



Welcome to your Dorset County Pension Fund **Annual Benefit Illustration 2025**

Dear

Welcome to your Annual Benefit Illustration for 2025.

This Illustration includes:

- The value of your pension so far, including cost of living increases.
- An estimate of what your pension may be when you reach your Normal Pension Age.
- Helpful explanations to make the information easier to understand.

Following the introduction of the McCloud Remedy, the calculation of any potential underpin should be shown where it applies. Unfortunately, we do not have the software in place to fulfil this requirement for this year, therefore we are exercising our discretion as set out under Regulation 2(6) of The Local Government Pension Scheme (Information) Regulations 2024 to delay this for a further year. This information will be included in your 2026 Annual Benefit Illustration if you are eligible.

Further information on eligibility and what this means can be found in the enclosed newsletter.

Online Access to your Pension

My Pension is an online member self serve portal which allows you to view your pension information, estimate how much your pension could be when you retire, update your personal circumstances and make or change your death grant nomination status.

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

Personal details

Please check this section carefully and notify us of any incorrect personal information. If we do not hold your partnership details or they are incorrect, 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 31/03/2025:

Date joined Scheme:

Post ref number:

Section of Scheme at 31/03/2025:

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 2025.

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 2025

Total pension at 31 March 2025:	(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 2025, assuming you retire on or after your State Pension Age, which is the Normal Retirement Date (NRD) for Post 1 April 2014 LGPS scheme benefits.

A partner's pension will only show if you 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 Debit 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)

Any debits shown above are deducted from the figures in this statement. However, the actual amount of your deductions will be calculated when your benefits are drawn.

Breakdown of Scheme benefits at 31 March 2025

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 or Scheme Pays Offsets for Annual Allowance tax charges are included in the figures shown throughout this statement.

Total pension at 31 March 2025:

(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 2025 – 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 2025

Actual Pensionable Pay (CARE Pay) in year 01/04/2024 – 31/03/2025:

Amount of pension built up in year 2024/25

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

CARE pension account at 31 March 2025

Closing balance at 31 March 2024		Cost of living adjustment (added 1 April 2024)		In Year build up (as shown above)		Total career average pension at 31 March 2025
£	+	£	+	£	=	£ 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.

Your CARE pay figure is:

- ✓ the actual pensionable pay received this financial year
- ✓ provided by your employer
- ✓ used to calculate the amount of pension earned in a year.

Reductions to pay

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.

In cases of authorised unpaid leave (including unpaid parental leave) your CARE pay will be lower. Your employer should have informed you how you could make up this shortfall.

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 and receiving the same pay, until your NRD. **Please note that any pension sharing debits as listed on page 2 or Annual Allowance Scheme Pays debits are deducted from this 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 can choose 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).

Life cover and family protection

If you die while still working and paying into the LGPS, your family is supported. The LGPS 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:	£	
Partner's pension:	£	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.

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.

Beneficiary	Percentage of benefits payable

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 2025.

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). Although last year's 6.7% cost of living adjustment is shown on the illustration, the 1.7% 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 £479.06, this annual income will be paid monthly throughout retirement.

Example:
£448.98 added to pension account
Plus cost of living adjustment
£448.98 x 6.7%= £479.06 (£30.08 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 2024/2025 AA of £60,000 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 £60,000 limit or are close to breaching it, we will check your pay figures carefully and write to you individually by October 2025.

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. If you have contributed to another pension scheme in the year, you will need to assess the combined annual allowance of all pensions.

Lump Sum Tax restrictions

HM Revenue and Customs limits the amount of tax-free lump sum you can take when your pension is paid to you. From 6 April 2024, the maximum lump sum is the lowest of:

- 25% of the capital value of your benefits
- £268,275
- £268,275 less the total lump sums you have already taken.

The Lifetime Allowance was removed from 6 April 2024. However, if you hold a valid Lifetime Allowance protection, you may be able to take a lump sum that is larger than £268,275.

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 £60,000 Annual Allowance limit.

Further information and disclaimer

Please do not use this illustration for retirement purposes. If you are thinking of retiring, please obtain a estimate from Dorset County Pension Fund.

In the event of any dispute over your pension benefits the appropriate legislation will prevail. 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 benefit illustration, which are not pay related, please contact us **in writing**, quoting Annual Benefit Illustration 2025:

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