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.

Recently joined the LGPS? Start Strong

- Understand how LGPS works & register for **Member Self Service**
- Check your annual benefit statements
- Nominate one or more beneficiaries for your death grant
- Know how career breaks or part-time work affect your pension
- Think about paying extra contributions (AVCs or APCs)

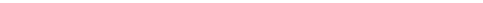


Mid-Career? Review & Plan

- 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 topping up your pension through AVCs or APCs
- Start thinking about when you want to retire and what your income needs will be

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 or flexible options
- Find all relevant certificates and send us copies
- Get independent advice if combining with other pensions or savings



Retirement Process

STEP BY STEP

Your employer sends us your leaver form, once you have left and received your final wages payment

We send you retirement forms as well as confirmation of your pension value

Our Payroll Team pays the pension benefits to you

- 1 Your employer sends us your leaver form, once you have left and received your final wages payment
- 2 We work out your pension value based on the leaver form information
- 3 We send you retirement forms as well as confirmation of your pension value
- 4 You return your completed forms and copy certificates to us
- 5 We finalise your pension figures based on the choice you have made on your forms
- 6 Our Payroll Team pays the pension benefits to you

Regulations: McCloud and your 2025 annual benefit statement

In your 2025 annual 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 have 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 retire. 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 retire, whichever comes first. Very few members will qualify for an FGA.



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

Telephone:

01352 702950 / 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



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.