



## Greater Gwent (Torfaen) Pension Fund

# A Guide to Your Deferred Pension Benefit Statement

Your step-by-step guide to help you understand  
your deferred benefit statement in the LGPS



## Your Deferred Benefit Statement Summary

This is a step-by-step guide to help you understand your Deferred Benefit Statement Summary in the Local Government Pension Scheme (LGPS). We call this your Annual Benefit Statement.

Deferred Benefits are 'on hold' until a member reaches retirement age.

If you pay into the LGPS in more than one job then you will have a separate pension account and separate Benefit Statement Summary for each job.



### Personal Details

The Personal Details section shows information about you and your job which you are paying into the LGPS in. If any of your details have been changed since the 31st March, they might not be shown here. This is because your Deferred Benefit Statement Summary shows your LGPS pension account as at 31st March each year.

Full Name	A N Other
Date of Birth	
National Insurance number	
Employer	
Payroll Reference	
Date of Leaving	

### Current Value of Benefits Payable

This shows the value of the LGPS benefits you have built up as at the 31st March in your pension account.

Date Benefits Payable 	
Pension Increase Percentage 	12%
Annual Pension	£2,878.91
	(includes increase of) £317.87
Lump Sum (in addition)	£4,999.56
	(includes increase of) £552.00

**Date Benefits Payable** shows the earliest date you can take payment of your LGPS Deferred benefits without any reductions. This will normally be the same as your Normal Pension Age which is age 65, or you State Pension Age if that is later.

You can choose to take payment of your Deferred Benefits from as early as age 55 but if you do so, your pension and lump sum will normally be reduced for early payment before your NPA. This is because they will be paid to you for longer.

On 31st March each year we adjust (or revalue) the pension in line with the change in the Consumer Prices Index (CPI) which is the Government's official measure of inflation . This means that the value of the pension you have built up keeps up with the cost of living.

**Pension Increase Percentage** shows the total percentage of increases to your pension since you stopped paying into the LGPS in this job.

**Annual Pension** shows the yearly pension that you have built up as at 31st March. Your yearly pension is paid for life when you retire and may be taxed. We show you your yearly pension including the increases and also tell you how much the increase is since you left the scheme.

**Lump Sum (in addition)** shows the automatic lump sum you have built up as at 31st March. If you did not pay into the LGPS before 1st April 2008 there is no automatic lump sum so no figure will be shown here. As with the Annual Pension we tell you the value of the lump sum including the Pension Increases and also the amount of the Pension Increases.

### **Choosing to swap some yearly pension to take a lump sum of money**

When you retire from work you can choose to swap some of your yearly pension for a one-off tax-free lump sum of money. Every £1 of yearly pension that you give up would buy you £12 of lump sum. The Lump Sum is paid tax-free under today's tax rules for pensions. You cannot take a lump sum out of your LGPS benefits before you retire.

On retirement you could opt to give up part of your Pension to provide extra Lump Sum. You get £12 extra Lump Sum for every £1 of Annual Pension that you give up. There are limits on how much Lump sum you can take. Please contact us if you would like more details.

---

However much pension you take, the pension payable to your spouse in the event of your death after retirement would be:	£1,287.90
--	-----------

---

(includes increase of) £142.19

---

**Survivor's Pension** shows the yearly pension that we would pay to your spouse (your husband, wife or civil partner) if you die. This is based on the current value of the annual pension you have built up to 31st March.

---

However much pension you take, the pension payable to your spouse in the event of your death after retirement would be:	£1,287.90
--	-----------

---

(includes increase of) £142.19

---

## What is not shown on your statement?

### Divorce and Dissolution of a Civil Partnership

If you are divorced, or your civil partnership is dissolved, the court might have said that your ex-spouse will get a share of your pension. This is called a Pension Sharing Order, Earmarking order (or a qualifying arrangement in Scotland), this will not be shown on your statement. This would be applied to your pension when you retire or if you choose to transfer your pension out of the LGPS.

### Scheme Pays

If you have chose to pay an HM Revenue and Customs Annual allowance charge through a scheme pays arrangement. This is not shown on your statement, we show the original value of your pension. Scheme Pays will be taken off your pension account at the time we pay your pension to you, or if you transfer your pension out of the LGPS.

## What you need to know - Disclaimer

Your pension benefits statement is an estimated of the benefits you have built up in the LGPS ). It is for your information only. It does not give you, or anyone else, any contractual or statutory rights.

We will pay you the LGPS benefits that the law says we should pay you. The law includes the LGPS Regulations.

Your pension benefit statement cannot cover every personal circumstance, or future changes to the rules of the LGPS. You should not use it to plan your financial future. You should not use it to make financial decisions.

If you will soon be retiring from work and taking payment of your LGPS benefits then you can ask us to work out an estimate of what we will pay you.

## More information about the LGPS

You can find the latest guide to the LGPS on our website [www.gwentpensionfund.co.uk](http://www.gwentpensionfund.co.uk), in the **Forms and Publications section**. Click on the **Guides** link and then **Full Scheme Guide** to download it.