

Dorset County Pension Fund Newsletter 2023



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Welcome to your 2023 LGPS newsletter

Welcome to the 2023 newsletter for members who are actively contributing into the Local Government Pension Scheme (LGPS) with the Dorset County Pension Fund (DCPF).

This newsletter provides you with important information about your pension. If you have a query regarding any of the topics in this newsletter, please do not hesitate to contact a member of the DCPF team by email at pensionshelpline@dorsetcouncil.gov.uk

LGPS pension contributions bands from 1 April 2023

The amount of pension contributions a member pays into the LGPS is adjusted each year in line with cost of living. The amount of contributions you pay is based on the pay band your employer decides is correct for you. If you have more than one job, your employer will set your contribution rate separately for each job. If your pay changes in the year, your employer may decide to review your contribution rate.



The table below shows the pay bands and contributions rates that apply from April 2023.

If your actual pensionable pay is:	Main Scheme members pay a contribution rate of:	50/50 Section members pay a contributions rate of:
Up to £16,500	5.50%	2.75%
£16,501 to £25,900	5.80%	2.90%
£25,901 to £42,100	6.50%	3.25%
£42,101 to £53,300	6.80%	3.40%
£53,301 to £74,700	8.50%	4.25%
£74,701 to £105,900	9.90%	4.95%
£105,901 to £124,800	10.50%	5.25%
£124,801 to £187,200	11.40%	5.70%
£187,201 or more	12.50%	6.25%

Please contact us:

Email:

Online Pension Portal

Website:

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

pensionshelpline@dorsetcouncil.gov.uk

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

www.dorsetpensionfund.org

Life Cover in the LGPS

The Local Government Pension Scheme provides valuable built in life cover for members.

Ill health retirements

If you have to leave work because of illness, your LGPS benefits may be paid straight away. Ill health benefits can be paid at any age and your pension would not be reduced for early payment. In some cases your pension may be enhanced to make up for your early retirement. To qualify for an ill health pension you must have met the two year vesting period in the LGPS and you must be:

- permanently unable to do your job until your Normal Pension Age, and
- not immediately capable of undertaking gainful employment.

Your employer must get the opinion of an independent occupational health physician appointed by them before a decision is made.

Reduced or nil pay due to sickness

If you are on long term sick leave and are receiving reduced or no pay, your LGPS pension is protected. Your pension will be calculated as if you are receiving the normal pay due before it was reduced or stopped. This pay figure is called Assumed Pensionable Pay.

Pensions for spouses, civil partners, eligible cohabiting partners and children

If you should die, your spouse, civil partner or eligible cohabiting partner will receive part of your pension and it will be paid for the rest of their life. If you have any eligible children they may also receive a pension. For further information please visit www.dorsetpensionfund.org/your-pension/no-longer-paying-in/survivor-benefit

Lump Sum Death Grant nominations

The Local Government Pension Scheme (LGPS) provides for a lump sum tax free death grant for members who die while still working and contributing to the LGPS. This death grant is a tax free lump sum payment of three times your pay. If you are already in receipt of another LGPS pension or have a deferred pension benefit in the LGPS, different rules will apply to any potential death grant. For further information please visit www.lgpsmember.org/help-and-support/frequently-asked-questions/?faq-type=after-you-die#when-is-a-lump-sum-death-grant-paid

Your lump sum death grant can be paid to:

- the person(s) you name on your expression of wish form,
- your personal representative(s) – this is someone who is responsible for looking after your estate when you die,
- anyone who appears to have been, at any time, a relative or dependent.

If you would like to indicate who you would like to receive any potential death grant, you must let DCPF know by completing an expression of wish form (death grant nomination form) and we will take your wishes into account when deciding who the death grant is paid to.

If you have previously nominated someone to receive this death grant, this is displayed in your Annual Benefit Illustration 2023 on page 6. It is essential to keep this updated, so please make sure you check this page.

If this page does not show a nomination, or you would like to change your nomination, please do this on My Pension, the member online pension portal (details on back page) or by completing a form and returning it to DCPF. The form is available at www.dorsetpensionfund.org/forms-and-publications

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

Life cover and family protection

If you die whilst in active service, the LGPS would ensure that your family is supported. It provides:

- a lump sum death grant of three times your actual pay, regardless of your length of membership
- an ongoing pension for your spouse, civil partner or eligible cohabiting partner.
- a pension may be payable for a child, for as long as they remain eligible.

Lump Sum death grant:	£	79,500.00	
Partner's pension:	£	2,500.54	per annum

Deferred and some pensioner members are also entitled to a lump sum death grant. But you may be only entitled to one death grant where multiple, separate entitlements exist.

The current nominee(s) to receive a death grant upon your death is shown in the table.

Beneficiary	Percentage of benefits payable
John Smith	50%
Sarah Jones	25%
Joseph Jones	25%

If you would like to nominate or change your existing nomination details, you can amend your details on My Pension, our member portal, details on page 10.

Alternatively, please complete and return an Expression of Wish form. Details of where to find this form are on the back page.

The DCPF Administrator has absolute discretion over who receives any lump sum death grant.

Local Pension Board vacancy

An opportunity has arisen for a Pension Fund member to become more involved with the oversight of the Dorset County Pension Fund by becoming a Scheme Member Representative on the Local Pension Board.

This is a voluntary role requiring attendance at four meetings each year and to undertake training on the LGPS, including attending conferences.

As a Pension Board Scheme Member Representative, you will play an important role in the governance and administration of the Fund on behalf of our scheme members by helping to ensure that it is managed efficiently and professionally.

For further information and application details, please visit the Dorset County Pension Fund website at www.dorsetpensionfund.org/news/local-pension-board/



Help with the Cost of Living Crisis

With the rising cost of living, you may be struggling with your everyday expenses or considering leaving the LGPS. Below are some suggestions, which may be of help to you.

50/50 Scheme

If you are struggling financially and considering opting out of the LGPS, please consider the 50/50 section of the LGPS as another option. As a member of the 50/50 section you will pay 50% of your normal pension contribution rate (see opposite) and receive 50% of the usual pension. However you still keep the valuable life cover benefits of being a member of the LGPS (see opposite). A form for moving into the 50/50 section of the LGPS can be found at www.dorsetpensionfund.org/forms-and-publications

Check if you're eligible for government support

The Government have introduced extra payments to help with living costs and depending on your circumstances, you may be eligible for state benefits and extra financial support.

Please visit the government website at <https://www.gov.uk/check-benefits-financial-support>

Your local council have web pages offering help and advice

- Dorset Council - www.dorsetcouncil.gov.uk/housing/financial-help/cost-of-living-help
- BCP Council - www.bcpCouncil.gov.uk/Communities/Cost-of-living-help/Cost-of-living-help

You may benefit from talking to Money Helper.

Money Helper offer free, impartial advice to:

- help with managing everyday money,
- signpost to extra financial support that may be available,
- ◆ advise on dealing with debt.

You can find more information on their website <https://www.moneyhelper.org.uk> or contact them by phone on 0800 011 3797.

If you're worried about how rising costs of living will impact you, there are charities and services that can help. The Government also offer financial support with the 'Help for Households' fund to those who are eligible, please visit <https://helpforhouseholds.campaign.gov.uk/>

The McCloud judgement and your LGPS Pension

When the Government reformed public service pension schemes in 2014 and 2015, transitional protections were introduced for older members. In December 2018, the Court of Appeal ruled that younger members of the judicial and firefighters' pension schemes had been unlawfully discriminated against because the protections did not apply to them. This ruling is called the McCloud judgment, after a member of the Judicial Pension Scheme involved in the case. Because of the ruling, there will be changes to all public service pension schemes that provided transitional protection, including the LGPS. The changes are called the McCloud remedy and are intended to remove the age discrimination found in the McCloud court case.

The changes may affect you, if all of the following apply:

- ♦ you were paying into the LGPS or another public service pension scheme before 1 April 2012 and,
- ♦ you were also paying into the LGPS between 1 April 2014 and 31 March 2022 and,
- ♦ you have been a member of a public service pension scheme without a continuous break of more than 5 years.

The Dorset County Pension Fund (DCPF) have identified all members believed to be covered by McCloud remedy. If you meet the above criteria, when you take your pension, DCPF will check whether the pension you built up in the remedy period would have been higher in the final salary scheme. If it would have been, you'll receive an addition to your pension, called an underpin.

In order to calculate any potential underpin, all employers have been asked to provide details of your hours worked and any service breaks between 1 April 2014 and 31 March 2022. This is needed to calculate what your pension would have been if the LGPS had not changed on the 1 April 2014.

If you also have a deferred or pensioner LGPS pension, you will be written to after October 2023 if your pension entitlement has changed. You do not need to take any action as this will happen automatically.

For further information on the McCloud Remedy please visit www.dorsetpensionfund.org/news/mccloud-judgement-and-your-lgps-pension/

My Pension Online

The Dorset County Pension Fund (DCPF) have an online member self serve portal where you can access details of your pension benefits.



Please visit

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

CARE Revaluation Date Change

On 9 March 2023, the Department for Levelling Up, Housing and Communities formally put the LGPS (Amendment) Regulations 2023 before Parliament. The regulations change the date that revaluation is applied to LGPS CARE benefits. From 31 March 2023, the annual revaluation date will move from 1 April to 6 April.

Most members will not notice any difference following this rule change, but it will affect the calculation of the Annual Allowance to ensure that members are not adversely affected by high inflation rates.

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.