

What is a deferred benefit?

A deferred benefit is a pension worked out now and held for you until your normal pension age. If you were a member before 1 April 2008, there would be a deferred lump sum as well.

Benefits built up before 1 April 2014 are based on your membership and your final pay.

Benefits built up from 1 April 2014 are based on your actual pay each year.

Membership

This is the length of time (in years and days) you paid into the LGPS when you left (adjusted in proportion for any part-time service).

To this would be added:

- any extra membership you bought by paying extra contributions.
- any transfer credits from previous pension schemes.

Final Pay

This is usually the pay on which you paid pension contributions during your last year of membership. Sometimes an earlier year is used if it gives a better benefit. Part-time pay is adjusted to the full-time equivalent (as the membership has already been proportioned down).

Actual Pay

This will be your actual pensionable pay, including any overtime or excess hours on which you have paid or deemed to have paid contributions.

The pension is calculated as follows:

1/80 x membership x final pay

for any membership before 1 April 2008

plus

1/60 x membership x final pay

for membership from 1 April 2008 to 31 March 2014

plus

1/49 x actual pay

for each year after 1 April 2014 (revalued to keep its buying power)

To this would be added any extra pension you started buying since
1 April 2008.

**There is also a lump sum for any membership before
1 April 2008, calculated as follows:**

3/80 x membership x final pay.

**A copy of our calculation of your deferred benefit
is enclosed**

**Make sure you think it looks right. Please tell us if you
think there is anything wrong**

The pay figures have been given to us by your employer

Can I have a refund of my contributions?

You are eligible for a refund (less certain deductions) if you left the scheme after 31 March 2014 **and** have less than two years membership.

However, if you have transferred in benefits from a personal pension scheme, a refund will not be possible, even if you have less than two years membership.

If you may be eligible for a refund, we have enclosed an application form with this guide.



What happens to my deferred benefit?

Your deferred benefit will be held in the Norfolk Pension Fund and paid to you when you reach your **normal pension age** (unless you transfer it to another pension scheme beforehand). Your **normal pension age** is linked to your **state retirement age**.

It would be protected against inflation by annual increases (each April) in line with price rises. This is explained later in this guide.

If you also have AVCs (Additional Voluntary Contributions) with Equitable Life, Clerical Medical or Prudential, your holding would stay invested for you and would be used to buy extra benefits when you retired (unless you transfer it to another pension scheme beforehand).

When will my deferred benefit be paid?

We will contact you just before your **earliest retirement date** about paying your deferred benefit. Please make sure you inform us of any address change. Just write to us with your new details or complete a change of address form which can be found on our website.

Deferred benefits are payable from your **normal pension age** but you can take them from any date from **age 55** onwards, although they may be reduced.

If you opted out of the LGPS **before 1 April 1998**, you cannot take your benefits until:

- age 55 if you have left the employment which the deferred benefits relate.
- Age 60 if you are still employed in the post which the deferred benefits relate.

Some members have a protected right to draw their pension from age 60 (or a later date before **normal pension age**) without any reduction for early payment.

Our calculation sheet shows your **normal pension age**.

Benefits must be taken before age 75.

Can I ask for my deferred benefit to be paid earlier?

You could ask for it to be paid before the **earliest retirement date** on ill-health grounds. We would need a certificate signed by your LGPS employer's doctor.

If you want to be considered for early payment, please contact the LGPS employer you were working for when you left the Norfolk Pension Fund, explaining your reason for applying.

What would happen if I died?

If you died before drawing your deferred benefit, a death grant may be payable. This would be five times the amount of the deferred annual pension plus annual increases. If you left before 1 April 2008, the death grant would be equal to your deferred lump sum.

Any death grant arising from a separate period of membership of the LGPS from 1 April 2014 may cancel out the death grant from your deferred benefit.

The Norfolk Pension Fund would decide who should get this (usually a close relative). However, you are entitled to express your wish as to whom you would like it paid and we would encourage you to complete and return an 'expression of wish' form which can be found on our website. We normally respect your wishes unless we had good reason not to (for instance if you had nominated your husband or wife but we knew you had since divorced). You could change your wishes at any time.

Please make sure your dependents know to contact us if anything happens to you

As well as any death grant, there would be a pension for your husband, wife or civil partner if you had one; and for any eligible children.

If you lived with someone as if you were married, they would get a pension provided you contributed to the LGPS at some point from 1 April 2008 and you were both free to marry or enter a civil partnership and met certain other criteria.

Do my deferred benefits increase?



The Government announces the increase to be applied each year. Usually this corresponds to the increase in state benefits and is effective each April. This is called Pensions Increase.

Pensions Increase is added to your deferred pension and any lump sum.

How can I tell the up-to-date value of my deferred benefit?

We will send you a statement every year, showing the up-to-date value. You can also check the value on our website. If you need the figures but can't find your latest statement, please contact us.

Can my rights be transferred to another pension scheme?

Instead of leaving your deferred benefit with us, you could transfer its value (called the 'transfer value') to a new employer's pension scheme or into a personal pension plan.

- **transfer to another LGPS post**

If you rejoin the LGPS, in Norfolk or elsewhere, you should ensure the new administrators are aware of your deferred benefit. Your new LGPS administrator will be able to advise you about the provisions for transferring your deferred benefit. So it's important you complete any membership forms for them promptly.

- **transfer to another pension scheme (outside local government)**

If you joined another scheme, it should be possible to transfer your pension rights (but it may not be in your best interests). Pension Liberation should be considered.

There are three types of transfer from the LGPS:

- **transfer to a public sector employer**

Most public sector employers belong to a 'transfer club'. Transfers between them are usually in your best interests unless you're taking a drop in pay or the new scheme's retirement age is later than your LGPS one. You would normally get a service credit similar to your LGPS membership. The other main 'club' schemes are the NHS, the Civil Service, Teachers', Armed Forces, Police and Firefighters' pension schemes; but there are many others, mainly government-related bodies such as the research institutes.

- **transfer to a private sector employer**

Transfers outside the public sector are known as 'non-club' and there would be no guarantee your credit in the new scheme would be as valuable as your deferred benefit. If you transferred your LGPS rights to a private sector scheme and later transferred them back, your membership credit would normally be much lower than you started with.

We would encourage you to take independent financial advice before transferring your pension rights outside the LGPS

- **transfer to a personal pension policy or buy-out bond**

Transfers can be made into insurance arrangements, usually a personal pension plan. Check how much of your transfer payment would be used to pay the setting up costs of the policy, including commission; and how much would actually be invested for you. Insurance company projections are estimates and are not guaranteed. Your deferred benefit in the LGPS is index-linked by law (see 'Do my deferred benefits increase?'). If you transferred your LGPS rights to an insurance policy and later transferred them back, your membership credit would normally be much lower than you started with.

What is pension liberation?

Pension liberation also known as 'pension loans' and 'pension scams', is a transfer of a scheme member's pension savings to an arrangement that will allow you to access your funds before the age 55.

"For the majority, promises of early cash will be bogus and are likely to result in serious tax consequences."

When can pension liberation become fraud?

Pension liberation can be illegal where you are misled about key consequences of entering into one of these arrangements. This could be because they're not informed of the tax consequences, fees involved or how the remainder of their pension savings are invested.

Pension liberation can result in tax charges and penalties of more than half the value of your pension savings, and those being targeted are usually not being told about these potential tax implications.

Further information concerning pension liberation can be found on The Pensions Regulator website.

What happens to my AVC's?

If you have paid into one of our AVC Schemes (e.g. with Equitable Life, Clerical Medical or Prudential) then this would normally be kept in the scheme to be paid with your deferred benefits at retirement. A statement of your AVC fund will be sent to you every year. You may have the option to take the AVC as pension or as cash. We would send you details when the benefits become payable.

You can transfer your AVC fund to another pension scheme either with your LGPS pension rights or separately. Please note, if you are transferring out your LGPS pension rights, any AVC fund must also be transferred.

What should I do if I have a complaint or don't agree the calculation of my Deferred Benefit?

If you think anything is wrong, please let us know and we'll look into it. If you're not happy with our answer, you're entitled to make a complaint through our legal dispute procedure. A copy of our 'Dispute Procedure Guide for Members (G071)' is available on our website at

<https://www.norfolkpensionfund.org/governance/complaints-and-disputes/>.

How can I trace an old pension if I lose the contact details?

The Pension Tracing Service was set up by the government to help people trace old pension rights if they've lost touch with the scheme administrators. You should send the details to:

The Pension Tracing Service,
The Pension Service 9,
Mail Handling Site A,
WOLVERHAMPTON,
WV98 1LU.

www.gov.uk/find-lost-pension

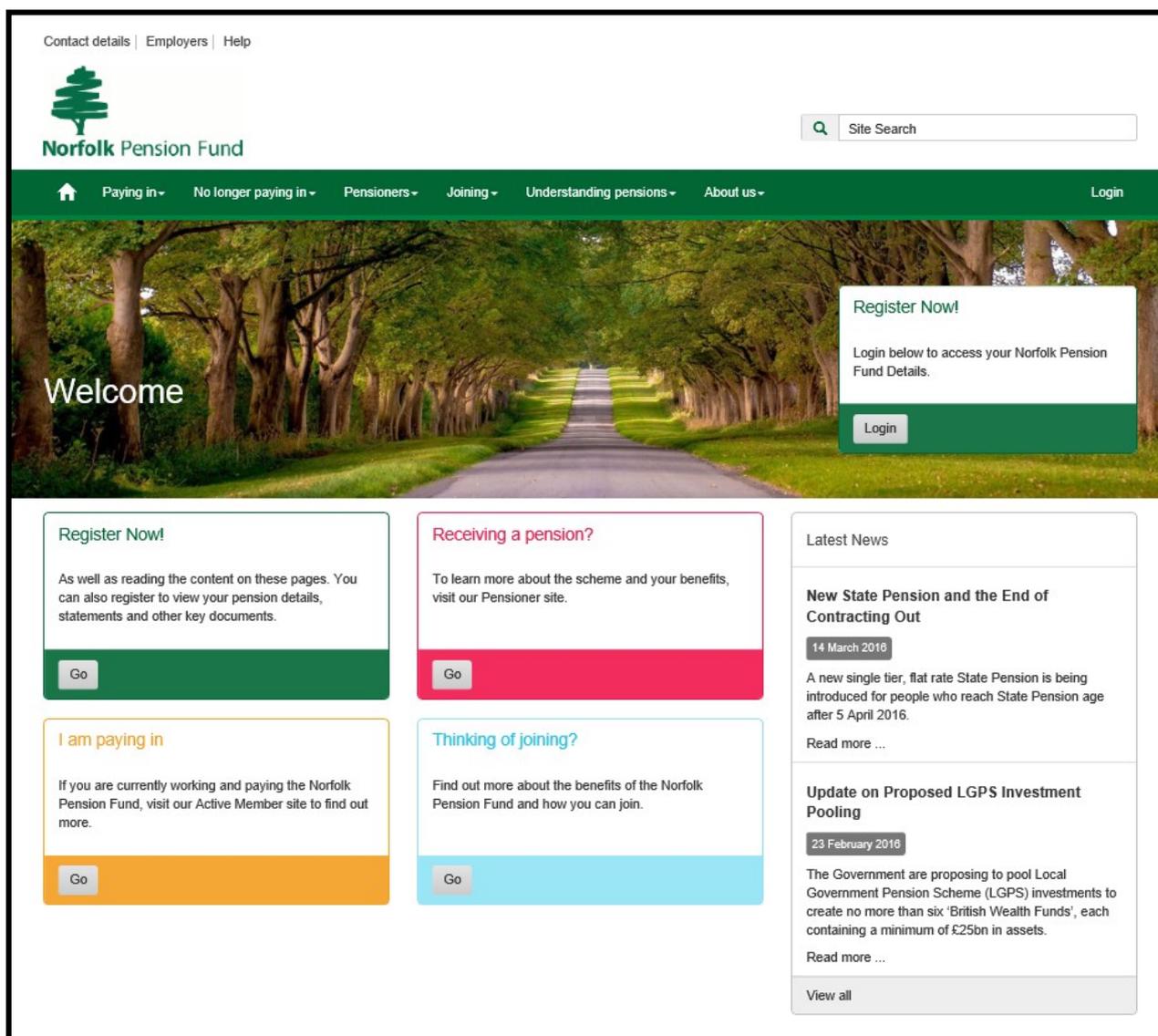
Their phone number is 0800 731 0193.

Norfolk Pension Fund website

For more information about the LGPS visit our website:

www.norfolkpensionfund.org

Once you have registered to use our online services you will be able to view, update and amend your personal details. You can view Annual Benefits Statements, along with current value of your deferred benefits (this is updated in April each year).



If you haven't already registered to use our online services click on "Register Now!" and follow the simple process to set-up and activate your secure online account. Alternatively, please contact our Technical Services Team for further support on (01603) 222132 who will guide you through the process.

State Pension

Your state pension is quite separate from your local government pension. If you have any queries about your state pension, you should contact The Pension Service, which is part of the DWP (Department for Work & Pensions).



They have various telephone helplines:

0800 731 0175 : general enquiries
(or to arrange for someone to come and see you)

0800 731 7898 : state pension applications

0800 731 0175 : state pension forecasts

0800 99 1234 : pension credit applications



The government's 'GOV.UK' website has a lot of useful information on state pensions:

<https://www.gov.uk/browse/working/state-pension>

About this guide

This guide has been prepared based on the views of the Norfolk Pension Fund and should not be treated as a complete and authoritative statement of the law.

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Whilst every attempt is made to ensure the accuracy of the Guide, it would be helpful if you could bring to the attention of the Norfolk Pension Fund any perceived errors or omissions.

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Norfolk County Council on behalf of Norfolk Pension Fund is a Data Controller under the General Data Protection Regulations. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we are required to share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your data, who we share it with and what rights you have to request information from the Fund, please visit www.norfolkpensionfund.org.

Postal Address Only:

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County Hall
Martineau Lane
NORWICH
NR1 2DH

Pensions Administration

Enquiries: 01603 495923

Email: pensions@norfolk.gov.uk

Technical and Member Self-Service

Enquiries: 01603 222132

Email: pensions.technical@norfolk.gov.uk

www.norfolkpensionfund.org

Please note, while we are happy to help you understand your pension options; we are not able to offer financial advice. If you need financial advice you should contact an Independent Financial Advisor (IFA) who is regulated by the Financial Conduct Authority (FCA).

These notes have been prepared on the Norfolk Pension Fund understanding of the information presently available including the relevant legislation governing the Local Government Pension Scheme and associated overriding legislation. No responsibility whatsoever will be assumed by Norfolk Pension Fund for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on the information contained herein.



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