

Dorset County Pension Fund Newsletter 2022



Included in this newsletter

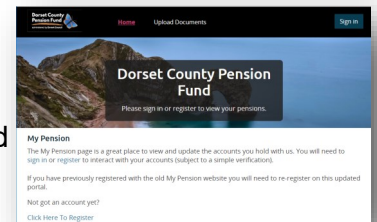
- ✓ My Pension
- ✓ Cohabiting partners
- ✓ Topping up your pension benefits
- ✓ McCloud Judgement
- ✓ 50 / 50 scheme membership
- ✓ Forms and Publications

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

My Pension — <https://mypension.dorsetcouncil.gov.uk/>

The Dorset County Pension Fund (DCPF) have an online member self serve portal where you can access details of your pension benefits. Once registered you will be able to change personal details, view your most recent Annual Benefit Illustration, send secure messages and documents to the fund and see what your pension would be worth at different retirement dates.

If you have not used the My Pension portal since before 1 August 2021, you will need to reregister as the portal has been updated.



Cohabiting partner status

If you have been living with a partner for more than 2 years, they may be entitled to a partner's pension in the event of your death. There are criteria, listed below, that need to be met before a cohabiting partner's pension can be paid and this would be assessed at the time it is brought into payment.

- you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, for two years or more and
- you and your cohabiting partner have been living together as if you were a married couple or civil partners for two years or more, and
- neither you nor your cohabiting partner has been living with someone else as if you / they were a married couple or civil partners in the last two years, and
- either your cohabiting partner is and has been dependent on you, or you are and have been financially interdependent on each other for the last two years or more.

If you wish to let us know of a cohabiting partner, there is a form available www.dorsetpensionfund.org/forms-and-publications . However, this is not a requirement for a cohabiting partner's pension to be paid, as this would be assessed, and supporting evidence requested, if you should die.

Please contact us:	Dorset County Pension Fund, County Hall, Dorchester, Dorset. DT1 1XJ
Email:	pensionshelpline@dorsetcouncil.gov.uk
Online Pension access:	https://mypension.dorsetcouncil.gov.uk
Website:	www.dorsetpensionfund.org

Topping up your pension benefits

If you are thinking about increasing the pension you will receive when you retire, there are two options provided as part of the LGPS.

Option 1 Additional Pension Contributions (APCs)

If you are in the main section of the LGPS, you can pay additional contributions to buy extra pension. The most that you can buy is £7,352 of extra yearly pension. You can pay for the extra pension by paying Additional Pension Contributions (APCs) over a number of complete years or by paying a lump sum. If you pay tax, you will get tax relief on the additional contributions you make.



Any application for an APC (that is not shared cost due authorised unpaid leave) is subject to a certificate of good health signed by a medical practitioner.

You can look at how much it would cost you by visiting

www.lgpsmember.org/help-and-support/tools-and-calculators/buy-extra-pension-calculator

Option 2 Additional Voluntary Contributions

When you pay Additional Voluntary Contributions (AVCs), you build up a pot of money which is used to provide pension and / or lump sum on top of your LGPS benefits. Up to 100% of your AVC fund can be used to access a tax free lump sum, up to HMRC limits. AVCs are taken directly from your pay before your tax is worked out, so if you pay tax, you receive tax relief automatically. The Dorset County Pension Fund use the Prudential as their in-house AVC provider.



An application to start an AVC can be made on the Prudential website at

www.mandg.com/pru/workplace-pensions/employees/public-sector-avc-schemes/local-gov

For further information about the two options above there is a factsheet available on the DCPF website at www.dorsetpensionfund.org/forms-and-publications/topping-up-pension-benefits

AVC retirement additional requirements

If you are planning to retire and have an in-house Additional Voluntary Contributions (AVCs) contract either with the Prudential or with Utmost Life and Pensions, you need to be aware that new regulations came into force on 1 June 2022.

Your AVC fund is a defined contribution pension entitlement and you have some choices on how you could take your fund. The new regulations state that you must get guidance from Pension Wise to help you to decide which option is best for you. Pension Wise is a service from MoneyHelper. It is a free, impartial service sponsored by the Government to help you understand your AVC options.

Because it is such an important decision, we are not allowed to proceed with a pension application until you tell us that you have either received guidance from Pensions Wise (in connection with your application to take your AVCs in the LGPS) or you do not wish to take Pension Wise guidance. This is a legal requirement.

When you are ready to retire, further information will be sent to you along with your pension information if this new guidance will affect you. Due to these added requirements, a retirement with an in-house AVC may take more time to complete.

Thinking of opting out of the LGPS? Try the 50/50 section of the scheme

With the cost of living so high many pension savers might be tempted to opt out of their pension scheme. However if you opt out of the LGPS, you will be losing valuable benefits and protections for you and your family, such as ill health pensions, and a death grant lump sum of three times your pay.

Instead of opting out, the LGPS offers flexibility to pay half your normal contribution rate and build up half your normal pension. This is called the 50/50 section of the LGPS. You keep full life and ill-health cover if you join the 50/50 section.

If you would like to move into the 50/50 section of the scheme, please complete and return a 50/50 election form. This form can be found on our website at:

<https://www.dorsetpensionfund.org/forms-and-publications/50-50-section-election-form/>

Your actual pensionable pay	Main section contribution rate	50/50 section contribution rate
Up to £15,000	5.50%	2.75%
£15,001 to £23,600	5.80%	2.90%
£23,601 to £38,300	6.50%	3.25%
£38,301 to £48,500	6.80%	3.40%
£48,501 to £67,900	8.50%	4.25%
£67,901 to £96,200	9.90%	4.95%
£96,201 to £113,400	10.50%	5.25%
£113,401 to £170,100	11.40%	5.70%
£170,101 and over	12.50%	6.25%

The McCloud Judgment

What is the McCloud case about?

When the Government reformed all public service pension schemes in 2014 and 2015, it introduced protections for older members. In December 2018, the Court of Appeal ruled that younger members of the Judges' and Firefighters' pension schemes have been discriminated against because the protections do not apply to them. This ruling is often called the 'McCloud judgment' after a member of the Judges' Pension Scheme involved in the case.

What does it mean for the LGPS?

When the LGPS changed from a final salary to a career average pension scheme in 2014, members who were within ten years of their Normal Pension Age on 1 April 2012 were given protection from the changes. The Normal Pension Age in 2012 was generally 65. In simple terms, when a protected member takes their pension, the benefits payable under the career average and final salary schemes are compared. The higher amount is paid. This protection is called the underpin.

To remove the discrimination, the Government will need to provide younger members with protection equal to the underpin protection already given to older members.

Who will this affect?

We understand that the changes will apply to LGPS members who:

- were in service on 31 March 2012
- have service after 31 March 2014, and
- do not have a disqualifying break. A disqualifying break is a period of more than five years when you were not a member of a public service pension scheme.

When will the changes come into effect?

It is expected that any changes will not be introduced before April 2023.

Do you need to take any action?

You do not need to take any action. The Government has confirmed that members who qualify for protection do not need to make a claim for the changes to apply to them. Any additional benefits will be assessed when you leave the LGPS and will be applied automatically.

Forms and publications

In addition to the member portal, My Pension, the Dorset County Pension Fund also maintains an information website for members.

This website can be found at www.dorsetpensionfund.org and contains a range of useful information, factsheets and forms including:

Factsheets

LGPS Scheme Guide

How Can I Increase my Pension Benefits

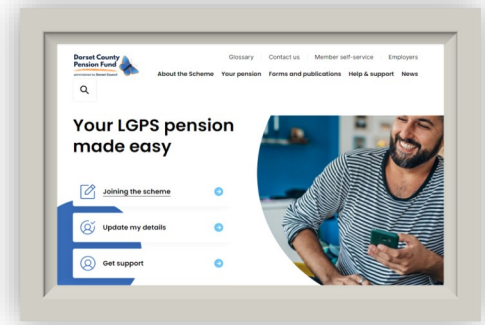
Guide to Retirement

Salary Sacrifice

Reductions in Pay and the effect to your LGPS Pension

Transferring in Previous Pension Rights to the LGPS

Life Cover and Survivor Benefits



Forms

Pension membership form

50 / 50 election form

Expression of Wish form

Cohabiting partner notification form

Divorce information consent form

Did you know?

At 31 March 2022 the Dorset County Pension Fund had;

- ✓ 27,095 Active Members
- ✓ 25,495 Pensioner Members
- ✓ 25,169 Deferred Members

Between 01/04/2021 and 31/03/2022 there were 17,101 cases processed including;

- ✓ 1,685 members retired
- ✓ 4,346 members joined

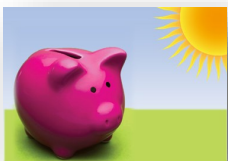
Minimum Pension Age to rise

In 2014 the Government announced that the minimum age at which most members could be permitted to draw their pension benefits would rise from 55 to 57 with effect from April 2028.

This will not apply to ill health retirements which can be taken at any age, subject to having two years membership.

The LGPS regulations have not yet been changed to take account of the new Minimum Pension Age. When the regulations are changed, it is anticipated that protections for existing members will apply. Further information will be provided at that date.

Please remember:



- ! Check the pay used in your Annual Benefit Illustration leaflet.
- ! Let us know about any change of address.
- ! Ensure your death grant nomination (expression of wish) is up to date.

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.