



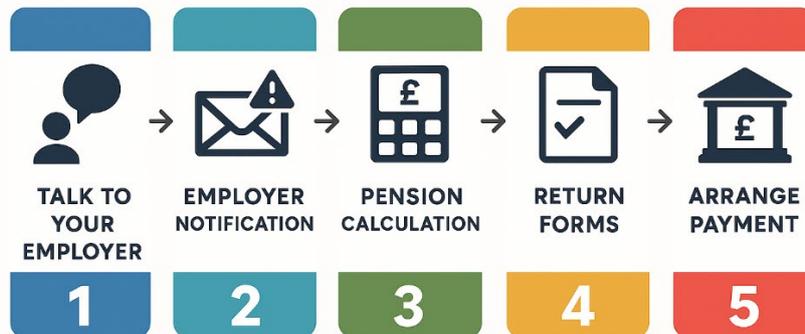
Retirement from the Local Government Pension Scheme (LGPS) Factsheet

Introduction

This factsheet explains the steps in the retirement process. For more in-depth details, read our LGPS Member Retirement Guide on our website.

5 Steps to Retirement

RETIREMENT PROCESS



1

Talk to your employer: Start by having a conversation with your employer to agree on your retirement date and the type of retirement you are taking, whether it be normal retirement, flexible, ill health etc. This will help ensure a smooth retirement process and timely payment of your pension benefits.

2

Employer Notification: Your employer will send the Pension Fund a leaver notification including all information about your pay, leaving date, and reason for leaving. This will be done after they have paid everything that is owed to you. Accurate details are essential for calculating your pension benefits correctly.

3

Pension Calculation: We calculate your actual pension benefits based on the information provided and include this in your retirement pack. Make sure you check your figures carefully and let us know if you think anything is incorrect.

4

Returning Forms: We will send you a retirement pack to complete and return with copies of any requested certificates to us. Make sure all information is accurate to avoid delays in processing your pension benefits. If you have sent in certificates previous just acknowledge that you are still married and write on their certs seen. Also, if you have filled in a nomination form previously, we still like to reaffirm your wishes on retirement.

5

Arrange Payment: We will setup payment of your pension for the next available pension pay date and pay any tax-free lump sum after your retirement date. Please be aware that we close our payrolls on the 15th of every month, so if your retirement pack is received after this date you will go onto pension the follow month. We pay our pensions the last working day of each month. We will tell you when we have done this for you.

Important Considerations

- **Estimate Request:** You can request an estimate of LGPS benefits payable on a specific date by completing an estimate request form available on our website: www.gwentpensionfund.co.uk or through your My Pension Online account.
- **Additional Voluntary Contributions (AVCs):** If you pay into Additional Voluntary Contributions (AVCs) with Standard Life, Clerical Medical or through MyMoneyMatters. You may want to stop them before you leave your job otherwise, we would need to wait for confirmation from the AVC provider they have received your final AVC payment. This could delay payment of your LGPS pension benefits as we cannot ask them to disinvest the pension savings in your AVC pot until after the last payment has been received. As a guide we cannot claim in your AVC pot until around the 9th of the month following your last deduction.
- **Final Decision:** Once you decide on whether to swap pension for a lump sum and how you want to use your in-house AVC, these decisions are final and cannot be reversed later. Consider getting independent financial advice before making these choices.
- If you have AVCs you will need to take guidance from Pension Wise.
- **Pension Savings:** Tell the Pension Fund of any other pension benefits you are entitled to receive or are already receiving. This ensures an accurate assessment against your Lump Sum Allowance limit. Please note this does not include the state pension.
- **Lump Sum Payment:** Your lump sum is paid directly into your chosen bank or building society account within 15 working days of actioning your completed retirement pack. You can choose to have your lump sum and pension paid into separate accounts if you wish.

Post-Retirement Information

- **Pension Payment:** Your yearly pension will be paid in 12 equal payments every month on the last working day of the month. It will be paid straight into your chosen Bank or Building Society account.

- **Living Overseas:** If you move abroad your pension can continue to be paid into your current bank account, unless you want it to be paid into an overseas account. You should tell the Pension Fund about any changes.
- **Change of Details:** Tell the Pension Fund immediately of any changes to your address or bank account details. Provide updated information before the middle of the month in which you wish the change to apply.
- **Income Tax:** Your LGPS pension is a taxable income, but your lump sum is paid tax-free.
- **Pension Revaluation:** Your yearly pension is revalued every April in line with the official Government measure of inflation called the Consumer Price Index (CPI). This ensures it is protected against inflation and keeps its spending power.
- **Go Online:** If you have not already done so register to use My Pension Online in a few simple steps to view and download your monthly payslips, P60 and update your details securely. <https://gwentpensionfund.pensiondetails.co.uk/login>

Additional Information

- **Recycling:** If you use your tax-free lump sum to significantly increase the contributions you pay to a pension scheme, this is known as 'recycling'. HMRC will only consider that recycling has occurred if all the relevant conditions are met. If HMRC considers that recycling has occurred, you will have to pay extra tax.
- **Increasing your Pension:** You can pay extra contributions to increase your pension through Additional Pension Contributions (APCs) and In-house Additional Voluntary Contributions (AVCs). Visit our increase your pension page for more details www.gwentpensionfund.co.uk/your-pension/paying-in/increase-your-pension/
- **Tax Controls:** One of the benefits of pension saving with the LGPS is that you receive tax relief on the contributions you pay. HMRC sets a limit the amount of pension tax relief you can receive, with the annual allowance set at £60,000 (2024/25).
- **Ill Health Early Retirement:** To qualify for an ill-health early retirement pension, you must be permanently incapable of discharging efficiently the duties of your current employment and have a reduced likelihood of undertaking any gainful employment before your NPA.
- **Redundancy/Efficiency Retirement:** If you are 55 or over, been a Scheme member for at least two years, and your employer makes you redundant or you are retired on the grounds of business efficiency, the pension benefits will become payable immediately, unreduced, and subsequently payable for life.
- **Death in Retirement:** If you die while receiving your pension, a lump sum death grant will be payable if the death occurs in the first 10 years of your retirement and you are under age 75. Make sure you complete the Expression of Wish for Death Grant form in the retirement pack.
- **Survivor Benefits:** Following your death as a pensioner, a survivor's pension will be payable to your spouse, registered civil partner, or eligible cohabiting partner.

Your eligible child/children may also be entitled to a survivor's pension, provided they are under the age of 18 or still in full time education and under the age of 23.

Support and Queries

- **Help if you have a query or complaint:** Contact the Pension Fund if you have any doubts or questions about your LGPS pension or if you have experienced any problems related to the LGPS.

Useful Links

- **MoneyHelper:** Offers free and impartial money advice, including pensions and retirement information. www.moneyhelper.org.uk/en
- **Pension scams:** Scammers may try to get their hands on your pension savings. It is important to spot the warning signs and protect your pension. www.fca.org.uk/consumers/protect-yourself-scams
- **Pension Wise:** A free, impartial service offered by the Government to provide guidance on defined contribution pension options. www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise
- **Unbiased:** A website listing regulated and independent financial advisers, mortgage brokers, solicitors, and accountants. www.unbiased.co.uk/
- **Citizens Advice:** A network of independent charities offering free, confidential information and advice on various issues. www.citizensadvice.org.uk/
- **Age UK:** Provides information and advice on money and legal matters, health and wellbeing, care, and support. www.ageuk.org.uk/

Contact Information



01495 766266 (between 9 am and 5 pm Mon – Thurs and 9am – 4.30pm Fri)



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Disclaimer

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