

LPP


Local Pensions Partnership
Administration

Local Government Pension Scheme Active Member Newsletter 2021



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In an incredibly short period of time, we've had to adapt quickly to remote working, which has made us think differently, try new things and become more flexible than ever.

Welcome to our 2021 newsletter

What a difference a year makes!

After such a difficult year, it's impossible to introduce our newsletter without at least mentioning the pandemic. But rather than dwelling on the challenges we've faced over the last 12 months, I'd prefer to focus on the positives – like how we've discovered new ways of working, transformed our processes and created a safe and secure environment for our teams.

In an incredibly short period of time, we've had to adapt quickly to remote working, which has made us think differently, try new things and become more flexible than ever. Funnily enough, this has actually helped us to build a stronger sense of togetherness and I'm proud to say, it has made us even more effective as an organisation.

With this in mind, I want you to know that we remain 100% focused on providing a simple, straightforward and stress-free pension process. Whether it's getting you set up when you join your scheme, updating your pension preferences, or making sure your retirement income is paid on time, we're here to support you in any way we can.

I'm also pleased to confirm that we're planning a number of service improvements over the course of the year. In the following pages, you'll find details of what to expect in terms of online tools, videos and guides – plus plenty of tips on how to get the most out of your pension.

I hope you enjoy the read and please take a moment to pass on your feedback at the end.

Best wishes

Jo Darbyshire
Managing Director, LPPA

Are you looking after your loved ones?



With the Local Government Pension Scheme LGPS pension, you have the added reassurance of knowing that your loved ones will be well looked after when you're gone. If you die before taking your pension, it provides a tax-free lump sum to the people you care about most.

You can express a wish as to who you would like to receive this lump sum (also known as your death grant), by nominating a beneficiary via your **My Pension Online** account. And by adding in these details sooner rather than later, it can save your loved ones a great deal of time and effort further down the line.

Who can you look after?

- Your spouse or partner
- Son or daughter
- Family member or lifelong friend
- A charity that's close to your heart
- A combination of the above

While your pension scheme has absolute discretion over who your death grant goes to in order for it to not form part of your estate for tax purposes, they can take your wishes/nomination into account.

Jargon Buster – Death Grant

A death grant is a lump sum of money that you're entitled to when you have an LGPS pension. It acts as a kind of life insurance for your loved ones in the event of your death.

The importance of nominating a beneficiary

Choosing a loved one as your nominated beneficiary has many benefits;

- Gives you peace of mind that your lump sum goes to the right people
- Ensures your money is distributed fairly and securely
- Helps make sorting out your finances far less stressful for family and friends

Nominate your beneficiary today

Visit My Pension Online at:

lppapensions.co.uk/members/members-log-in 





It all adds up to a better pension

Understanding your pension contributions

One of the good things about having an LGPS pension is that when the cost of living goes up, so do your benefits. In fact, your pension is adjusted every April in line with inflation using the Consumer Price Index (CPI). And to make sure you never lose out, if living costs go down, your pension stays the same – so you really are well-protected.

This year, the LGPS pension increased by 0.5%. This was applied to all pensions on 12 April 2021, which means that as long as you are an active Member (paying into your LGPS pension up to 31 March 2021) 0.5% will have been automatically added to your balance!

To learn more about the 2021 pension increase, visit:

lppapensions.co.uk/pensions-increase-2021-2

What are you contributing?

How much you contribute to your pension is based on your salary. This is known as your contribution rate and is decided by your employer (not you) when you join your pension scheme. Your employer reviews your contribution rate in April each year.

Of course, if you want to top up your benefits, you can choose to increase your pension contributions. Alternatively, you can join the 50/50 section of your scheme, which allows you pay half the contributions in exchange for reduced benefits.

You can check your contribution rate (including for the 50/50 option) in the table below:

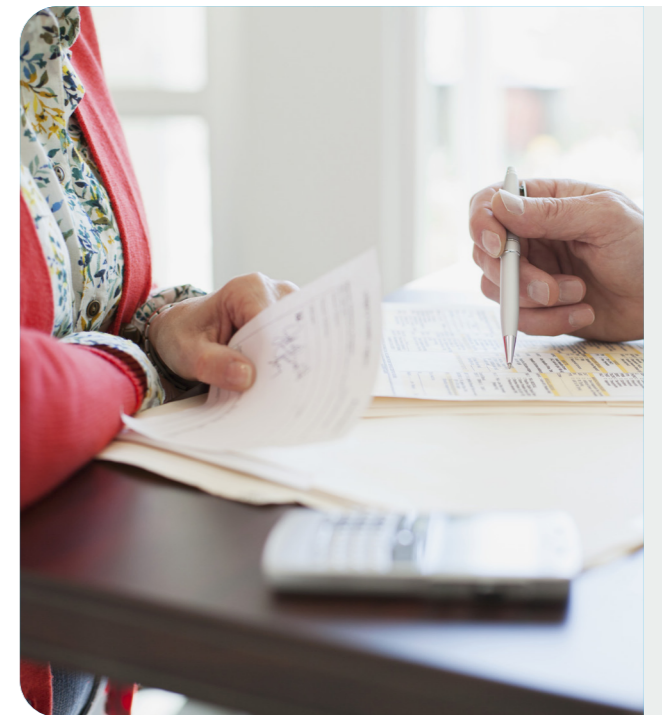
Your actual pensionable pay	Main Section contribution rate	50/50 Section contribution rate
Up to £14,600	5.50 %	2.75 %
£14,601 to £22,900	5.80 %	2.90 %
£22,901 to £37,200	6.50 %	3.25 %
£37,201 to £47,100	6.80 %	3.40 %
£47,101 to £65,900	8.50 %	4.25 %
£65,901 to £93,400	9.90 %	4.95 %
£93,401 to £110,000	10.50 %	5.25 %
£110,001 to £165,000	11.40 %	5.70 %
£165,001 or more	12.50 %	6.25 %

What if I get a pay rise?

If your pay changes during the year, your employer may decide to review your contribution rate then, rather than wait till the following April.

What if I have more than one job?

If you have more than one job and, as a result, more than one LGPS pension, each of your employers will determine the contribution rate for each salary you receive.



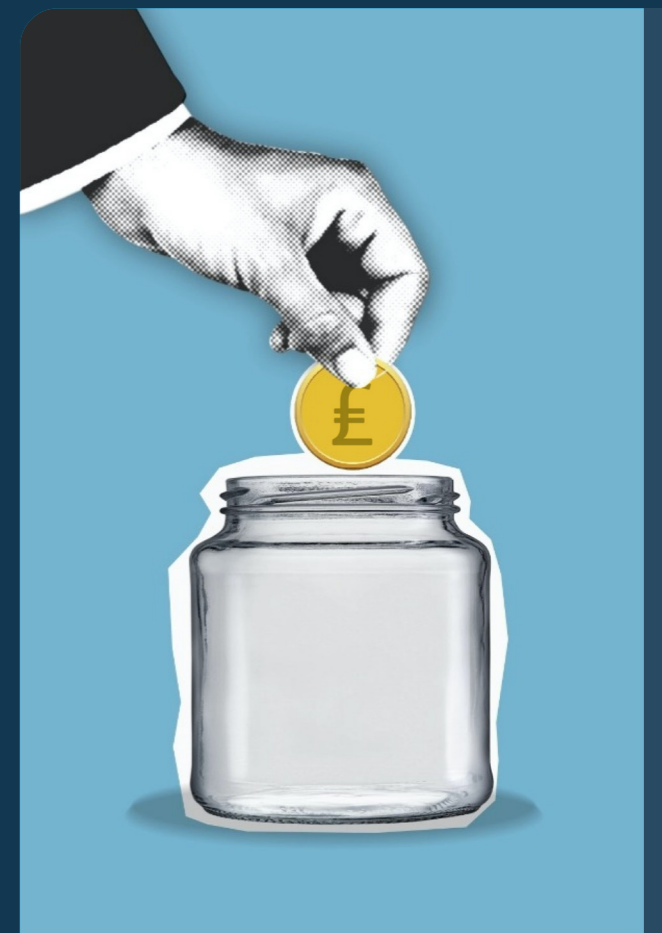
Increasing your contributions

If you want to increase your retirement benefits you can choose to buy additional pension contributions, known as APCs – up to maximum amount of £7,316 per year. This is then payable when you retire. Again, this figure will increase each year in line with inflation.

If you have been absent from work, your employer may also make contributions to help you buy back any lost pension. This is known as a SCAPC – shared cost additional pension contribution.

You can increase your contributions by paying APCs or SCAPCs in three different ways:

- Regularly for a period of time.
- Over a number of years.
- As a one-off lump sum.



To find out more about your pension contributions, visit the [LPPA website](https://lppa.org.uk)

Life is for Living!



Retirement is a funny thing. For some people it's the end of an era and a really tough decision, while for others it's all about new opportunities, which can't come quick enough. And, of course, there are those who flit between excitement, anxiety and good old-fashioned relief.

Whichever way you look at it, it's important to have all the information you need at your disposal. And it's never too soon to start planning. So, to make your life easier, we're putting together a series of communications that are designed to help with your retirement journey – starting with our new retirement video...

[Watch our new Retirement video](#)

Please keep an eye out for our retirement updates, which will be hosted on the new [Life is for Living](#) page of our website. And, if you have any questions or ideas on what you might like to see in the future, we'll be including a series of regular surveys where you can pass on your feedback.

To kick things off we've created a 30-second survey, which asks one simple question:

What does retirement mean to you?

We'd love to know your thoughts and, if you can't find the words, feel free to upload a picture instead.

[Take our 30-second survey](#)

Retirement this way...

Thinking about retiring?

Here are 10 tips to get you started...

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- #1** **Set a budget**
Plan ahead, consider your savings and any other investments you might have.
- #2** **Give your Employer plenty of notice**
Aim for at least three months, so you can enjoy your final days at work.
- #3** **Consider your additional voluntary contribution scheme**
We can't pay your pension if you still have an AVC ongoing.
- #4** **Request your lifetime allowance (LTA) figures**
If you have any other pensions, already in payment, you'll need your LTA figures from each provider to complete your retirement form.
- #5** **Track down any old pension pots**
You don't want to miss out on any benefits!
- #6** **Fill in your retirement forms sooner rather than later**
We'll send you your forms in the post once your employer has confirmed you're going to retire (and your salary details).
- #7** **Double check your bank details**
This must be a personal or joint account in your name.
- #8** **Dig out your birth certificate**
We'll need a copy of this, along with your forms, so we know it's definitely you!
- #9** **Gather together any additional documents**
Check your retirement forms for details of what you need.
- #10** **Scan (or take photos) of your forms and documents**
And use our contact form to send them over.



[Click here to download our checklist](#)

Getting the retirement lifestyle you want

Budgeting and increasing your benefits

To get the most from your retirement, it's worth thinking about the lifestyle you can have with the pension income you'll get - from covering your basic needs to enjoying some luxuries along the way.

To kick things off, it's good to have a target in mind and consider how you can live with that cash. For example, a single person could aim for:

£10,200 - Minimum lifestyle - to cover their needs with a little left-over cash for fun.

£20,200 - Moderate lifestyle - to provide financial security and flexibility.

£33,000 - Comfortable lifestyle - to enjoy more financial freedom and some luxuries.

Covering your costs

It often helps to break down those costs further, by working out how much you need to spend on each part of your lifestyle...

- ✓ *Monthly outgoings - for water, electricity and other bills*
- ✓ *House - for DIY maintenance and decorating*
- ✓ *Food and drink - for your weekly shop*
- ✓ *Transport - for car, bus or train costs*
- ✓ *Clothing and footwear - for replacing and expanding your wardrobe*
- ✓ *Holidays and leisure - for travelling and weekly hobbies*
- ✓ *Helping others - for birthdays and other presents*

A weekly food shop, for example, could range from spending £38 (minimum lifestyle) to £56 (comfortable lifestyle).



To find out more, visit Retirement and Living Standards from the Pensions and Lifetime Association: retirementlivingstandards.org.uk

Fancy a top up?

You can also make your retirement income go further with an additional pension contribution (APC) or additional voluntary contribution (AVC) scheme.

APC – When you buy additional local government pension that's payable when you retire.

AVC – When you build up a second pot of money to add to your existing pension.

When considering these schemes, think about what you can afford. And remember, you'll get tax relief on the extra contributions you make... so it might be more affordable than you think!

To learn more, visit [Increasing Benefits](#)

How has Covid affected your pension?

If you're worried about how the pandemic has affected your pension, the following Q&As will hopefully put your mind at rest.

Will a fall in fund performance affect my pension?

No, it won't. The LGPS is a guaranteed public sector and defined benefit scheme, which means your pension is safe, whatever happens. This is because your pension benefits are calculated on your pay, not on the performance of the fund itself.

Is my pension still safe if I'm on furlough?

Yes, it is. You will still continue to pay into your pension through your furloughed salary. The only thing to bear in mind is that your benefits may be slightly reduced during the furlough period, if your pay is reduced. This is because your benefits for the year are based on the amount of pay you receive.

Remember, you can also top up your pension benefits via additional pension contributions (APCs) or additional voluntary contributions (AVCs) – see page 10.

What if I lose my job?

Although losing your job means you'll no longer be able to pay into your pension, you won't lose the benefits you've already built up. We'll just keep them safe, ready for you to collect when you reach retirement.



Don't forget about your mental health

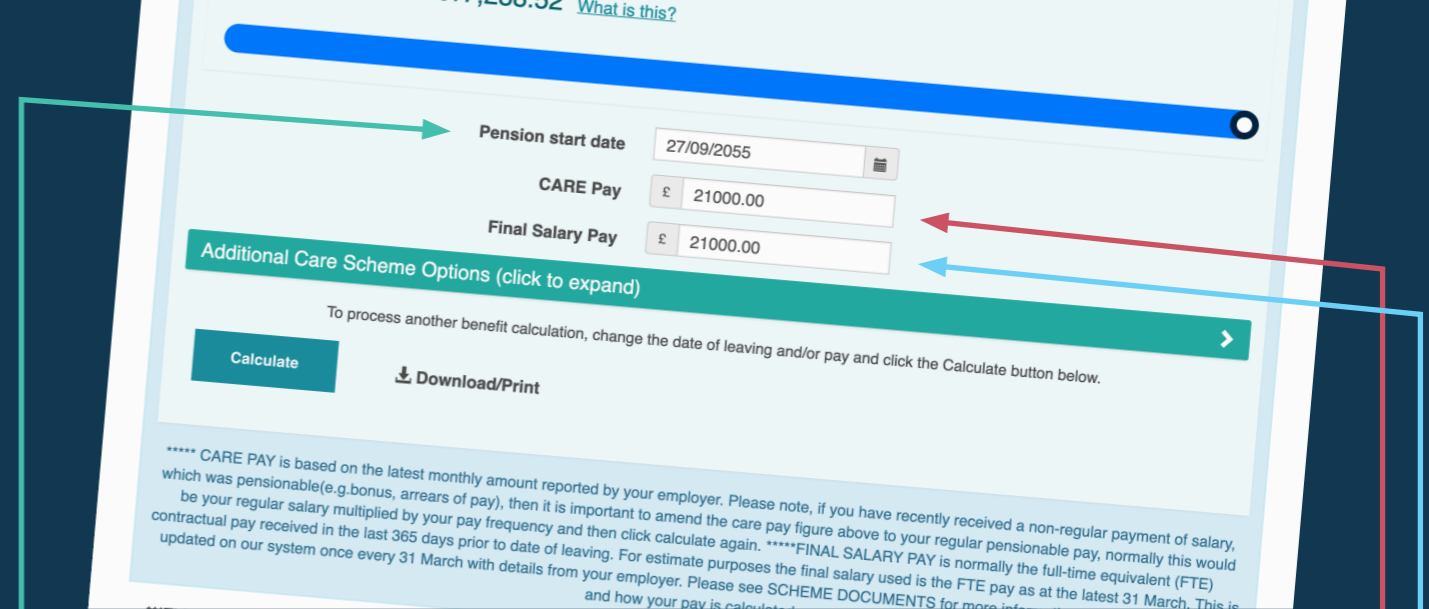
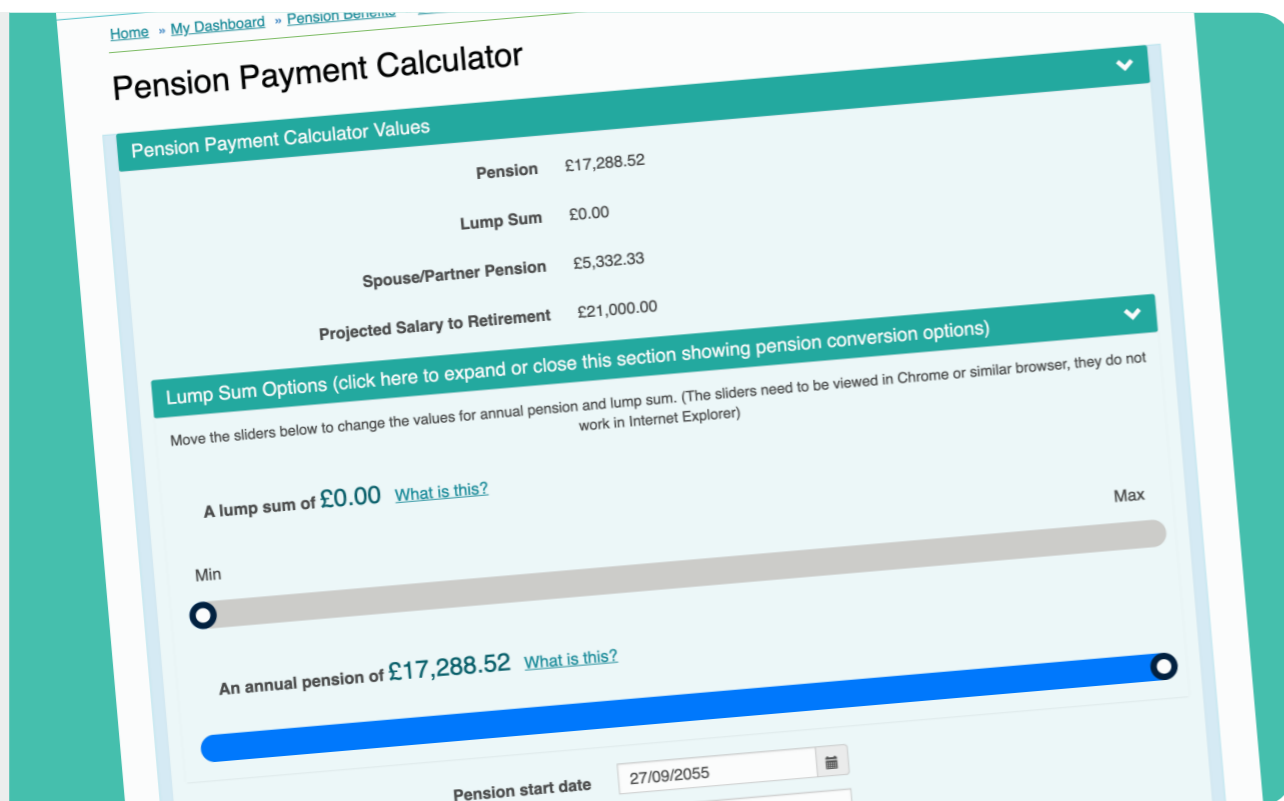
It isn't just your pension that needs looking after during the pandemic. Maintaining your mental health and wellbeing is more important than ever. Here are some tips that might help.

1. Exercise regularly to keep yourself active – it's a great way to relax and reduce stress.
2. Use mindfulness to focus your mind via the senses – sight to sound, touch to taste.
3. Learn something new – building up knowledge, skills and interests can boost morale.
4. Limit your intake of daily news – it may help to reduce worries and anxieties.
5. Follow a daily routine if you're homeworking or on furlough – it helps you feel in control.
6. Diarise your activities – recognising your achievements can create positive thoughts.

Have you tried our pension calculators?

Whether you're planning your retirement or just weighing up your future finances, our online pension calculators can save you a great deal of time and effort. Here's how to get an estimate of your benefits in just a few clicks.

1. **Log in to [My Pension Online](#)** – using your username and password. If you haven't tried it before, watch our video on [How to register and activate your account](#)
2. **Select your calculator** – by clicking the Benefit Calculators link in the Pension Benefits tile. There are five options to choose from:
 - **Deferred benefits** – calculates your future benefits if you're no longer paying into the scheme.
 - **Pension Payment calculator** – calculates your future benefits if you're part of an active scheme.
 - **Ill health retirement** – estimates your benefits if you retire due to ill health.
 - **Death benefits** – works out how much your beneficiaries would receive in the event of your death
 - **Redundancy retirement** – estimates your retirement benefits if you're made redundant.
3. **Enter your calculation details – by filling in the boxes**
Depending on when you joined the LGPS scheme, you will be asked to complete at least two of the three boxes opposite:



Pension Start Date – the date you intend to take your pension.

Tip – try changing your retirement date to see how this affects your benefits.

CARE Pay – your gross annual earnings, based on what you actually earn (e.g. full-time, part time or overtime).

Tip – this is pre-populated based on your latest salary, but you can make adjustments if you don't think it's quite right.

Final Salary Pay – your gross annual earnings (or full-time equivalent if you're working part-time).

Tip – this option will only be visible if you joined your scheme before 2014. And again, you can make adjustments if you don't think it reflects your final salary.

Once you're happy with the details, hit the **calculate** button to reveal your benefits estimate.

Please note: the figures provided are only estimates of the benefits you could receive, they are not guaranteed.

Additional tips

- You can take up to 25% of your total pension benefits as a tax-free lump sum. Use the slider function to increase or decrease your 'lump sum' option and see how it affects your annual benefits.
- If you have taken out Additional Voluntary Contributions (AVCs), remember this will increase your pension benefits – unfortunately, this isn't included in your calculations.
- You can expand the Additional Care Scheme Options to include more options into your calculation.
- Use the Download/Print option to keep a permanent record of your calculation.

Remember, you can play with the numbers as often as you like and, if you're struggling to make sense of it all, take a look at our brand new **How to use your Pension Calculator** video.

[Watch our new How to use your Pension Calculator video](#)

Don't let a scammer enjoy your retirement...



6 tips to avoid a pension scam

The prospect of scammers can be quite unnerving when you're planning your retirement. But as long as you're sensible and know what to look out for, you can avoid them getting anywhere near your pension.

Here are six tips to help you stay alert...

1

2

3

4

5

6

Reject unexpected offers

If a pension company suddenly contacts you with an enticing offer, which you've not come across before, it's probably a scam. Scammers are known for cold-calling about pensions, but this became illegal in 2019. So, if you're cold-called, remember that caller is breaking the law, reject the offer right away and hang up.

Check who you're dealing with

It's not unusual for fake pension companies to seem legitimate. Scammers are experts in creating websites and brochures that look above board. So, it's wise to do your research and check who you're dealing with. It's also worth checking the Financial Services Register register.fca.org.uk/s/ for their details to make sure they're FCA-regulated.

Be aware of false claims

Pension scammers often try to draw you in by making hard-to-beat claims. They'll use words like "pension liberation," claiming that you'll "gain high-guaranteed returns" or "access to your pension before you're 55." But such claims are actually not possible for a pension company. Like many things in life, if it seems too good to be true, it probably is.

Never give out your bank details

You should never give your bank details to a company that contacts you – over the phone, online, or in person. This includes your bank account number, card PIN and online banking password. An official pension company will never ask you to provide these details. If they do, it's most likely a scam... so beware!

Don't feel rushed or pressured

Setting up a pension shouldn't be a rushed task. But scammers will pressure you to act quickly and sign up on the spot. If you come across a pension scheme that you'd like to know more about, don't feel rushed or pressurised into making a decision. Read all the available information carefully before you commit to anything.

Get impartial advice

It's always worth getting impartial advice to stay on the safe side of a potential scam. You can get this free from The Pensions Advisory Service. Or by speaking to an independent financial adviser. Remember, the adviser should be regulated by the FCA and not linked to the pension company offering the scheme you're interested in.

What to do if you suspect a pension scam

Report it to the Financial Conduct Authority (FCA)
Phone **0800 111 6768** or use the reporting form at www.fca.org.uk

Report it to Action Fraud
Phone **0300 123 2040** or visit www.actionfraud.police.uk

Contact your pension provider immediately
Especially if you're in the middle of a transfer

Get in touch with The Pensions Advisory Service
Visit www.pensionsadvisoryservice.org.uk


Things to remember when setting up or transferring a pension

- ✓ Choose a company you know you can trust
- ✓ Understand how your pension works
- ✓ Know what you're entitled to as a pension Member
- ✓ We've signed a pledge to combat pension scams – [click here](#) to find out more





5 pension tips to make your life easier

- 1. Register for My Pension Online (MPO)**
Our online self-service portal allows you to view your benefits, update your contact details and add in beneficiaries - in just a few clicks.
- 2. Don't rely on your work email address**
Update your MPO account with a personal email address – because unlike your work email, it's likely to stay with you for life.
- 3. Transfer your old pensions**
Typically, you only have one year to transfer any old pensions to your new LGPS scheme, but it can often be much easier than managing multiple pensions.
- 4. Don't keep retiring a secret**
The more notice you give your employer and colleagues, the more opportunity you'll have to enjoy your last days at work. Aim for at least 3 months' notice.
- 5. Visit our website**
We've added all kinds of useful information to our website over the last 12 months.
Take a look and see for yourself at lppapensions.co.uk 



Ask the expert!

Joe Kerry
LPPA Helpdesk Adviser

The LPPA Helpdesk handles over 8,000 enquiries from Members each month – over the phone and by email. We recently caught up with one of our Helpdesk experts, **Joe Kerry**, about what it's like to speak to Members every day and what pension insights he would like to pass on.

- 1. How long have you worked on the Helpdesk?**
Three years.
- 2. What do you enjoy the most?**
Coaching the new starters on our team and watching them develop into great agents. I also like speaking to Members and making a positive difference. I'm always happy when a Member leaves a call satisfied with the service.
- 3. What's the hardest thing to deal with on the Helpdesk?**
I'd say dealing with bereavement calls has been the hardest thing – especially during these unprecedented times. It's never easy speaking to someone who has just lost a loved one.
- 4. What do you do to ensure a good customer experience?**
I always make sure I communicate with Members in a friendly positive manner and think about the individual needs and requirements of each member. I always try to go the extra mile to ensure they are happy with our service.
- 5. What tips do you have for our Members that could improve their experience?**
The first thing I'd say is if you haven't done already, please sign up to My Pension Online. It's a straightforward process and could save you a great deal of time and effort.
- 6. How can My Pension Online help Members?**
The main thing is that it puts you in control of your pension. As well as updating your personal details, you can view your annual benefit statements and access a range of benefit calculators to help you plan for your future. Even if you're not ready to retire, it's never too early to start thinking ahead.
- 7. What things are important for Members to remember?**
If you're looking to top up your pension benefits, this should be done sooner rather than later. If it's less than a year before you retire, it's too late. Also, if you have recently joined the scheme, you may want to transfer other pensions into the scheme. If so, you need to do this within one year of your start date.
- 8. Any other good tips?**
The other thing I'd say is take a look at our [website](#). Whether you are looking for general information or have a specific question, it's a great place to start. You can also download forms and other documents, without ever having to pick up the phone.



April

LPPA signs pension scams pledge

We have signed a pledge to help combat pension scams and continue to improve how we protect our Members. The pledge, set up by non-departmental public body, The Pensions Regulator, aims to encourage businesses to do what they can to protect pension scheme Members from scams.

LPPA launch retirement video

We have created a video to help Members through the retirement process. The video explains the steps you need to take to retire to make the process easier to follow, understand and complete.

We're shortlisted for Pensions Age award

We have been shortlisted for a Pensions Age Award for Administration Provider of the Year. The awards, organised by leading pensions magazine Pensions Age, celebrate excellence within the UK pensions industry. The Pensions Age Awards take place in London in July this year.

May

Janet speaks at PLSA conference

LPPA's Head of Risk and Compliance, Janet Morville-Smith, was selected to speak at the Pensions and Lifetime Savings Association's (PLSA) Local Authority Conference. Janet's session, McCloud – now the work begins, looked at the impact of the McCloud judgement and how it is likely to affect public sector pension schemes.

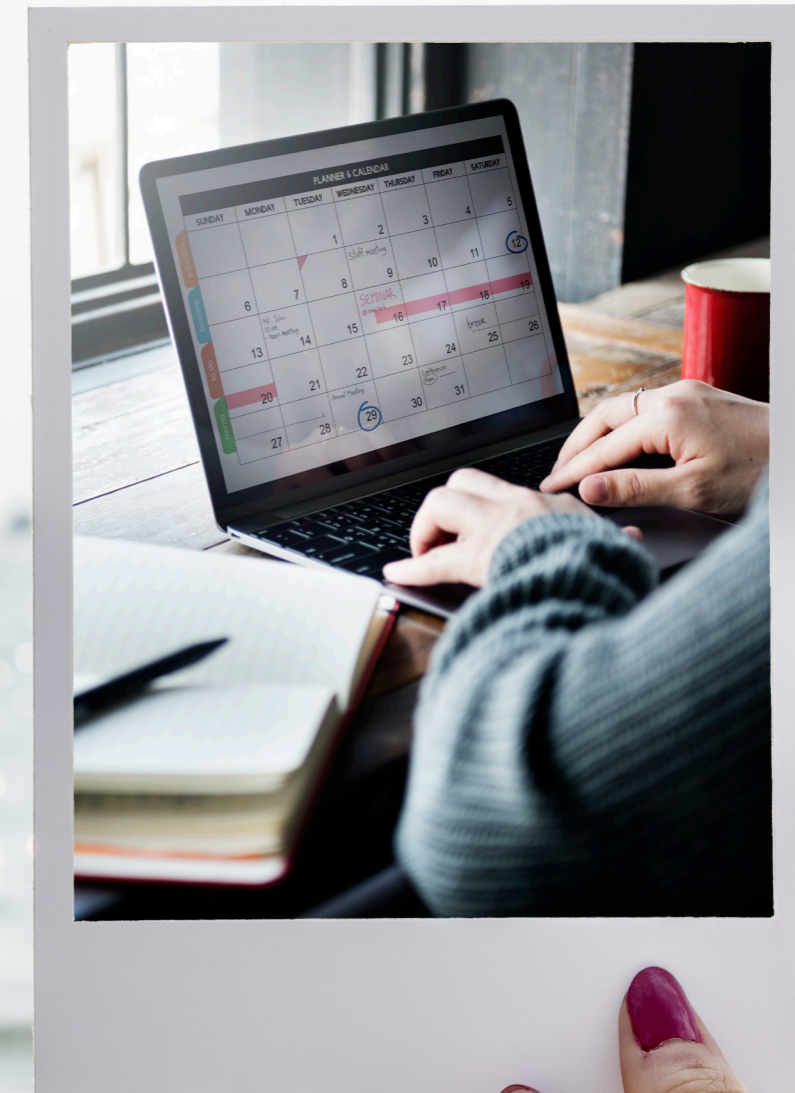
June

Helpdesk up for contact centre awards

Our Helpdesk has been shortlisted for two UK National Contact Centre awards. The team, which supports Members over the phone and via email, is up for Contact Centre of the Year and Team Manager of the Year. The award winners will be announced in London this September.

Jo shares insight on expert panel

LPPA's Managing Director, Jo Darbyshire, shared her insight into managing risk and fraud when she spoke on an expert panel for a webinar from companies Target and Ebury. Along with four other industry experts, Jo tackled questions on issues facing today's pension industry, such as the types and causes of fraud.



To read more about these stories and others, visit our news page:
lppapensions.co.uk/news

How can we improve our
newsletter?

Please take a minute to let us know what you
think of our newsletter.

Complete our short survey 

Contact Us

To contact us, please visit: www.lppapensions.co.uk/contact-lppa

Please note: if you send us any correspondence by tracked mail you may receive a notice from Royal Mail saying they were unable to deliver the item. This is only because our mail is being sorted off site due to Covid-19. Rest assured we will still receive your mail so there is no need to call us we will action your mail in the usual manner.

Useful links & contacts

LGPS FAQs: www.lgpsmember.org/news/story/covid_19_member_qanda.php

COVID-19 information:

NHS: www.nhs.uk/conditions/coronavirus-covid-19

GOV.UK: www.gov.uk/coronavirus

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