

Pension statement at 31/03/2020

MEMBER
ADDRESS

Your member number: **XXXXXX**
E-mail: pensions@wypf.org.uk
Statement printed on 17/04/2020

Your personal details

Check the details below and tell your employer if something is wrong.

Full name: XXXXXXXXXXXXX

Date of birth: DD/MM/YYYY

Employer: Bradford M.D.C

Pay reference: XXXXXXXXX

Section of scheme at 31/03/2020: Main Section

Date joined scheme: DD/MM/YYYY

Job title: Senior Finance Officer, working full time

Value of your benefits at 31/03/2020

Final Salary Scheme

You were a member of the Final Salary Scheme from 01/06/1987 to 31/03/2014

CARE Pension Scheme

You've been in the CARE Pension Scheme since 01/04/2014

Rate of pay at 31/03/2020:	£32,878.00	Total pensionable pay earned from 01/04/2019 to 31/03/2020	£32,877.96
Final Salary membership	22 years 161 days	Opening balance at 01/04/2019	£3,179.01
Final salary yearly pension	£9,983.50	Cost of living adjustment	+ £76.30
	and	Pension built up during year	+ <u>£670.98</u>
One-off lump sum	£20,821.23	Closing balance at 31/03/2020	£3,926.29

Important: if you think your pay looks wrong, tell your employer - your pension could be wrong too.

Final Salary pension £9,983.50

CARE closing balance + £3,926.29

Total yearly pension = £13,909.79

and

One-off lump sum £20,821.23

Your pension estimates

- We've already adjusted the amounts here if you are drawing your benefits earlier or later than normal.
- We've assumed your pay will carry on as £32,877.96 each year. If your pay changes (for example, if you increase or decrease your hours or change your job), the figures here will change too.
- All **pension** amounts are yearly amounts. All **lump sum** amounts are a one-off payment, which is paid on the day you retire. Lump sums are usually paid tax-free.
- To work out your maximum one-off lump sum, you get £12 extra lump sum for every £1 of pension you give up. But you don't have to take the maximum - we ask you how much you want to take when you retire.
- Always ask **your employer** for a full **pension estimate** before you decide to retire.

What if I retire on my 55th birthday?

This is what you'd get if you finish work on 06/01/2022 and take your benefits from 07/01/2022:

Standard benefits	Pension	£10,196.61	OR	Maximum lump sum, by giving up pension	Pension	£7,545.46
	Lump sum	£18,489.25			Lump sum	£50,303.05

What if I retire on my 60th birthday?

This is what you'd get if you finish work on 06/01/2027 and take your benefits from 07/01/2027:

Standard benefits	Pension	£15,368.13	OR	Maximum lump sum, by giving up pension	Pension	£10,994.94
	Lump sum	£20,821.23			Lump sum	£73,299.51

What if I retire on my 65th birthday?

This is what you'd get if you finish work on 06/01/2032 and take your benefits from 07/01/2032:

Standard benefits	Pension	£20,696.73	OR	Maximum lump sum, by giving up pension	Pension	£14,420.47
	Lump sum	£20,821.23			Lump sum	£96,136.35

What if I retire on my state pension date?

This is what you'd get if you finish work on 06/01/2034 and take your benefits from 07/01/2034:

Standard benefits	Pension	£23,944.63	OR	Maximum lump sum, by giving up pension	Pension	£16,516.55
	Lump sum	£20,973.22			Lump sum	£110,110.18

Your CARE (Career Average Revalued Earnings) pension account

We revalue your CARE pension account on 1st April each year in line with the requirements of HM Treasury's Public Service Pensions Revaluation Order. It was increased by 2.4% on 01/04/2019, shown on the front page as **cost of living adjustment**. This is how your **pension built up during year** shown on the front page was worked out:

Main section pension		£670.98	<i>1/49th of £32,877.96</i>
50/50 section pension	+	£0.00	<i>1/98th of £0.00</i>
APCs	+	£0.00	<i>pension bought by APCs you paid during 2019/2020</i>
Transfers in	+	£0.00	<i>pension from your non-LGPS transfers received during 2019/2020</i>
Total for year	=	£670.98	

What's paid if I die before I leave this job?

One-off death grant:
£98,633.88

+

Partner's pension:
£8,663.77

If you die before you leave your job, your husband, wife, civil partner or an eligible cohabiting partner would get the partner's pension shown above, each year for the rest of their life. Your children may also be eligible for a pension. Read more at www.wypf.org.uk/deathgrant.

We think your marital status is married, so we've used this to work out the partner's pension above. If your marital status is different, the amount may be wrong. Contact us to update your marital status.

If you nominated someone to get your death grant, they would normally get at least 3 times your pensionable pay (an annual figure based on the pay you earned in the 12 weeks up to your death) when you die.

If you die while on reduced or no pay, the death grant and any dependants' benefits payable will be worked out on a notional pay figure based on the pay you would have received in the 12 weeks before reduction. This means the benefits could be lower than the figures quoted above.

This is who you've already nominated:

Mr HUSBAND - 50%

Master SON 1 - 25%

Master SON 2 - 25%

Are these still right? Get a form by visiting www.wypf.org.uk/deathgrant or phone 01274 434999.

Your pension tax relief limits

Lifetime Allowance: the maximum amount of pension savings you can build up over your life that benefits from tax relief. The Lifetime Allowance for 2019/2020 is £1055000.

The estimated Lifetime Allowance that you have used at 31/03/2020 is **£300,536.03** (28.48%).

Annual Allowance: the maximum your benefits can grow each year without incurring a tax charge.

Your estimated pension savings for the year 2019/2020 are **£11,244.64** for member number 768084. This figure is below the Standard Annual Allowance threshold of £40,000 but a lower allowance may apply to you if you have income exceeding £110,000.

If you have paid pension contributions in more than one job this year, or have another pension anywhere else, you need to add all your pension savings together. You can read more about this at www.wypf.org.uk/allowances.

Notes

Final Salary scheme

Membership

You built up total Final Salary membership of **22 years 161 days** on 31/03/2014 when the Final Salary scheme ended. Your membership up to 31/03/2008 is 16 years 324 days and your membership from 01/04/2008 to 31/03/2014 is 5 years 202 days.

As you haven't always been full-time, your membership has been adjusted. For example, if you worked 10 years at 18.5 hours per week out of a possible 37, you would have a total membership of 5 years.

Final Pay

Your employer told us your annual rate of pay at 31/03/2020 was **£32,878.00**. We used this pay to work out your Final Salary benefits. Certain elements of pay - for example, non-contractual overtime - were not classed as pensionable under the Final Salary scheme so aren't used to work out these benefits.

When you leave or retire, we normally work out your Final Salary benefits using the pensionable pay you earned in your final year, or one of the two previous years if that's higher.

How we work out your Final Salary benefits

Yearly Pension

Membership to 31/03/2008 x 1/80 x final pay **plus**

Membership from 01/04/2008 to 31/03/2014 x 1/60 x final pay

One-off lump sum

Membership to 31/03/2008
x 3/80 x final pay

CARE Pension Scheme

You're now in a CARE (Career Average Revalued Earnings) scheme, this means you know how much your pension will be when you retire. Your pension builds up at 1/49th of your pay each year (or 1/98th if you're in the 50/50 section). This means whatever pay you receive each year, you get 1/49th of it (or 1/98th) as a pension. The contributions you pay into the scheme have no bearing on the amount of pension you will get.

How to contact us

E-mail: pensions@wypf.org.uk

Post: WYPF, PO Box 67, Bradford BD1 1UP

We may have fewer colleagues than usual answering our phones right now because of the coronavirus outbreak. This may have a big impact on our call wait time and we're sorry about this.

To help us support those who are in most urgent need, we'd ask you to contact us by e-mail. We might not be able to respond straight away, but rest assured your question or request will be logged and we'll get back to you as soon as we can.

See our website www.wypf.org.uk for more detailed information about your pension statement and the LGPS. All amounts are based on our understanding of current LGPS and HMRC legislation and may be subject to change.

How we use your information City of Bradford Metropolitan District Council runs West Yorkshire Pension Fund, which administers the LGPS. We hold data about you so we can provide services to you and our stakeholders. We use this data to meet our legal obligations under the LGPS Regulations 2013 and other regulations. We have appointed Adare SEC Ltd to print and deliver your pension statement on our behalf. We share only data about you that they need to print and deliver your statement, and they will securely delete your data once this is done. For more information about how we collect and use your data and what your rights are, see www.wypf.org.uk/privacy If you have any questions about this, please contact us first.

Pension

NEWSLETTER

SPRING/SUMMER 2020 • ACTIVE MEMBERS

CARE pensions up 1.7% in 2020

The adjustment to your CARE pension for 2020 is an increase of 1.7%. But you'll see on page 3 of your statement (under "cost of living adjustment") that your CARE pension account was increased by 2.4% on 1 April 2019.

Why isn't the 1.7% increase on my 2020 statement?

The reason is that the statement only shows your pension up to **31 March 2020** - the day before the 1.7% increase was applied to your pension on 1 April 2020. You'll see the 1.7% increase on your 2021 statement instead.

About the adjustment

We adjust the pension you've built up so far every April in line with the Treasury Department's Revaluation Order, currently set by the Consumer Price Index (CPI) for the September before the increase date.

The adjustment only applies to the CARE part of your pension.

If you also have final-salary pension benefits from membership before April 2014 they're worked out differently and the increase doesn't apply to them until you retire.

New contribution bands for 2020/21

The contribution rate you pay for your LGPS pension depends on which "pay band" your pay falls into, and the bands usually change in April. The government adjusts the bands according to the Consumer Price Index for the previous September, so this year they went up by 1.7%.

The table to the right shows the new pay bands and your contribution rate for the main section of the scheme and the 50/50 section (find out more about that www.wypf.org.uk/5050) if you opted to pay half contributions.

Yearly Pay	Contribution Rate	
	Main	50/50
Up to £14,600	5.5%	2.75%
£14,601 to £22,800	5.8%	2.9%
£22,801 to £37,100	6.5%	3.25%
£37,101 to £46,900	6.8%	3.4%
£46,901 to £65,600	8.5%	4.25%
£65,601 to £93,000	9.9%	4.95%
£93,001 to £109,500	10.5%	5.25%
£109,501 to £164,200	11.4%	5.7%
£164,201 or more	12.5%	6.25%

BOOK EARLY TO AVOID DISAPPOINTMENT

2020 Affinity Connect retirement workshops

We're planning* the fourth season of our very popular retirement workshops for members in association with retirement specialist Affinity Connect. These free workshops are designed to raise awareness of the key issues you need to consider as you approach retirement and look at some of the decisions you will need to make. They're especially useful if you're thinking of retiring in the next couple of years, but also if you're not yet sure when you want to retire.

**Because of the coronavirus outbreak, we don't know if all these sessions will go ahead on the dates shown. Please check www.wypf.org.uk/active-events for more information. If the dates shown are cancelled, we will arrange new ones later on.*

What's covered?

Lifestyle changes • Managing change • Income in retirement • State pension and other benefits • Personal taxation and tax tips • Money management • Budgeting in retirement • Making your money last

West Yorkshire		Lincolnshire	
Workshops run from 9am to 12.15pm		Most workshops run from 1pm to 4.15pm	
Bradford	12 Jun	Grantham	16 Jul
Wakefield	20 Jul	Branston	11 Aug
Leeds	17 Sep	Swineshead	8 Sep
Wakefield	27 Oct	Gainsborough	14 Oct
Leeds	13 Nov	Sleaford	10 Nov

Hounslow

Hounslow	30 Sep	12.30 to 3.45pm
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Book online at
www.wypf.org.uk/active-events

2020/21 HMRC allowances

Annual Allowance - £40,000 but with a tapered reduction to a minimum of £4,000 depending on earnings

Lifetime Allowance - £1,073,100

Find out more at www.wypf.org.uk/allowances

The annual allowance is the maximum amount of pension savings that you can build up in a year. In the 2019/20 tax year, the annual allowance of £40,000 was reduced or "tapered" for those earning over £110,000 a year, meaning that for every £2 of "adjusted income" over £150,000, the annual allowance for that year reduced by £1. Adjusted income is all your income plus any pension contributions you've paid.

Budget changes for 2020/21

From 6 April 2020 the income threshold goes up to £200,000, so if you earn under this amount you won't be affected by the tapered annual allowance. The annual allowance will only begin to taper if your income is above £240,000, which is the £200,000 allowance plus the £40,000 you can save into a pension. At the same time the minimum annual allowance goes down from £10,000 to £4,000, only affecting those with an income of over £300,000.

2019 annual meetings

West Yorkshire members attended a meeting on 6 November 2019 at City Hall in Bradford.

Councillor Andrew Thornton, chair of WYPF, chaired the meeting, which included analysis of our investment and administration performance over the year, and presentations from director Rodney Barton and fund investment advisers Noel Mills and Mark Stevens.

Hounslow Pension Fund held its annual general meeting at Hounslow House on 21 November.

The meeting was introduced by the Executive Director of Finance & Resources, Clive Palfreyman, and HPF's investment adviser updated delegates on the Fund's financial position.

You can download the presenters' PowerPoint slides for both at www.wypf.org.uk/meeting

Protections extended for some members

The Government has confirmed that protections for older scheme members in the 2014 pension reforms should be extended to younger members following a successful age-discrimination legal challenge.

This will only apply to people who joined the LGPS before 2014. Changes will be backdated to 2014, but the judgement doesn't mean everyone will see an increase to pension benefits, and any changes are likely to be small.

We don't know when any changes will happen, so please don't contact us about this yet. Check wypf.org.uk for updates. Note that if your pension changes in any way, it will happen automatically.

Equitable Life AVC transfer complete

We told you in the last newsletter that, as the single overall policy holder for scheme members who pay AVCs (additional voluntary contributions) to Equitable Life, we would vote on a proposal to transfer all Equitable Life's policies to assurance company Utmost Life and Pensions. The vote has gone ahead and the transfer to Utmost Life and Pensions is now complete. As a result, the with-profits fund has closed, ending the guaranteed investment return and converting with-profits to unit-linked policies. Members who pay AVCs for life cover only will see no change to their policy. We are writing to members about the transfer to Utmost, and there's more information at www.equitable.co.uk/helpful-qas

Your pension is protected against stock market falls

You will have seen the news lately about falls in stock markets and the impact on some people's pensions.

But LGPS defined benefit pensions are not linked to stock market performance and are set out in statute by the government. LGPS scheme members can, therefore, be assured that both their contributions and their pension, whether in payment now or built up to date, will be unaffected.

Although short term investment values may vary, the LGPS as a long-term investor is securely managed to address any longer-term impacts.

Serious ill health

Helping ill members with a short life expectancy

When seriously ill members have a life expectancy of just a few weeks, an employer should contact us to make sure of the best financial outcome for members and their families. The type of benefits awarded can mean a considerable financial difference. If you find yourself in this difficult situation, talk to your employer and make sure they ask us urgently to set out how best to help you and your dependants.

Your death grant

If you die while you're paying into the scheme, we pay a death grant of at least three times your pay (the actual amount may be different if you have other pensions in the LGPS). You can choose who gets this money. If you haven't nominated anyone yet we've included a form with this statement or you can download a form at www.wypf.org.uk/deathgrant

Moving House?

If you move house, we need to know your new address - not only to keep your records up to date but to make sure personal or sensitive information doesn't go to your old address, putting you at risk of identity fraud.

So when you move, please let us know about it as soon as you can. Please also tell your employer you've moved, and if you're paying AVCs, your AVC provider.

Transfer time limits

Thinking about leaving the pension scheme and transferring your LGPS pension to another provider?

Remember that to be entitled to transfer your pension you must leave this scheme and choose to transfer your pension at least one year before your normal pension age (NPA). The NPA for most members is their state retirement age. But some members have a protected NPA of age 60 or 65.

If you're interested in a transfer don't leave it too late to ask!

Beware of pension scams: falling foul of a scam could mean you lose some or all of your money. See pension-scams.com or fca.org.uk/scamsmart

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Available in large type, Braille or in audio format on request.

We intend to make the information we give you available online only in the future. But don't worry, if you don't have access to the internet or prefer not to use our online services, we can send important pension information by post on request.

Your pension scheme at a glance

Build up rate of 1/49th of your pay a year

Revalued yearly by Treasury order

Build up rate for survivor benefits 1/160th

Pensions in payment inflation protected

What pay counts towards my pension?	Actual pay including overtime, and additional hours if you're part time
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Can I reduce my contributions?	You can temporarily pay 50% contributions to get 50% pension
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What's my normal pension age?	Your state pension age
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Can I trade pension for lump sum?	Yes – get £12 lump sum for every £1 pension you trade
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What death grant is paid if I die "in service"?	A lump sum of at least three times your pensionable pay
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How is my pension enhanced if I retire because of ill health?	Depends if it's tier 1, 2 or 3... 1) enhancement to normal pension age 2) 25% enhancement to normal pension age 3) temporary payment of pension for up to three years
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How long do I have to pay in to be entitled to a pension?	Two years
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How long can I pay into the pension scheme?	Up to age 75
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Contact us

Email pensions@wypf.org.uk

Post WYPF, PO Box 67, Bradford BD1 1UP

Our offices may be closed to visitors when you read this because of the coronavirus outbreak. Please check our website before you visit us.