

# Notes to annual benefit statement issued to active members

## Section 1 – Personal details

The pay figures shown have been provided by your Scheme employer for the period from 1 April 2018 to 31 March 2019.

The Final Salary Pay is used to calculate any benefits that you built up before 1 April 2014.

The Pensionable Pay figures are used to calculate the benefits we add to your pension account for the year from 1 April 2018 to 31 March 2019. This may differ from your Final Salary Pay if you have worked overtime or part-time hours, or if you received a payment in the year which related to work carried out in a previous year (for example, a bonus payment or late pay award).

Your qualifying membership is the calendar length number of years and days you have been a contributing member of the LGPS. Your reckonable service is the number of years and days that are used to calculate your Final Salary pension benefits including any service you may have transferred from other pension schemes. If you have worked part-time and/or term time, your reckonable membership may be less than your qualifying membership.

Your Expression of Wish lets the administering authority know who you wish the death in service lump sum to be paid to. Although the administering authority retains absolute discretion regarding the recipient(s) of the death grant, your wishes will be taken into account when the decision is made. Should you wish to make or amend a nomination, a blank form is available from the Capita Pensions Team or can be downloaded at <https://www.barnet.gov.uk/your-council/finance-funding-and-pensions/local-government-pension-scheme>.

## Section 2 – Summary of total benefits at 31 March 2019

This section shows the total of your CARE and Final Salary benefits. You should go to section 3 for a breakdown of your CARE benefits and section 4 for a breakdown of your Final Salary benefits.

The death grant is calculated as 3 x Assumed Pensionable Pay (APP) and if you were employed in more than one job at the date of your death, a death in service lump sum is payable from each active pensionable employment. This is the amount that would be payable unless you have a previous deferred pension (including a suspended Tier 3 ill health pension) or a pension in payment. APP for a death grant is based on the last 3 months' full pay before your death, x 4.

## Section 3 – Your CARE benefits at 31 March 2019

The CARE benefits you build up on or after 1 April 2014 are usually calculated as:

- $1/49$  x the pensionable pay you receive each year

If you were in the 50/50 section during any part of the year, the pay you received during that period will show separately and the benefits on that pay will be calculated as:

- $1/98$  x the pensionable pay you receive during the period in which you pay reduced contributions

However, if you were on reduced contractual pay, no pay due to sickness or injury, child related or reserve forces service leave, the pay figure is replaced with APP for those periods. APP during an absence is normally the average of the pay you received in the 3 months before your pay reduced or at the start of your absence.

We revalue your pension account each year on 1 April in line with the order issued by HM Treasury and we have shown the percentage change specified in the order. The order generally reflects the change in the Consumer Prices Index (CPI) and can mean pension accounts go down as well as up.

## Section 4 – Your Final Salary pension benefits at 31 March 2019

Any Final Salary benefits for membership built up before 1 April 2014 are calculated as follows:

<b>Pension up to 31 March 2008</b>	Membership x $1/80$ x Final Salary Pay
<b>PLUS</b>	
<b>Pension between 1 April 2008 and 31 March 2014</b>	Membership x $1/60$ x Final Salary Pay
<b>PLUS</b>	
<b>Automatic lump sum</b>	Membership up to 31 March 2008 x $3/80$ x Final Salary Pay

If you are part-time and/or term time, the pay figure used is the full-time equivalent pay.

Membership is calculated in years and days; if you are part-time and/or term time, the calendar length membership is reduced proportionately to the hours worked.

If you do not have membership before 1 April 2008, you will not be entitled to an automatic lump sum. However, on retirement you can choose to give up some of your pension to provide a lump sum or increase the automatic lump sum shown on your statement.

The Final Salary elements of your pension continue to increase in line with the increases to your pay until you leave your employment.

## **Section 5 – Projections if you remain contributing to the Scheme until your Normal Pension Age (NPA)**

Your estimated benefits at your NPA are based on the pay figures shown in Section 1. Your NPA is the later of your State Pension Age (SPA) or age 65 and may change if your SPA changes at any time before your benefits are paid.

The figures quoted may be reduced if you take them before the NPA quoted on your Statement.

If you were over age 65 on 31 March, your pre 2014 benefits may have been increased using current factors, which can go down as well as up before your retirement. We will use the factor in force on your retirement to calculate your actual increase.

The projections to NPA do not assume any potential pay increases on your Final Salary benefits or Treasury Order revaluation on your CARE benefits beyond the date of this statement.

### **General notes for sections 2 to 5**

Benefits can be drawn voluntarily at any time between 55 and 75, but you should note the following:

- a) If a pension sharing order has been made on your pension, the current value of the annual pension and lump sum debit is shown. The Pension Sharing Debit for the pension and lump sum is revalued each year in line with inflation.
- b) If you have made a Scheme Pays election in respect of an Annual Allowance tax charge, the current value of the annual pension debit is shown. The Scheme Pays Debit is revalued each year in line with inflation.
- c) We show the pension added to your pension account due to a transfer from another pension scheme or LGPS Fund during the year to 31 March 2019.
- d) We show the pension added to your pension account due to extra contributions that have been paid under an additional pension or added years contract.

This statement assumes you are married or in a civil partnership and the Annual Survivor Pension provided is calculated on this basis. If you have an eligible cohabiting partner, the survivor benefits may be lower than those shown.

The survivor benefits for death in service are calculated as:

Membership up to 31 March 2014 x 1/160 x Final Salary Pay

**PLUS**

CARE benefits from 1 April 2014 based on 1/160 x the pensionable pay you receive each year

**PLUS**

CARE benefits up to your NPA based on 1/160 x APP x Years and days from date of death to NPA

**PLUS**

Any added years or additional pension from ARCs being purchased that include a survivor's benefit.

The survivor benefits also take into account any debit regarding a pension sharing order on divorce.

Children's pensions can also be payable for eligible children up to age 18, or age 23 if continuing in fulltime education or training. A dependent child who is unable to engage in gainful employment due to a physical or mental impairment that is likely to be permanent, may be eligible to receive a child's pension, irrespective of age. Gainful employment means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

Additional Voluntary Contributions (AVC) are not included in this statement. Your AVC provider will send you a separate annual statement relating to these extra contributions.

If you have more than one employment, you will receive a separate ABS for each job, each with a different member reference number.

For more information on your State Pension please visit [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)

For more information regarding the pension scheme and the way your benefits are calculated, please visit [www.lgpsmember.org](http://www.lgpsmember.org)