



Cambridgeshire **Northamptonshire**
Pension Fund Pension Fund

Pension Matters 2014

**Newsletter from LGSS Pensions Service,
Cambridgeshire and Northamptonshire Pension
Funds for current Councillor members of the Local
Government Pension Scheme.**

Welcome..... to the Pension Matters

newsletter from the LGSS Pensions Service. This newsletter is intended to keep you updated on the important changes in the Local Government Pension Scheme (LGPS) and the wider area of pensions as a whole.

The article 'Future of the Councillors' Scheme' gives the final position on the removal of access to the LGPS for Councillors in England from April 2014.

Lifetime and Annual Allowances are explained in the article 'Limits on Pension Rights'.

There are also articles that provide a brief overview of the work we have carried out to inform scheme members and employers about the changes made to the scheme from April 2014. This does not affect councillor members, but keeps you updated on the wider world of the LGPS.

Plus, the article 'Death Grant—Expression of Wish' gives details on what form to complete should you wish to nominate someone to receive a death grant if you die whilst you are an active councillor member of the LGPS.

Finally, there has recently been a change of management at the Pensions Service. The Head of Pensions, Steve Dainty, has now retired and, following my recent appointment to Deputy Head of Pensions, I will now be leading the Service.

I hope that you find this newsletter informative. We are always looking to improve the service that we provide to all our members and would welcome any comments you may have on this newsletter or our service. Contact details can be found at the back of this booklet.



Mark Whitby
Deputy Head of Pensions – LGSS Pensions Service.

Contact us

LGSS Pensions Service
Northamptonshire County Council
John Dryden House
8-10 The Lakes
Northampton
NN4 7YD

Email: pensions@northamptonshire.gov.uk

Website: <http://pensions.cambridgeshire.gov.uk>
<http://pensions.northamptonshire.gov.uk>

Last year we informed you that the LGSS Pensions Service's main office will be located at John Dryden House in Northamptonshire. All incoming phone calls and written communication should be directed to this office using the contact details above or the phone number available on our website.

However should any member of the Cambridgeshire Pension Fund need to speak to a member of the LGSS Pensions Service in person, an appointment in Cambridge can be arranged to suit their needs.

Future of the Councillors' Scheme

Last year, we informed you about proposed changes regarding Councillors' access to the LGPS in England from April 2014.

Following the issue of the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, the position regarding councillors access to membership of the Local Government Pension Scheme from 1 April 2014 is now as follows:

A councillor member of the LGPS on 31 March 2014 may continue to accrue pension rights under their existing arrangement until the end of the term of office they are serving on 1 April 2014.

This therefore meant that all current serving councillors who were not a member of the LGPS on 31 March 2014 would no longer be able to join the scheme.

Those serving councillors who were a member of the LGPS on 31 March 2014 would cease to be a member once their current term of office elapsed, irrespective of whether they were re-elected or not.

Any new councillors would also not be eligible for membership.

If you have at least 3 months' membership when you cease membership of the LGPS before becoming entitled to the immediate payment of your benefits, your pension and lump sum will be deferred for payment, normally until age 65.

You may be able to transfer your LGPS benefits to another pension scheme, although you cannot transfer them to another LGPS Fund in England and Wales or join them to any membership of the LGPS you might take up as an employee in England or Wales.



LGPS 2014

As part of the Reform of Public Sector pension schemes, a new look LGPS was launched on 1 April 2014. **These changes are separate to those affecting councillors** but you may wish to be aware of the work carried out to inform our scheme members about these changes.

LGPS 2014 Road Shows

Between December 2013 and June 2014, the LGSS Pensions Service ran over 80 scheme member presentations and 10 employer training sessions in multiple locations across both Pension Funds.

The member presentations provided information about the main changes to the scheme from 1 April 2014. We explained why the changes were being made, how the changes affect members and the calculation of their benefits, and the protections in place for existing members.

We also explained the new provisions for increasing benefits through Additional Pension Contributions, changes to the rules for new Additional Voluntary Contributions arrangements commencing on or after 1 April 2014 and the increased flexibility over pension contributions introduced with the new 50/50 section of the scheme.

The employer training sessions focussed on employers' responsibilities in the scheme updated to reflect the new Regulations introduced on 1 April 2014. This introduced a number of changes to the information employers are required to give LGSS Pensions and guidance on how to administer some of the more complicated features of the new look scheme.

Both events were well attended and well received by scheme members and employers.

Newsletters

The Road Shows were also supported by a members' newsletter, distributed through employers. This was a short newsletter that provided a summary of the main changes to the scheme regarding contributions (normal and additional), the calculation of benefits, changes to the normal retirement age, and the protections built into the new Regulations. The newsletter was also made available via our website

LGSS Pensions Website

The LGSS Pensions website has also been updated to reflect the new Regulations and new pension forms have been made available for use by both scheme members and employers.



Limits on Pension Rights

Annual Allowance

Annual Allowance is the amount by which the value of your pension benefits can increase each year without you having to pay a tax charge. The annual allowance amount for 2014/15 tax year is £40,000, this is a decrease from the £50,000 limit during the 2013/14 tax year.

Should you exceed the Annual Allowance in any year you are responsible for reporting this to HM Revenue & Customs (HMRC) on your self-assessment tax return.

However, you can carry forward any unused amounts of Annual Allowance from the previous three years. This means that even if the value of your pension increases by more than the Annual Allowance limit in a year you may not be liable for the tax charge.

Most people will not be affected by the Annual Allowance tax charge because the value of their pension saving will not increase in a tax year by more than the Annual Allowance limit or, if it does, they are likely to have unused allowance from previous tax years that can be carried forward. If you have exceeded the Annual Allowance limit for the 2013/14 tax year, we will have written to you separately regarding this.

More can be read on the HMRC's website <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

Lifetime Allowance

Lifetime Allowance is the total value of all pension benefits you can take without paying an excess tax charge when you take payment of your benefits. The current Lifetime Allowance is £1.25 million, reduced from £1.5 million during the 2013/14 tax year.

Most people will not be affected by the Lifetime Allowance tax charge because the value of their pension benefits is unlikely to exceed the Lifetime Allowance limit; an annual pension of more than £45,000 would be required to exceed the limit.

More can be read on the HMRC's website <https://www.gov.uk/tax-on-your-private-pension/lifetime-allowance>

Death Grant—Expression of Wish

As a member of the LGPS you have life cover from the moment you join the scheme, with a one off lump sum equal to twice your career average pay becoming payable if you die whilst an active Councillor Scheme member.

We recommend that you regularly check who you have nominated to receive this lump sum to ensure it is up to date with your current wishes. Should you like to make a nomination, or change an existing one then please complete form **EOW1C** that can be found on the councillor page on our website

Please note that the Fund has total discretion over whom to pay, but generally we will honour your nomination unless there is a good reason not to do so.



Website

<http://pensions.cambridgeshire.gov.uk/index.php/councillors-pension-scheme/>

<http://pensions.northamptonshire.gov.uk/index.php/councillors-pension-scheme/>