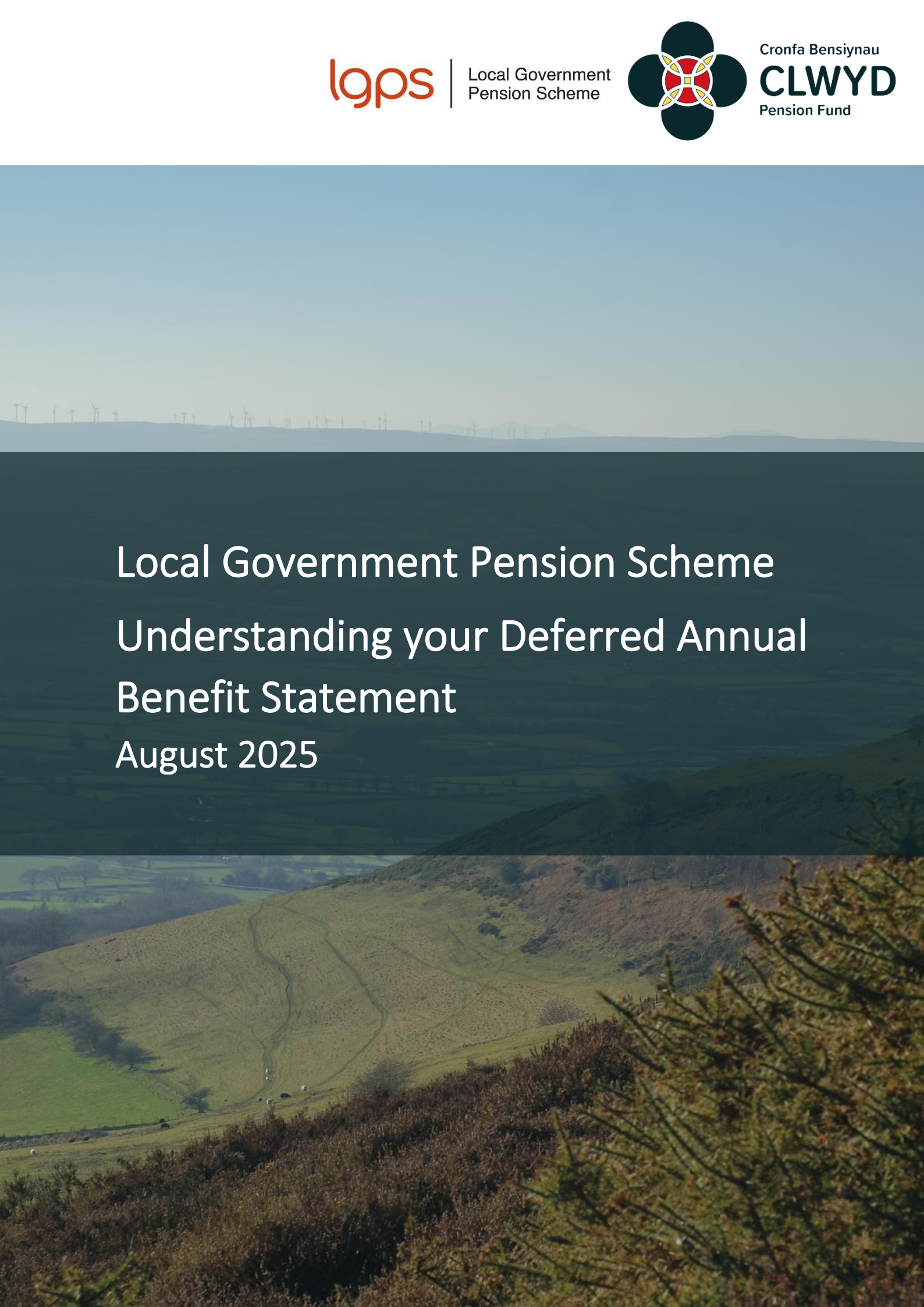


The background of the slide is a scenic landscape. The top half shows a clear blue sky with a line of wind turbines on a distant horizon. The bottom half shows rolling green hills with a dirt path, some trees, and a few cows in the distance. The foreground is filled with dense, brownish-green foliage, possibly heather or bushes, which are slightly out of focus.

Local Government Pension Scheme

Understanding your Deferred Annual Benefit Statement

August 2025

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Why have I received a Deferred Benefit Statement?

Deferred members

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) and your pension is not being paid to you yet. You may have stopped paying pension contributions because:

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

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

Pension credit members

You might have a deferred pension benefit with us because you have been awarded a share of your ex-husband's, wife's or civil partner's pension as part of your divorce or dissolution of your civil partnership. If you are a pension credit member, you have not actually paid the pension contributions yourself to build up this pension with us.

Point to note

This guide explains about minimum retirement age currently being 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. 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.

Where 55 is mentioned in this guide, please remember this will change to 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 take a moment to carefully read this section of your statement. 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 benefits can be paid to you unreduced. If your marital status is wrong, the value of your survivor's pension may be incorrect. 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.

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-employer and have been used to work out your pension benefits.

For pension credit members, these details show information such as when the pension credit was awarded to you by the Law Courts.

Please read the column that applies to you.

Heading on Deferred Benefit Statement	Members who have previously paid LGPS contributions	Pension credit members
Ex-employer (if this applies):	This is who your employer was at the time you were paying pension contributions into the LGPS	This will be the name of your ex-husband's, wife's or civil partner's employer

Heading on Deferred Benefit Statement	Members who have previously paid LGPS contributions	Pension credit members
Your reference number:	Your reference number is usually the payroll number which was given to you by your ex-employer for this job	Your reference number will show as 'Pen Credit'
Date joined fund / Date pension sharing order applied:	The date you started paying pension contributions into the LGPS	The date shown on your pension sharing order document which was given to us by the Law Courts
Date of leaving (if this applies):	The date you stopped paying pension contributions into the LGPS	If you have been awarded a pension credit through a pension sharing order, this will be blank
Pensionable pay used in calculation for pre April 2014 (if this applies):	This is your full-time equivalent pay that has been used to work out any pension you have built up before April 2014. Please note that if you were part-time or term-time, we still use your full-time equivalent pay to work out this part of your benefits	As your pension credit has been worked out based on a pension sharing order, this box is not relevant for you. It will show as £0.01

How your pension has been worked out on your statement

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

The LGPS is a defined benefit pension scheme. This means that the value of your pension is not based on the pension contributions you pay. Instead, we work out your pension based on:

- How long you pay contributions for;
- Your pensionable salary during your employment;
- The hours you've worked, for pension you built up before 1st April 2014 only, and
- Any absences you have

Depending on when you started and stopped paying LGPS contributions, your pension may be made up of one, two or three parts because of changing LGPS rules over time. We have created a chart on the next page to help explain each section to you.

Paying LGPS contributions up to and including 31st March 2008	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 in scheme $\div$ 80 x salary you have paid contributions on (Salary pro-rated to full-time if you worked part-time or term-time)	Your automatic lump sum is usually tax free and is worked out using this sum: Three x your annual pension value in this 80ths scheme 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)
Paying LGPS contributions between 1st April 2008 and 31st March 2014	Accrual rate of 60ths (also known as a build-up rate)	Your annual pension is worked out using the following sum: Years and days membership in scheme $\div$ 60 x salary you have paid contributions on (Salary pro-rated to full-time if you worked part-time or term-time)	There is no automatic lump sum. There is an option to create one at retirement by turning some of your annual pension into lump sum. This is usually tax-free.	Normal retirement age of 65
Paying LGPS contributions since 1st April 2014	Accrual rate of 49ths if you pay full contributions (also known as a build-up rate) Accrual rate of 98ths if you pay half contributions (also known as a build-up rate)	Using 1st April to 31st March as a pension scheme year, an example of how your annual pension is worked out is shown below: Scheme year 1: gross actual salary you have paid contributions on $\div$ 49* Scheme year 2: gross actual salary you have paid contributions on $\div$ 49* Scheme Year 3: gross actual salary you have paid contributions on $\div$ 49* When you stop paying pension contributions, all of the scheme years are added together to confirm how much pension you have built up in total *If you pay half contributions, your gross actual salary that you have paid contributions on will be divided by 98 instead	There is no automatic lump sum. There is an option to create one at retirement by turning some of your annual pension into lump sum. This is usually tax-free.	Normal retirement age is your State Pension age (or age 65), whichever is later

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. The LGPS uses the Consumer Price Index (CPI) to add cost of living increases to your pension.

Deferred annual pension:	This shows the current value of your deferred annual pension based on your membership from your start date to your leave date of paying pension contributions. It takes into account 80ths final salary, 60ths final salary and the career average pension scheme as explained earlier. The figure in this section does not take into account any early retirement reductions. For the first time this year, we are showing you how the McCloud remedy affects your annual pension value. If you qualify for the McCloud remedy, your estimated final guaranteed amount (FGA) is included in the annual pension figure in this section of your statement. Your covering letter, which is included with your statement, explains if you qualify or not for the McCloud remedy. Some members may receive a letter to confirm that we are currently working out if you qualify for McCloud.
Final guaranteed amount (FGA):	A final guaranteed amount is an extra amount of pension due to you at retirement if: • you qualify for the McCloud remedy, and • your pension would be higher if we calculate it under the old final salary scheme (only for pension built up between 1st April 2014 and 31st March 2022) If you do qualify for the McCloud remedy, you will see an FGA section on your statement. This final guaranteed amount is not an extra amount of annual pension. It is just a breakdown of what is already included in the annual pension section of your statement. The Clwyd Pension Fund will work out your FGA when you take your pension. The final amount depends on a number of factors, including your age when you retire. The FGA may be higher, lower or may not apply when you retire. If you don't qualify or we are currently working out if you qualify, you will not see this FGA section on your 2025 pension statement.
Deferred automatic lump sum	This shows the current value of your deferred lump sum based on your membership from your start date to your leave date of paying pension contributions. The automatic lump sum is based on final salary 80ths membership only. The figure in this section does not take into account any early retirement reductions. Lump sums are usually tax free.

If you have transferred in previous pensions, or paid extra pension contributions for any of the following, these have been included on your statement:

- added years,
- additional pension contributions (APCs),
- additional regular contributions (ARCs)

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

You may have a debit included in your pension because:

- A pension sharing order has been applied due to divorce or dissolution of a civil partnership, so you have given a share of your pension to your ex-partner
- You have received an annual allowance tax charge because your pension has significantly grown year on year and you have gone over HM Revenue & Customs limits. If you have chosen for us to pay the tax bill through scheme pays on your behalf, you will have a pension debit with us. This tax payment is then taken off the value of your LGPS benefits

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.

Lump sum allowance

When you retire, you will also be able to turn some of your annual pension into a 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 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, civil partner or eligible cohabiting partner.

If you have a deferred pension with us because you are a pension credit member, no surviving partner's pension would be payable upon your death.

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 (MSS)** 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 section** of our website. If you need a paper copy, please contact us.

If a deferred LGPS member dies before becoming a pensioner with us, the value of the death grant would be worked out as follows:

If you stopped paying pension contributions or were awarded your pension credit before 1st April 2008	A death grant of three times your deferred annual pension value plus cost of living increase
If you stopped paying pension contributions or were awarded your pension credit on or after 1st April 2008	A death grant of five times your deferred annual pension value plus cost of living increase

Any death grant must take into account if you have any other pensions in other LGPS Funds. We will check with the other LGPS Funds in England and Wales to see if you have:

- Any pensioner accounts with them: that is, you were receiving pension payments from LGPS
- Any active accounts with them: that is, where you still pay LGPS contributions

The grant payable will then be the **higher** of:

- The death in service grant
- The total death benefits from your deferred or pensioner accounts in this or other LGPS funds

How do I contact the Clwyd Pension Fund?

If you have any questions, 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

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.