



Welcome to your Dorset County Pension Fund **Annual Benefit Illustration 2022**



Personal details

Please check this section carefully and notify us of any incorrect personal information. If we do not hold your partnership details on our system, please notify us in writing, enclosing photocopies of your:

- marriage / civil partnership certificate / decree absolute
- spouse / partner's birth certificate

A partner's pension will only be shown on this illustration if we hold your marital status as married, civil partnership or cohabiting partner, as shown below. Regardless of the status currently held on our records, a partner's pension would be paid if applicable.

Full name:

Date of birth:

Partnership status:

Employer at 31/03/2022:

Date joined Scheme:

Post ref number:

Section of Scheme at 31/03/2022:

Actual Pensionable Pay:

Full Time Equivalent Pensionable Pay:

If you have more than one active post each will have a separate pension record and illustration. Statements are only issued for employments that commenced before 1 April 2022.

You require two years' Scheme membership to qualify for a pension in the Local Government Pension Scheme (LGPS), unless you have transferred in previous pension entitlements. If you leave with less than two years' membership you may not qualify for the benefits in this Illustration.

Present value of scheme benefits at 31 March 2022

Total pension at 31 March 2022:	(per annum)
Partner's pension:	(per annum)
Automatic lump sum:	(for pre 2008 membership only)

The above figures show the current value of your LGPS benefits accrued up to 31 March 2022, assuming you retire on or after your State Pension Age, which is the Normal Retirement Date (NRD) for LGPS scheme benefits.

A partner's pension will only show if your held partnership status is married, civil partnership or cohabiting.

Projection to Normal Retirement Date

Normal Retirement Date (NRD):	
Projected Total Pension at NRD:	(per annum)
Projected partner's pension at NRD:	(per annum)
Automatic lump sum :	(for pre 2008 membership only)

The above figures have been calculated, based on a projection of your accrued pre April 2014 Final Salary benefits, if applicable, plus your CARE benefits up to your Normal Retirement Date (NRD). More details are on page 5.

Pension Debits amounts resulting from Pension Sharing Order(s)

Current value of Pension Debit:	(per annum)
Current value of Lump Sum Debit:	(for pre 2008 membership only)
Current value of Spouse's Pension Debit:	(per annum)

These amounts are not reflected in the figures in this statement. The actual amount of your deductions will be calculated when your benefits are drawn. Any deductions for Scheme Pays Offset are included throughout this statement.

Breakdown of Scheme benefits at 31 March 2022

Your pension entitlement is calculated using the pay provided by your employer. If these figures are incorrect it will affect your pension when you retire. Any queries regarding these pay figures should be sent to your employer.

If you have purchased Additional Pension Contributions (APCs), Additional Regular Contributions (ARCs) or Added Years, the amount purchased will be included in your Total Pension.

Additional Voluntary Contributions (AVCs) are not included in this illustration, but you should receive an annual illustration directly from your AVC Provider.

Any Pension Sharing Order debits are **not** included in these figures, but are shown separately on page 2. However, Scheme Pays Offsets for Annual Allowance tax charges **are** included.

Total pension at 31 March 2022:

(per annum)

Your total pension is made up of your final salary benefits and your CARE benefits as detailed below.

Final Salary Benefits at 31 March 2022 – applicable for membership built up to 31 March 2014

Full Time Equivalent Pensionable Pay (Final Pay):

Pre 1 April 2008 Membership:

Membership from 1 April 2008 to 31 March 2014:

Pension for pre April 2014 membership:

(per annum)

Lump sum for pre 2008 membership:

Please note that your Final Salary benefits are based on your full time equivalent pay (Final Pay) at date of leaving. Changes to the amounts quoted in this section will be the result of changes to your full time equivalent (Final Pay) only.

Career Average Revalued Earnings (CARE) benefits at 31 March 2022

Actual Pensionable Pay (CARE Pay) in year 01/04/2021 – 31/03/2022:

Amount of pension built up in year 2021/22

Main section	50/50 section	Additional pension bought	In year CARE transfers in	Total
Pay/49 = £	Pay / 98 = £	£	£	£

CARE pension account at 31 March 2022

Closing balance at 31 March 2021		Cost of living adjustment (added 1 April 2021)		In Year build up (as shown above)		Total career average pension at 31 March 2022
£	+	£	+	£	=	£ per annum

Please ensure that you check the CARE pensionable pay above, which has been provided by your employer. If this figure is incorrect it may adversely affect your pension when you retire.

<p>Your CARE pay figure is:</p> <ul style="list-style-type: none"> ✓ the actual pensionable pay received this financial year ✓ provided by your employer ✓ used to calculate the amount of pension earned in a year. 	<p>Reductions to pay</p> <p>In cases of sickness, injury or contractual parental leave your CARE pay includes amounts added by your employer to ensure you don't lose out on pension for this year.</p> <p>In cases of authorised unpaid leave (including unpaid parental leave) your CARE pay will be lower. Your employer would have informed you how you could make up this shortfall.</p>
--	--

Projections if you remain contributing to the Scheme until your Normal Pension Age

Normal Retirement Date (NRD):

Projected CARE Pension at NRD: £	per annum
Projected Final Salary pension at NRD: £	per annum
Projected Total Pension at NRD: £	per annum
Automatic lump sum: £	
Projected Partner's pension to NRD: £	per annum

These benefits have been calculated, based on a projection of your accrued pre 1 April 2014 Final Salary benefits, if these apply, plus your CARE benefits up to your Normal Retirement Date (NRD). Please be aware that pension projections using CARE assume that the same amount of CARE pension will be added each year and assume you continue working, receiving the same pay, until your NRD. Please note that any scheme debits as listed on page 2 will not be reflected in this projection, but Annual Allowance Scheme Pays debits are included in the projection.

Your Normal Retirement Date is your State Pension Age (SPA) (with a minimum of age 65), this may change if the Government alters your State Pension Age. This projection assumes that each year you will have the same amount of pension added to your pension account. Members can choose to retire voluntarily from age 55, however benefits would be reduced for early payment if taken before your NRD.

Retirement tax free lump sum




On retirement you will have the option to take part of your benefits as a tax-free cash lump sum by giving up part of your pension. You will receive £12 lump sum for every £1 of yearly pension given up. Under current tax legislation, the maximum lump sum that you can take is 25% of the capital value of your pension benefits. Details of this are provided upon retirement. If you have membership prior to 1 April 2008, this will have a provision for an automatic lump sum based on your pre 1 April 2008 membership and 3/80th of your Full Time Equivalent Pay (Final Pay).

How benefits accrued before 1 April 2014 are calculated

Pension benefits accrued before 1 April 2014 are based on the length of time you were a member of the pension scheme (total membership) and your Full Time Equivalent Pay (Final Pay) at leaving. Membership prior to 1 April 2008 is based on 1/80th of your Final Pay, plus 3/80th as a tax-free lump sum. Between 1 April 2008 and 31 March 2014, for each year of membership or part thereof, you will receive 1/60th of your Final Pay.

Membership

For Final Salary pension calculations, your membership is the number of years and days before 1 April 2014 that you were a member of the LGPS . This will include the following:

-  pension rights transferred in from a previous scheme or employer
-  any additional membership purchased
-  any additional membership awarded by your employer.

If you have worked part time during any period of your membership prior to 1 April 2014, the part time period has been adjusted to reflect the part time hours that were worked.

If you worked term time, your hours have been adjusted and reduced pro-rata based on the full amount of weeks per year.

Full Time Equivalent Pensionable Pay (Final Pay)

This is usually the pensionable pay earned during your final year of scheme membership, or one of the previous 2 years if this is higher. The Final Pay used in this illustration has been provided by your employer and is based on your pensionable earnings in the year up to 31 March 2022.

For part-time employees the Final Pay used will be the full time equivalent for your employment.

Some protection may be available to you at retirement if your pensionable pay has been reduced or restricted. More detailed information on this can be obtained from your employer.

How benefits accrued from 1 April 2014 are calculated

From 1 April 2014 your LGPS pension changed from a Final Salary scheme to a Career Average Revalued Earnings (CARE) scheme. In a CARE pension scheme your benefits build up each year in your pension account. Each year your pensionable pay is divided by the accrual rate of 1/49 to give the amount of annual pension gained in that year. This amount is added to your pension account.

Example:
CARE pensionable pay of
£22,000 X 1/ 49 = £448.98
added to pension account

Each year the amount in your pension account is revalued in line with the Consumer Prices Index (CPI). This year the cost of living adjustment was 3.1%. Although last year's 0.5% increase is shown on the illustration, the 3.1% increase due for this year is not shown. This is because the cost of living adjustment is added each year in April, after the date of this illustration.

In this example a member whose pensionable pay in the year 1 April to 31 March was £22,000 accrued an annual pension of £451.22, this annual income will be paid monthly throughout retirement.

Example:
£448.98 added to pension account
Plus cost of living adjustment
£448.98 x 0.5% = £451.22
(£2.24 CPI)

Every subsequent year a further amount of annual pension would then be added to the pension account, this amount would be paid annually in retirement, once you have 2 years or more membership of the LGPS.

50 / 50 section

The 50 / 50 section of the Scheme is designed to help members who are unable to afford the full contribution rate. If you have elected to be a member of the 50 / 50 section of the Scheme you pay in half the amount of your normal contributions and receive half the amount of pension accrual during that time. However, you would still have full ill health and death benefits while a member of the 50 / 50 section.

Pensions Tax

The Annual Allowance (AA)

Your annual allowance is the amount by which the value of your pension benefits may increase in any one year without having to apply a tax charge. Any pension growth over the 2021/2022 AA of £40,000 may be subject to tax at your highest tax rate. Promotions and high pay increases may cause a breach of your AA. If you have breached the £40,000 limit or are close to breaching it, we will check your pay figures carefully and write to you individually by October 2022.

Please be aware that you are responsible for your own tax liabilities, DCPF are only able to inform you of the amount of annual allowance you have used within the DCPF fund.

The Lifetime Allowance (LTA)

The standard pensions Lifetime Allowance for 2022 to 2023 is £1,073,100, your LTA is calculated when you take your pension benefits. You may be affected if you are paid a high salary and / or you have a lot of pension membership. Individual Protection 2016 may be possible, please see the HMRC website for further details regarding these protections.

www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance

Pensions Tax and Additional Pension Payments

If you are paying additional amounts into your pension account using Additional Voluntary Contributions (AVCs) or Additional Pension Contributions (APCs), you should be aware that this may cause a large increase to your pension input amount in the year. This could cause you to breach the £40,000 Annual Allowance limit or / and in some cases your Lifetime Allowance.

Online Access to your Pension

My Pension is an online member self serve portal which allows you to view your pension information.

You are able to:

- 🔑 update your address
- 🔑 change your marital status and upload a supporting certificate
- 🔑 estimate how much your pension could be when you retire
- 🔑 check your membership history
- 🔑 make or change your death grant nomination details
- 🔑 send messages and documents securely to the fund
- 🔑 view your Annual Benefit Illustration information

Visit mypension.dorsetcouncil.gov.uk to log in or register for My Pension.

Please note that if you registered for an online account before August 2021, you will need to register again due to changes in the Dorset County Pension Fund software.

If you have any queries regarding your My Pension account, please email mypension@dorsetcouncil.gov.uk and the team will be able to help.

Further information and disclaimer

This illustration cannot cover every personal circumstance and does not cover rights that apply to a limited number of employees e.g. where protected rights apply, or some of those whose rights are subject to a Pension Order following divorce. Please do not use this illustration for retirement purposes. If you are thinking of retiring, please obtain an estimate from Dorset County Pension Fund.

In the event of any dispute over your pension benefits the appropriate legislation will prevail.

Contact us

If you have any queries concerning your annual benefit illustration, which are not pay related, please contact us **in writing**, quoting Annual Benefit Illustration 2022:

Email: pensionshelpline@dorsetcouncil.gov.uk

Post: Dorset County Pension Fund, County Hall,
Dorchester. DT1 1XJ

Online: <https://mypension.dorsetcouncil.gov.uk/>

For any pay queries please contact your employer directly, who will be able to check your details and notify us of any amendments that need to be made to your pension record.

Along with some useful information there are a variety of forms available on our website:

www.dorsetpensionfund.org

More information can be found on the LGPS members website at: www.lgpsmember.org