

Dorset County Pension Fund Newsletter 2020



Included in this newsletter

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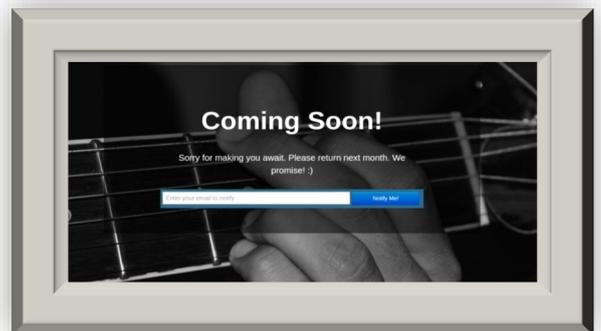
This leaflet provides you with important information regarding the Local Government Pension Scheme (LGPS). If you have any queries regarding any of the topics discussed in this leaflet, please do not hesitate to contact a member of the Dorset County Pension Fund (DCPF) team at: pensionshelpline@dorsetcouncil.gov.uk

Dorset County Pension Fund new website w.e.f. 1 October 2020

The Dorset County Pension Fund (DCPF) main website will be changing from 30 September 2020. The new website address from 1 October 2020 will be www.dorsetpensionfund.org. On this website you will find member information, plus forms and publications.

Please note that this does not affect My Pension, the DCPF online member self serve portal.

www.dorsetpensionfund.org



COVID-19

The National LGPS member's website has compiled a series of useful FAQs for LGPS members, which can be found at https://www.lgpsmember.org/news/story/covid_19_member_qanda.php. The FAQs cover various concerns and topics relating to the COVID-19 crisis, including:

- Financial impact of COVID-19
- Affect of stock market changes
- Impact to pension of reduced pay—further information on the furlough scheme is contained within this newsletter
- Advice concerning the increase of pension scams—further information contained within this newsletter
- The Coronavirus Life Assurance Scheme

Please contact us: Dorset County Pension Fund, County Hall, Dorchester, Dorset. DT1 1XJ
Email: pensionshelpline@dorsetcouncil.gov.uk
Online Pension access: <https://mypension.dorsetcc.gov.uk>

Government response to consultation on restricting exit payments

The government has published its response (<https://www.gov.uk/government/consultations/restricting-exit-payments-in-the-public-sector>) to the April 2019 consultation on restricting exit payments in the public sector. This may primarily affect LGPS members who are made redundant.

The Small Business, Enterprise and Employment Act 2015 ('the 2015 Act') as amended by the Enterprise Act 2016 ('the 2016 Act') provides the power for HM Treasury to make regulations implementing a £95,000 cap on exit payments in the public sector. The cap of £95,000 will apply to the aggregate sum of payments made in consequence of termination of employment. This includes, for example, any costs for the early release of pension on grounds of redundancy.

The LGPS regulations will need to be amended to allow for the exit cap, and details of how this will apply in practice are yet to be provided.

Therefore the effective date of the exit payment restrictions is still not yet known. Further details will be communicated to DCPF members when available.



Public sector exit payments: Response to the consultation

Cohabiting partners and the LGPS

If you are living with a partner they may be eligible for a cohabiting partner's pension if they meet the eligibility criteria at the date of your death. You need to have paid into the LGPS on or after 1 April 2008 for a pension to be payable to an eligible cohabiting partner.

An eligible cohabiting partner is a partner you are living with who, at the date of your death, has met all of the following conditions for a continuous period of at least 2 years:

- you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- you and your cohabiting partner have been living together as if you were a married couple, or civil partners, and
- neither you or your cohabiting partner have been living with someone else as if you/they were a married couple or civil partners, and
- either your cohabiting partner is, and has been, financially dependent on you or you are, and have been, financially interdependent on each other.



Your partner is financially dependent on you if you have the highest income. Financially interdependent means that you rely on your joint finances to support your standard of living. It doesn't mean that you need to be contributing equally. For example, if your partner's income is a lot more than yours, he or she may pay the mortgage and most of the bills, and you may pay for the weekly shopping.

On your death, a survivor's pension would be paid to your cohabiting partner if:

- satisfactory evidence is provided to evidence that the above criteria have been met and
- your cohabiting partner satisfies your pension fund that the above conditions had been met for a continuous period of at least 2 years immediately prior to your death.

Pension Scams

Pension scams have increased during COVID-19. They take many forms and could be about insurance policies, pensions transfers, or high-return investment opportunities, including investments in crypto assets. Scammers are sophisticated, opportunistic and will try many things. They're also very likely to target the vulnerable. Beware of investments that appear to be too good to be true and if a firm calls you unexpectedly, use the contact details on the Financial Services Register at <https://register.fca.org.uk> to check that you are dealing with the genuine firm.

If you suspect a scam, contact Action Fraud straight away on 0300 123 2040 or at http://www.actionfraud.org.uk/report_fraud/

Furlough and the LGPS

If you have been furloughed during the COVID-19 crisis, your pension may be affected. The government furlough scheme pays 80% of the salary due, capped at a monthly amount of £2,500. Employers have had the option to make up the salary to 100% of the normal pay by adding the additional 20%. If this applies to you, your pension accrual is not affected for this period.

However, if you have received only 80%, or less, of your normal pay, and your employer has not added the additional 20%, then the pension you have accrued during any period in which you have been furloughed will be less than it otherwise would have been.

If this circumstance applies to you, you can opt to buy additional pension to make up any shortfall (via the Additional Pension Contribution APC facility). Your employer can choose to help you with the cost of buying any lost pension, but they do not have to do so.

Visit <https://www.lgpsmember.org/more/apc/index.php> to find out more about APCs, use an online calculator and download an application form.

The GOV.UK website provides more information on support for workers during the COVID-19 crisis <https://www.gov.uk/coronavirus/worker-support>.

LGPS benefits

The LGPS is an excellent and safe pension scheme, the following are some of the benefits you receive as a member of the scheme:

- ✦ You will receive a pension paid monthly in retirement AND an optional tax free lump sum
- ✦ If you should die, the LGPS provides pensions for husbands, wives, civil partners, eligible cohabiting partners and eligible children
- ✦ Immediate life cover is built into the LGPS; as soon as you join you have death in service cover
- ✦ If you are too ill to continue working there are ill health pension provisions payable from any age (subject to 2 years membership)
- ✦ You are able to take your pension benefits at any time between age 55 and age 75
- ✦ 10 year pension guarantee (up to age 75)
- ✦ Your contribution rate depends on how much you are paid
- ✦ Your employer pays in too
- ✦ You can pay more contributions to increase your pension benefits
- ✦ If you cannot afford your contributions, you can pay 50% of your normal contributions and get 50% pension benefits

Disclaimer

Information in this leaflet is correct at the time of printing and is provided for information purposes only. We cannot cover personal circumstances and any advice given does not affect your statutory rights or over-ride existing legislation.