

**Dorset County
Pension Fund**



administered by **Dorset Council**

Deferred Benefit Illustration 2022

Dear

I am pleased to send you your latest annual benefit illustration, providing details of the deferred benefits that have accrued from your membership within the Local Government Pension Scheme (LGPS). Your benefits increase each year in line with the cost of living. The benefits shown on the enclosed statement have been index-linked up to and including the 2022 Pensions Increase Review Order of 3.1%.

Contained within this illustration are the benefits you have accrued up to your date of leaving, including any cost of living increases to date, accompanied by information and explanations to help you understand what the benefits mean to you. It is important that you read everything contained within this booklet, if you still have a query after reading the explanations, then please do not hesitate to contact us.

We welcome any feedback you may have on your illustration. Please let us know if you find it easy to understand or if there is anything we could improve.

For more information regarding the scheme please visit our website at: **www.dorsetpensionfund.org** or the LGPS members' website at: **www.lgpsmember.org**

Or alternatively you can email us at: **pensionshelpline@dorsetcouncil.gov.uk**

The information in this booklet is for illustration purposes only and should not under any circumstances be used to help you make a decision about retirement. If you are considering accessing your benefits, you must contact Dorset County Pension Fund to check the information and obtain a formal estimate of your pension benefits.

Yours sincerely,



Karen Gibson
Service Manager for Pensions

Personal details

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

- Marriage / civil partnership certificate
- Spouse / partner's birth certificate

If you have become divorced or your civil partnership has been dissolved, we will require photocopies of the relevant legal documents to amend our records.

Full name:

Date of birth:

Partnership status:

NI number:

Pension folder reference:

Date left scheme:

Cohabiting Partners (Post 01/04/2008 members only)

If you left the scheme after 1 April 2008 it is possible for a cohabiting partner to receive a pension on your death. To be considered a cohabiting partner your relationship has to meet certain conditions laid down by the LGPS, for example you must have been free to marry and be living with your partner for a period of at least two years. If you wish to notify the fund of a cohabiting partner you can obtain a form from the Dorset County Pension Fund website at the following address: **www.dorsetpensionfund.org**

Rejoining the LGPS

If you rejoin the LGPS in England or Wales you should notify the fund, in which you are now an active member, of this deferred benefit, unless this is with the Dorset County Pension Fund.

You should also notify the Dorset County Pension Fund of any new active membership with other Funds in the LGPS.

Present value of scheme benefits

This shows the current value of your benefits, assuming your benefits will be paid either at your Normal Retirement Date or the date, if earlier, when your benefits would be paid without any reduction. If you elect to take your benefits before that date a reduction will apply. Your Normal Retirement date is explained on page 7.

In some cases there is a minor reduction in the annual pension (called 'modified annual pension') because reduced, or 'modified', contributions were made to the Scheme before 1 July 1980.

Date valued to:

11 April 2022

Current pension:

Retirement lump sum:

Contingent partner's pension:

All Pensions Increases to date are included in the above pension figures.

Increases to benefits

Your deferred benefits increase in line with inflation. The benefits shown above have been index-linked up to and including the 2022 Pensions Increase Review Order of 3.1%.

Debits to pension

The above amounts have not been reduced by any Pension Debits or Scheme Pay Offset amounts. The amount of the deductions will be calculated when benefits are drawn.

Claiming your deferred pension

The Dorset County Pension Fund will write to you just before you reach your **Normal Pension Age**, providing details on how to claim your pension. If you would like to access your pension earlier, with a reduction, you will need to contact us using the details on page 11 of this leaflet. This is subject to you reaching age 55.

Pension Scams

Unfortunately, pension scams are on the rise in the UK. In some cases, the scammer will try to persuade you to transfer your pension to a different scheme, often a scheme the scammer has set up themselves. Falling victim to a pension scam could mean that you lose some or all of your pension savings.

The Government has identified common pension scam risks which, if present, may suggest you are in danger of being scammed. The Government calls these red and amber flags.

If you elect to transfer, to help protect your pension from scammers, the Government requires us to decide whether any red or amber flags are present. We will not need to do this if you transfer to a different public service pension scheme, an authorised master trust scheme or an authorised collective defined contribution scheme.

Pension scams, where people may be tricked into handing over their pension pots by scammers, are on the increase; millions of people fall victim to scams every year. The tactics used by pension scammers to encourage people to transfer their pension savings to them are constantly changing. Some of the tactics include offering free pension reviews, health checks and promises of better returns to their savings, pensions loans, upfront cash or other promotions to tempt them. Most of these are bogus.

However, once you've transferred your money into a scam, it's too late. You could end up losing all your pensions savings and in some cases face a tax bill of up to 55%.

For information about pensions scams please visit <https://www.fca.org.uk/scamsmart/how-avoid-pension-scams>

All pension savers should speak to an independent adviser authorised by the Financial Conduct Authority (FCA) before making a transfer.

Death before benefits become payable

If you die before the benefits become payable, in addition to any survivor's pension shown, there would be a lump sum death grant payable. The grant would be paid to your next of kin, legal personal representatives or your nominated beneficiary. Payment can be made immediately, without waiting for Grant of Probate or Letters of Administration to be taken out, if the fund has a completed, current Expression of Wish Form. Details on how to access all forms can be found on page 11 of this illustration.

Death grant:

Expression of Wish

The section below shows who you have nominated to receive a death grant upon your death. If you would like to nominate or change your existing nomination details, please complete an 'Expression of Wish' form. You are able to do this on My Pension, further details on page 9 or by emailing a form, details of where to find this form are included on page 11 of this booklet.

Beneficiary	Percentage of benefits payable

The Dorset County Pension Fund Scheme Administrator has absolute discretion over who receives any lump sum death grant.

This death grant would only be payable if you are not currently an active member of the LGPS in England or Wales. If you have rejoined the LGPS in England or Wales, the death grant payable would be the greater of:

- the total death grant from all deferred benefits, pensions in payment and suspended Tier three ill health pensions, or
- three times your pay (Assumed Pensionable Pay) in your new active employment.

Normal Pension Age

If you left before 1 April 2014 your Normal Pension Age would be 65. However if you were a member of the pension scheme before 1 April 2008 and were born before 1 April 1960 you may have a protected earlier pension age, between age 60 and 65.

If you left after 1 April 2014 your Normal Retirement Age would be the same as your State Pension Age. You can find out what this is at www.gov.uk/calculate-state-pension

Your Normal Pension Date is currently:

However, if you left after 1 April 2014, this may change in the future as and when the Government changes State Pension Ages.

If you draw your pension before your Normal Pension Age your pension benefits will be subject to a reduction.

Retirement lump sum

When receiving your deferred benefits 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. The maximum lump sum that you can take is 25% of the capital value of your pension benefits. Details of this will be provided at retirement. If you have membership prior to 1 April 2008, you will have some automatic provision for a retirement grant based on 3/80th of your final pay. However, any service after 1 April 2008 will not generate an automatic lump sum.

How your benefits are calculated

Pension benefits accrued before 1 April 2014 are based on the length of time you have been a member of the pension scheme (total membership) and your full time equivalent final pay. On 1 April 2014 the way pension is calculated changed to a yearly amount being added to your "pension account".

Membership prior to 1 April 2008

Pension benefits prior to 1 April 2008 are based on 1/80th of your final pay, plus 3/80th as a tax free lump sum (retirement grant).

Membership between 1 April 2008 and 31 March 2014

From 1 April 2008, for each year of membership or part thereof, your pension is calculated as 1/60th of your final pensionable pay.

Membership from 1 April 2014

Every year from 1 April 2014 an amount of pension is earned, which is added to your pension account. This is calculated as 1/49th of your actual pensionable pay.

If you have service transferred in from previous employments, or pension providers, this will be included in your benefit calculations.

Online access to your deferred pension

Checking your pension is now as easy as online banking with our secure My Pension website. With My Pension you can:

- Update personal information and contact details
- Communicate with the fund and upload documents
- Estimate how much your pension could be when you retire
- Make or change your death grant nomination details.

Visit <https://mypension.dorsetcouncil.gov.uk> to log in or register for My Pension. Please note that if you registered for an online account before 2 August 2021, you will need to register again due to changes in the Dorset County Pension Fund software.

The McCloud Judgement

When the Government reformed 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.

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.

If this ruling affects you, you do not need to make a claim for the change to apply. Your pension record will be adjusted as necessary.

AVCs

If you paid Additional Voluntary Contributions (AVCs) to either the Equitable Life or Prudential Assurance Company whilst in active membership these are not included in this illustration. You should receive a separate communication from either company with details of your AVC.

Full details of your AVC fund will be provided on retirement.

Early access to your pension

The earliest you are able to access your pension benefits, unless on grounds on ill health, would be age 55.

Please be aware that if you access your pension before your normal retirement age, the reduction applied for taking benefits early may be high.

Transferring benefits

If you have joined or are thinking of joining another pension arrangement you may wish to consider transferring your LGPS benefits to it. You should contact your current pension provider for further information and on your instruction they may write to us for a transfer quotation. Please be aware that your LGPS pension is a valuable asset and advice should be sought before making any decision to transfer out your pension.

Ill health

If you are suffering from permanent ill health you can apply for early payment of your benefits. You can do this at any age. You will need to apply in writing to your former employer who will refer you to a nominated Occupational Health professional to determine whether your condition qualifies you to receive early payment under the scheme rules.

Further information and disclaimer

These calculations are based on the information available at the time and every care has been taken to ensure their accuracy. If you have any reason to believe that the calculations made or the information we have used is wrong (either to your benefit or detriment) you must notify us immediately. The Dorset County Pension Fund reserves the right to adjust the calculations if they are found to be incorrect or if circumstances change, and to change payments accordingly. This notice of your benefits does not confer any legal or contractual obligation on either you or the Dorset County Pension Fund, and is provided on that basis. The Dorset County Pension Fund will only be liable to pay those benefits to which you are lawfully entitled.

Contact us

If you have any queries concerning your annual deferred benefit illustration please contact us either by email preferably, through your My Pension account, or at the address below, quoting a subject heading of "Deferred Annual Benefit Illustration 2022".



pensionshelpline@dorsetcouncil.gov.uk



Dorset County Pension Fund
County Hall
Dorchester
Dorset
DT1 1XJ

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

Along with some useful information we have made a variety of forms available on our website to help reduce time and cost spent in correspondence.

www.dorsetpensionfund.org

Alternatively you can contact the Dorset County Pension Fund and we will be happy to post you a hard copy.

More information can be found on the LGPS members website at:

www.lgpsmember.org

