

# ACTIVE MEMBER PENSIONSMART

For more information, visit the national Local Government Pension Scheme member's website: [www.lgpsmember.org](http://www.lgpsmember.org)

Welcome to your 2021 Active Member Pension Smart newsletter for members paying into the West Midlands Pension Fund.

This newsletter has been produced jointly with other Local Government Pension Scheme (LGPS) funds. However, should you have any queries or require further information, please contact West Midlands Pension Fund direct.



The pension benefits you've built up in the LGPS from 1 April 2014 have increased by 0.5% in 2020/2021. This increase is worked out in line with the Consumer Price Index (CPI), and you can see it in the CARE section on your annual benefits statement.

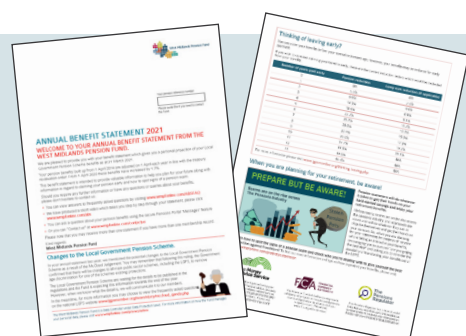
The LGPS has been a career average revalued earnings (CARE) scheme since 1 April 2014. This means that, each year, a proportion of your pensionable pay is added to your pension account. At the end of the year, this is added to any total pension pot you have built up in previous years and revalued to make sure it keeps up with the cost of living.

It's important to check the 2020/2021 pay shown on your statement as it affects how your pension builds up. If you have any questions about the pay used to work out your benefits, you must contact your employer.

## YOUR 2021 ANNUAL BENEFIT STATEMENT IS NOW ONLINE!

Do you know how much your pension benefits are?

Be Pension Smart and go online to view your annual benefit statement. You can do estimates to see what the value would be if you take it before your normal pension age. Please visit [www.wmpfonline.com/pensionsportal](http://www.wmpfonline.com/pensionsportal)





## EXTRA PROTECTION IF YOU WERE IN THE LGPS ON 31 MARCH 2012

Following the McCloud court case about age discrimination in pension schemes, the Government proposed extending the final pay 'underpin' to everyone who was a member of the LGPS on 31 March 2012. The underpin was a protection introduced to protect older members when the scheme changed on 1 April 2014 from a final salary scheme to a CARE scheme. The underpin is a calculation to check whether your pension benefits would be higher if they were calculated under the old scheme rules or when calculated under the new scheme rules. When you retire, we will do this calculation (you do not need to ask us to do this), but in almost all cases we expect the current CARE scheme to deliver the best benefits.

However, if you were not paying into an employer of the West Midlands Pension Fund on the 31 March 2012 but have another LGPS pension (or pensions), perhaps with a different LGPS fund, that you were paying into on 31 March 2012, you

may be able to combine your LGPS pensions so that this period of membership is included. If you do this, it could mean that the benefits from your current membership for the period 1 April 2014 to 31 March 2022 could be the better of either:

- what they would be under the CARE scheme, or
- what they would have been if the CARE scheme had never been introduced.

The changes to the LGPS rules which need to be made because of the McCloud court case aren't expected to be in place before April 2022. The Fund is currently in the process of working with your employer to obtain your hours history since 2014 in order to start analysis.

For more information, see the frequently asked questions on the national LGPS website

[www.lgpsmember.org/news/story/mccloud\\_qanda.php](http://www.lgpsmember.org/news/story/mccloud_qanda.php)

## COVID-19 AND FURLOUGH – HOW YOUR PENSION IS AFFECTED

We want to remind you that LGPS benefits are funded by investing employer and member contributions, but members earn a 'benefits promise' that is set out in law and does not depend on current stock-market levels.

If your job has been affected by Covid-19 and you've been on furlough, it may affect your pension.

The rules on what your employer pays you when you're on furlough have changed a few times since the Government's job-retention scheme was introduced in March 2020.

If your employer chose to continue paying 100% of your normal pay, your pension won't be affected. If you've been paid less than 100% of your normal pay, the pension benefits you built up during furlough will be reduced. You can find more information at [www.lgpsmember.org/news/story/covid\\_19\\_member\\_qanda.php](http://www.lgpsmember.org/news/story/covid_19_member_qanda.php)

You can make up any pension you lost during furlough by paying additional pension contributions (APCs) to buy extra pension. Your employer doesn't have to pay towards the cost, but they can choose to. You can find details on APCs, including an online calculator and how to apply, at [lgpsmember.org/more/apc/index.php](http://lgpsmember.org/more/apc/index.php)





## CONTRIBUTING TOGETHER TO CREATE SUSTAINABLE FUTURES FOR ALL



Stewardship is the responsible allocation, management and oversight of capital to create long-term value for pension beneficiary members, and sustainable benefits for the economy, environment and society on a global scale.

In April 2021 the Fund submitted its first Annual Stewardship Report to be assessed against the 2020 UK Stewardship Code (the code) by the Financial Reporting Council. At the start of September the Fund was delighted to learn that it had been listed within the first cohort of successful signatories to the code, which sets high standards of stewardship for those investing money on behalf of UK savers and pensioners.

Events over the past 18 months have reinforced more than ever the importance of strong governance, responsible investment practice, the value of diversity and inclusion, and the need for a proactive response to climate change. Now, more than ever, there is a motivation across the public, alongside our own member and employers' appetite, to do more to address environmental and societal issues.

As a successful applicant to the code the Fund was able to demonstrate its commitment to stewardship and the efforts that it has taken to ensure that the Fund practices stewardship at the highest level both in its own operations and throughout its investment chain. Through annual review and ongoing development our approach and policies continue to evolve, as does the network we engage with and the tools we utilise to communicate and advocate an increased pace of action by companies, industries, governments, and policy makers to build and maintain a sustainable economy, environment and society.

We are proud of the outcomes and effective actions we have been able to bring to our first Annual Stewardship Report, and expect our approach to continue to evolve as we continue to engage in collaboration with key partners to drive our common ambition to build sustainable futures for all.

You can read our 2021 Annual Stewardship report [here](#):

## ASSET OWNER DIVERSITY CHARTER

The Fund has also been involved in the development of, and is a signatory to, the first Asset Owner Diversity Charter, which aims to tackle diversity bias within the asset management industry.

The Charter established a set of actions that asset owners can commit to, which includes diversity and inclusion in manager selection; monitoring asset managers for diversity and inclusion on an ongoing basis; and leading and collaborating in this area to encourage broader industry change.

At launch, the Charter had 17 signatories with combined assets under management of £1.08 trillion. Our pool company, LGPS Central Ltd, have also joined this initiative and we will now seek to engage all WMPF investment managers on this initiative and monitor progress over time.



## TAX AND YOUR PENSION

Tax limits apply to pension savings. These limits are called the lifetime allowance and the annual allowance. The standard lifetime allowance was £1,073,100 million for the 2020/2021 tax year and it's expected to stay at this level until April 2026.

The standard annual allowance for the 2020/2021 tax year was £40,000 (unless tapering applies), which is where your income exceeds certain limits and it will stay at this level for the 2021/2022 tax year.



## HOW DO I UPDATE MY PERSONAL DETAILS?

If any of the personal details shown on your statement have changed, you can update these on My Pensions Portal at <https://portal2.wmpfonline.com/>

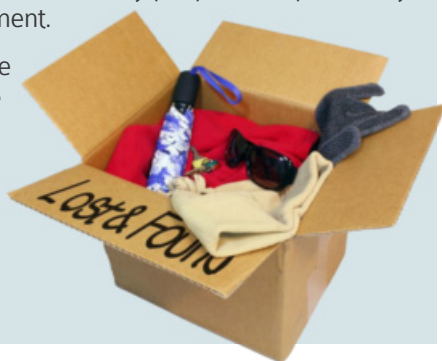
If your marital status has changed, we need to see a copy of your marriage certificate, civil partnership certificate or decree absolute, as appropriate, so we can update your record.



## LOST CONTACT WITH YOUR PENSION?

There is currently an estimated £400 million in unclaimed pension savings. This is the money people have previously saved for their retirement.

If you are one of these people, try and locate your pension through [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)



## BUY EXTRA PENSION IN THE LGPS BY PAYING ADDITIONAL PENSION CONTRIBUTIONS (APCs)

If you are in the main section of the LGPS you can pay additional pension contributions to buy up to £7,316 of extra pension. You can pay a one-off lump sum or spread the cost by paying the contributions over a number of years. There is a calculator for working out the cost of buying extra pension at [www.lgpsmember.org/more/apc/index.php](http://www.lgpsmember.org/more/apc/index.php)



## ACTIVE MEMBER ENGAGEMENT FORUM

### We need you!

The Fund has a Pensioner Engagement Forum which meets on an annual basis and where pensioner members provide valuable feedback on their own experiences and interaction with the Fund and we also discuss new initiatives that are on the horizon. The Fund has made the decision to launch an engagement forum for active members, where we can meet virtually on an annual basis to gain your feedback on the Fund's communications, and listen to any improvements or ideas you may have to shape the Fund for the future. We would also like to pilot our new initiatives with you and act upon your feedback to improve an active member's customer journey in the future.

To join our Active Member Engagement Forum and to receive more information, please contact us at [wmpfevents@wolverhampton.gov.uk](mailto:wmpfevents@wolverhampton.gov.uk)



## REJOINING THE LGPS

If you rejoin the LGPS with another pension fund, your new pension fund will ask if you have any LGPS pension benefits with other funds.

It's important that you tell your new LGPS fund about any LGPS benefits you have with other funds. You should do this as soon as possible because time limits apply to some of the options you have for transferring your previous LGPS benefits to your new fund.

Let your new fund know about your other LGPS benefits even if you do not want to transfer them to your new fund, because you may need to fill in a form to say that you want to keep your benefits separate.

You should also let your new fund know about any other pension benefits that you have with other pension schemes that you're interested in transferring into the LGPS.

If you rejoin the LGPS with the same fund, you may still have choices to make about your pension accounts, so it's important that you read and fill in any forms that your fund gives to you.



## EXIT PAYMENT CAP



In November 2020, the Government introduced a £95,000 cap (limit) on exit pay (the amount of money a public-sector employer can pay when an employee leaves them). In February 2021, the Government reversed this rule and the cap no longer applies. However, the Government has said that it still plans to reform public-sector exit pay and that it will make some new proposals in the near future, so there may be more changes to exit payments in the future. As soon as the Fund receives any information, we will provide you with an update.

## HOW MUCH ARE YOUR PENSION BENEFITS?

You can take control of your retirement and log onto the Pensions Portal.

<https://portal2.wmpfonline.com/>

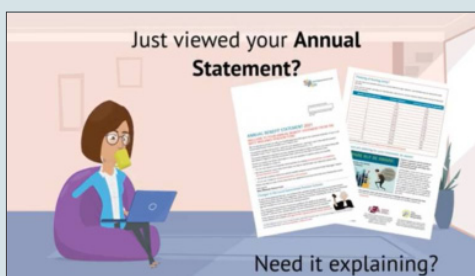
Use Pensions Portal to:

- access your annual benefit statement
- keep us up to date by amending your personal information
- get peace of mind by viewing documents and your nomination form
- plan for your retirement by calculating pension estimates
- and much more!



Register today at <https://portal2.wmpfonline.com/membership/register>

## NEED ADDITIONAL SUPPORT?



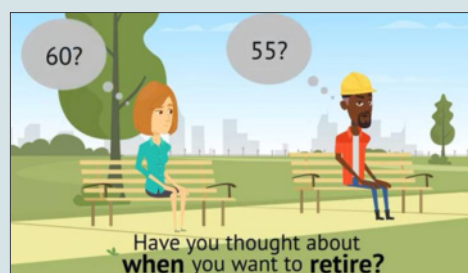
[Click here](#) to view our quick video which explains your annual benefit statement.



[Click here](#) to view how to register for the Pensions Portal and take control of your benefits.



Access your step-by-step guide to navigate around the Pensions Portal by viewing **My Pensions Portal Guide**.



[Click here](#) to view our video which provides a quick overview of the LGPS.

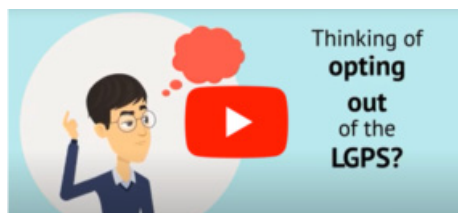
## FREQUENTLY ASKED QUESTIONS



If you have questions in regards to your statement, or want more information about your benefits, why not visit [Annual Benefit Statements FAQs](#)



## THINKING OF OPTING OUT? CONSIDER THE 50/50 SCHEME INSTEAD!



Did you know that since 1 April 2014 there have been two sections in the LGPS – the main section and the 50/50 section?

In the main section of the scheme, you pay normal contributions and get your normal pension build-up. In the 50/50 section you pay half your normal contributions, and build up half your normal pension during the period you are in that section, and still enjoy full:

- life cover;
- ill-health cover; and
- survivor benefits if you die.

The 50/50 section is designed to be a short-term option for when times are tough financially. This means that you can save money and still build up valuable pension benefits. If your current financial situation is causing you to consider opting out of the LGPS, why not take a look at the 50/50 section on the Fund's website [wmpfonline.com/reducecontributions](http://wmpfonline.com/reducecontributions)

## WATCH OUT FOR SCAMMERS!

You may think that it could never happen to you, but pension scammers are experts at getting their hands on your hard-earned retirement savings. Scams are hard to spot because fraudsters often have credible websites and make false claims, such as being government-approved, to gain your trust. A scam may begin with a phone call out of the blue offering you a free pension review. This is pension 'cold calling' and it is illegal. Reject all unexpected offers. Research the company you're dealing with and always get impartial advice before making a decision about your pension.

To find out more, visit [www.fca.org.uk/scamsmart/how-avoid-pension-scams](http://www.fca.org.uk/scamsmart/how-avoid-pension-scams)

The Fund has taken The Pension Regulator's pledge to do what we can to protect scheme members and follow the principles of the Pension Scams Industry Group (PSIG) Code of Good Practice in so far as it applies to LGPS funds.

Pledging to combat pension scams confirms our intent to protect our members and demonstrates that the Fund are committed to stopping



scammers in their tracks. For more information, please visit [www.wmpfonline.com/ourpledge](http://www.wmpfonline.com/ourpledge)

Why not view our short video to help you highlight the signs of a scam [wmpfonline.com/protectyourpension](http://wmpfonline.com/protectyourpension)

## DO YOU HAVE A COHABITING PARTNER (SOMEONE YOU LIVE WITH AS IF YOU WERE MARRIED)?

If you left the LGPS after 31 April 2008 and live with a partner of either the opposite or same sex, your partner may receive a survivor's pension when you die.

If you retired or left the LGPS before 1 April 2008, you can't nominate this person to receive a survivor's pension.

However, before we pay a survivor's pension, we must be satisfied that your relationship meets certain conditions laid out by the LGPS. Please check the Fund's website to find out what these are.



## THINKING OF RETIRING EARLY?

If you choose to retire before your normal pension age (NPA), your benefits will normally be reduced to take into account that your pension will be paid for longer.

How much your benefits are reduced by depends on how early you take them. The minimum age that you can take your pension is currently 55.

The reduction for taking your pension early is based on the length of time (in years and days) that you retire early before NPA. The earlier you retire, the bigger the reduction. The current percentage reductions for retirements up to 13 years early are shown in the table here.

Where the number of years is not exact, we adjust the percentages. Benefits built up before 1 April 2014 have a different NPA, which for most people is age 65.

If they choose to, your employer can agree to ignore any reduction that should be applied to your benefits. This is up to them, as it usually involves a cost. You can ask them what their policy is on this.

You can reduce or avoid any reductions by delaying payment until a later date. Your benefits will not be reduced if they are

paid at your NPA, but you can delay payment until after that age and, at that point, they will be increased for late payment. However, you must begin to take your pension before your 75th birthday.

Number of years paid early	Pension reduction	Lump sum reduction (for membership to 31 March 2008)
0	0.0%	0.0%
1	5.1%	2.3%
2	9.9%	4.6%
3	14.3%	6.9%
4	18.4%	9.1%
5	22.2%	11.2%
6	25.7%	13.3%
7	29.0%	15.3%
8	32.1%	17.3%
9	35.0%	19.2%
10	37.7%	21.1%
11	41.6%	Does not apply
12	44.0%	Does not apply
13	46.3%	Does not apply

## 'PENSIONS MADE SIMPLE' VIDEOS

We appreciate that pensions can sometimes be difficult to understand. That's why we have teamed up with the Local Government Association and some other LGPS pension funds to make seven short and simple videos to help you to understand your pension better. You can watch the videos online at [www.lgpsmember.org/more/Videos.php](http://www.lgpsmember.org/more/Videos.php)

If you're hard of hearing, or your workplace disables sound on videos, you can click CC in the bottom right-hand corner of the screen and it will bring up subtitles.



## USEFUL CONTACTS



[www.moneyhelper.org.uk/en](http://www.moneyhelper.org.uk/en)  
0800 144 8943



[www.unbiased.co.uk/](http://www.unbiased.co.uk/)  
0800 023 6868



[www.citizensadvice.org.uk/](http://www.citizensadvice.org.uk/)  
0345 404 0506



[www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)



HM Revenue  
& Customs

[www.gov.uk/government/  
organisations/hm-revenue-customs](http://www.gov.uk/government/organisations/hm-revenue-customs)



[www.gov.uk/browse/  
working/state-pension](http://www.gov.uk/browse/working/state-pension)

If you need to contact us, we are here to help...



<https://portal2.wmpfonline.com/>



[www.wmpfonline.com/contactus](http://www.wmpfonline.com/contactus)



[www.wmpfonline.com](http://www.wmpfonline.com)

**Be Pension Smart!**  
and take control of your pension today