

**Avon
Pension
Fund**



Your pension, your future

Annual Pension Statement 2025

Guidance notes and FAQs

These notes have been designed to accompany your Local Government Pension Scheme (LGPS) **Annual Pension Statement 2025**. It helps to explain the various sections of the statement. However, these notes cannot cover every personal circumstance and in the event of any dispute over your statement, the appropriate legislation will prevail. They do **NOT** confer any contractual or statutory rights and are provided for information purposes only.

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1. Your personal information

Please check that these details are correct. If they are not, then please [contact the Fund](#).

Partnership status

Your partnership status on this statement has been taken from our records. If these details are incorrect, or if your partnership status has changed, please contact the Fund. It is important that we are kept informed of any changes to your status as it may affect your partner's entitlement (if any) to a survivor's pension in the event of your death.

2. Employment details as at 31/03/2025

Employer

The employer details shown on this statement are those relevant to the post of employment to which this statement applies and effective at the date of 31 March 2025. If you have more than one employment, then you will receive an Annual Benefit Statement for each separate post for which you are a member of the LGPS.

Post reference number

This is the reference number for the particular employment that this statement refers to.

Section of Scheme (as at 31/03/2025)

There are two sections to the LGPS 2014 (Main and 50/50). Your section is shown here. Most members contribute to the Main section and build full benefits, but you have the option to reduce your contribution rate by 50% to then build up half the level of CARE pension during this period. However, full ill health and death cover is maintained whilst contributing to the 50/50 section.

If you have elected to do so, you will contribute to the 50/50 section of the scheme and as a result, your CARE pension will have been calculated as 1/98th of your CARE pensionable pay for this period (as opposed to the higher 1/49th of your CARE pensionable pay if in the Main section). If in the 50/50 section as at 31 March 2024, the projection to your Normal Pension Age (NPA), as shown under Section 6, has been calculated at 1/98th.

Your employer will enrol you into the Main section of the scheme on their re-enrolment date, providing you have not re-joined the Main section in the meantime. Your employer's re-enrolment date is the third anniversary of their staging date under Automatic Enrolment.

Date joined scheme

This is the date you commenced scheme membership of the LGPS with Avon Pension Fund (normally the date you started employment).

3. Your Pensionable Pay

CARE Pensionable Pay as at 31/03/2025

Your pay information has been provided by your employer. Please note that YOU MUST CHECK that your CARE Pensionable Pay is correct, otherwise your CARE benefits may have been calculated incorrectly. If you believe your CARE Pensionable Pay to be incorrect, you must contact your employer's payroll department NOT the Fund. Note that you will lose the right of appeal should you fail to identify any inaccuracy with your pay figure within 6 years.

Your Career Average Revalued Earnings (CARE) benefits are based on the actual pensionable pay that you have received during the Scheme Year (from 1 April to 31 March), referred to as your CARE Pensionable Pay. Under the 2014 Scheme definition of pay, all overtime and additional hours are included in your CARE Pensionable Pay.

If you have received reduced or nil pay during the scheme year, due to sickness / injury, child-related leave or reserve forces service leave, your pay will have been based on your Assumed Pensionable Pay (APP), which is an average of the pensionable pay received during the 3 complete months (or 12 week period if weekly paid) before you entered the reduced / nil pay period.

If you were in the Main section throughout the scheme year the 50/50 pensionable pay field would be blank. Alternatively, if you were in the 50/50 section throughout the whole year, the main section field would be blank. If you joined the 50/50 scheme, or elected to re-join the main scheme, during the scheme year then you will have figures in both fields.

Final Salary Pensionable Pay as at 31/03/2025

Your Final Salary benefits are those benefits built up in the LGPS before 1 April 2014 when the LGPS was a Final Salary Scheme. If you joined the LGPS on or after 1 April 2014 this field will remain empty as all of your benefits will have been built up under the new CARE scheme.

4. Summary of your total pension benefits at 31/03/2025

Annual pension

This highlights the total combined value of your annual pension, including any McCloud underpin value for protected members. Your annual pension is the annual amount you would get, paid in monthly instalments, on retirement for the rest of your life.

If you became a member of the LGPS on or before 31 March 2014, the total value of your benefits as at 31 March 2025 will be made up of your Final Salary benefits (for membership to 31 March 2014) and your CARE benefits (for membership from 1 April 2014). These are added together and must be taken together.

Automatic tax-free lump sum

This highlights any automatic tax-free lump sum entitlement you may have in respect of your membership to 31 March 2008 (if applicable).

On retirement you have the option to convert some of your annual pension for a tax-free lump sum. For every

£1 of pension given up you get £12 of lump sum (this is subject to a Capital Value limit set by Her Majesty's Revenue & Customs (HMRC)).

You can calculate your maximum lump sum and annual pension if you were to take this option by visiting www.avonpensionfund.org.uk/how-much-lump-sum-can-i-take

Death in service lump sum

If you die whilst an active member of the LGPS a lump sum death grant of three times your Assumed Pensionable Pay at your date of death is paid. By completing an expression of wish nomination form (see below for details) you can nominate who you would like to receive your death grant.

If you also have a deferred pension, suspended Tier 3 ill health pension or a pension in payment from an earlier period of LGPS membership in England or Wales, the lump sum death grant payable if you were to die as an active member is the greater of that in respect of your active period of membership (as shown) or the lump sum death grant due from any of your earlier benefits. If your active lump sum death grant is greater, no lump sum death grant will be payable in respect of the earlier benefits. However, if the lump sum death grant from all of the earlier benefits is greater, no lump sum death grant will be paid in respect of your current period of membership.

Please note the lump sum death grant and annual survivor's pension are two separate benefits.

Annual survivor (partner's/spouse's) pension

We use your partnership status held on our records to determine any eligible survivor's benefits associated with your pension calculated in the event of your death.

- If your status is single – no benefit should be shown
- If you are cohabiting – the survivor's benefits will be based on your post 5 April 1988 membership (and any pre 6 April 1988 membership purchased by ASBCs) should be shown
- If you are married or in a civil partnership – the survivor's benefit shown will be based on all your LGPS membership.
- There are also survivor's pensions payable to any eligible children.

The survivor benefits (including any McCloud underpin value for protected members) will be calculated based on your final salary survivor benefits built up to 31 March 2014 (if any), and from any added years being purchased and from any ARCs being purchased that include a survivor's benefit, plus the survivor benefits due under the CARE scheme (including the CARE enhancement based on APP x 1/160th x service from 1 April to the member's new Normal Pension Age under the 2014 Scheme) but exclude any deductions due to a Pension Sharing Order.

Expression of wish nomination form held (for your death grant)

It is important to check this statement to see if you have made a nomination as to who you would like your lump sum death grant to be paid. If you would like to make or change the nomination we hold for you, you can do this by [signing up to "my pension online"](#) or [contact the Fund](#).

You can nominate whoever you wish to receive your death grant but please remember that as this is an expression of wish it is not legally binding as the Fund has absolute discretion.

5. How your pension benefits are calculated

CARE Pension benefits built up for 2023/24 (as at 31 March 2025)

The **CARE pension** credited to your pension account for the Scheme Year from 1 April 2023 to 31 March 2025 has been based on your CARE pensionable pay (as explained under **Section 3**) and the appropriate rate of pension build up, calculated as follows.

Main Section:

$1/49\text{th} \times \text{CARE pensionable pay received whilst contributing to the Main Section of the Scheme during the period from 01/04/2024 to 31/03/2025.}$

50/50 Section (if applicable):

$1/98\text{th} \times \text{CARE pensionable pay received whilst contributing to the 50/50 Section of the Scheme during the period from 01/04/2024 to 31/03/2025.}$

Additional Pension Purchased and Transfers in

Any additional pension that you may have purchased during the Scheme Year under an Additional Pension Contribution (APC) or Shared-Cost APC arrangement has also been included in your CARE Pension as at 31 March 2025, as has any additional pension purchased from a transfer of previous pension rights into the LGPS where payment of the transfer value has been received before 31 March 2025.

These are added together to give your **Total CARE pension as at 31/03/2025**

The Total CARE Pension (as at 31/03/2025) will be revalued in 2024 from 6 April 2025 and every 6 April thereafter in line with HM Treasury Revaluation Orders, so that it is adjusted to the cost of living.

Your Total CARE Pension as at 31/03/2025 will have your Pension Account closing balance as at 31/03/2024 plus the adjustment for cost of living (CPI) added on 01/04/2024 at 6.7% plus the CARE Pension you built up in 2024/25.

Final Salary Pension benefits at 31/03/2025

If you became a member of the LGPS on or before 31 March 2014, your Final Salary benefits are based on your membership to 31 March 2014 (inclusive of any membership awarded from a transfer of previous pension rights into the LGPS and any 'added years' or 'ARCs' purchased) and your **Final Salary** Pay shown under **Section 3**, which is your full time equivalent pay as at 31 March 2025 under the

2008 Scheme definition of pay (excluding non-contractual overtime and ignoring any reduction in pay due to sickness / injury, child-related leave or reserve forces service leave).

Your **Final Salary benefits as at 31 March 2025** are calculated as follows.

Annual Pension:

1/80th x membership to 31/03/2008 x Final Salary pay; PLUS
1/60th x membership from 01/04/2008 to 31/03/2014 x Final Salary pay.

Automatic tax-free Lump Sum:

3/80th x membership to 31/03/2008 x Final Salary pay. NO automatic tax-free lump sum payable from 01/04/2008.

If you joined the LGPS on or after 1 April 2014, the Final Salary Benefits on your statement have been intentionally left blank.

6. Projections if you remain in the scheme until your Normal Pension Age (NPA)

Your Normal Pension Age (NPA) shown under this section is linked to your State Pension Age (SPA) and may therefore change in the future. However, you are able to retire voluntarily from age 55, but your benefits may be reduced if paid before your NPA. **This is NOT reflected in your statement.**

Currently the minimum pension age for pension schemes is age 55, but you should note that with effect from 6 April 2028 the new minimum age will increase from age 55 to 57. At this present time, it is unknown whether the LGPS will allow any protection for an earlier retirement once these regulations come into effect.

You can remain in the scheme until the day before your 75th birthday, but your benefits must be paid before age 75.

The projection of your annual pension to your NPA has been based on your CARE Pensionable Pay and Final Salary Pay as at **31 March 2025**, and includes any McCloud underpin value for protected members. It does NOT provide for any future changes in your pensionable pay. It has been assumed that you will continue to contribute to the same section of the LGPS until your NPA and that your CARE Pensionable Pay / Final Salary Pay will remain constant.

(Note that when you leave, your pre 2014 Final Salary benefits will be based on your full time equivalent pay at that time, under the 2008 Scheme definition of pay, which does NOT include non-contractual overtime or additional hours).

Your annual survivor pension has been based on the Final Salary survivor benefits accrued to 31 March 2014 (if applicable) and the survivor benefits due under the CARE scheme from 1 April 2014.

The annual survivor pension payable to your surviving spouse or civil partner is based on all your scheme membership, however, the pension payable to your Eligible Co-habiting Partner does NOT include any pre 6 April 1988 membership

(unless you have made an election prior to 1 April 2014 to buy back some or all of your membership, so that it counts towards this calculation).

7. The McCloud Remedy Protection and values

McCloud Remedy Protection

McCloud Judgement and underpin pensions

Following the age discrimination case commonly known as McCloud, your pension has been tested to see if you are affected by the judgement. If you are a qualifying and protected member and entitled to additional pension (known as the underpin) your statement will confirm this protection and the estimated underpin will be included in the annual pension (at 31/03/2025 and at NPA) and the annual survivor pension figures shown on the statement.

An underpin amount will only be included if the notional pension calculated for the final salary scheme is higher than that of the pension accrued under the CARE Scheme. The underpin is the difference between the two values where the notional final salary pension is greater.

For the majority of protected members, the estimated underpin amount is zero. This is because the CARE pension accrued is higher than it would have been in the final salary scheme for the CARE scheme has a better accrual rate. (1/49 pension accrual versus 1/60 under the final salary scheme).

This estimated underpin pension value is based on the pay information at 31/03/2025. We will work out the actual figure when you take your pension. Please note, if you retire earlier than your normal pension age under the scheme, an early retirement factor will be applied which will impact the underpin calculation. The final value could be higher or lower than the amount included in the statement, or it could remove the underpin altogether. **Any underpin value that is currently showing is not guaranteed.**

The start date of your scheme membership within the Avon Pension Fund is shown on your statement and the date you joined the scheme will determine if you qualify for McCloud remedy protection. **If you do not qualify for protection, your benefit statement will confirm this.**

However, you may be protected if you were a member of the LGPS or another public service pension scheme before your current membership started.

The key dates for McCloud qualification and protection are:

- you were paying into the LGPS or another public service pension scheme before 1 April 2012.
- you were still paying into the LGPS between 1 April 2014 and 31 March 2022 and
- you have been a member of a public service pension scheme without a continuous break of more than 5 years.

If you believe you qualify but have not yet let us know about earlier public sector service, you can still do so by completing the [McCloud remedy: Public service pensions history form](#) on our website.

You can [find out more about the McCloud judgement](#) by visiting our website.

Frequently Asked Questions

When do I qualify for scheme benefits?

If you joined the LGPS on or after 1 April 2014, with no earlier period of LGPS membership in England or Wales and having not transferred any previous pension rights into the LGPS, you must have two years scheme membership in order to qualify for benefits. The projections made on your statement therefore assume that you will continue to contribute to the LGPS until your NPA.

Does my statement take account of any early retirement reduction?

If you were over age 55 as at 31 March 2025, your benefits do not include any early retirement reduction applicable if you were to retire before your NPA.

Does my statement include a late retirement increase?

If you are over your NPA as at 31 March 2025, any late retirement increase due is not included in the total value of your benefits as at 31 March 2025 shown on your statement. Please note this does not affect your entitlement to the late retirement increase which will be calculated when your benefits are paid.

What if I contribute to the LGPS under another employment?

You will receive a separate statement in respect of each of your pensionable employments.

What if I also have a deferred benefit under the LGPS?

You will have received a separate statement for any deferred benefit you may have from an earlier period of LGPS membership.

Can I pay more to increase my benefits?

There are two options available to you.

You can either elect

- to purchase additional pension by making Additional Pension Contributions (APC) within the fund.
- or to make Additional Voluntary Contributions (AVC), a money purchase arrangement with an outside provider.

For further information, please visit www.avonpensionfund.org.uk/paying/paying-more or [contact the Fund](#).

I pay Additional Voluntary Contributions (AVC) – is this shown on my statement?

No, you will get a separate statement from the AVC provider.

What happens if I am unable to work because of an illness?

If you have been absent from work because of an illness and you have received reduced or nil pay as a result, there will be no affect to your pension build up. If your employment is then terminated on the grounds of permanent ill health, your retirement benefits may become payable immediately at an unreduced rate upon certification from an Independent Registered Medical Practitioner (IRMP) appointed by either your Employer or the Pension Fund. For further information on the ill health process, please contact your employer.

Has my Pension Sharing Order / Scheme Pays deduction been applied?

No adjustment has been made to the benefits shown on your statement if they have been subject to a Pension Sharing Order (following a divorce /dissolution of a civil partnership) or if you have made an election for the Scheme to pay the tax charge due after you have exceeded the Annual Allowance.

Other information

Annual allowance – Tax and your pension benefits

There are limits to the value that your pension benefits may increase without you having to pay a tax charge to HM Revenue and Customs. The annual allowance for 2024/2025 was £60,000, and the majority of members will be unaffected by these limits.

For a defined benefit scheme like the LGPS, the increase is not based on contributions paid but on the growth in the benefits. It is a complicated calculation which normally only impacts high earners or members that have had a significant pay increase in a year. For more information on pensions tax and annual allowance visit www.avonpensionfund.org.uk/need-know/tax-and-your-pension/lifetime-allowance

Pension Scams

Pension Scams are becoming more credible, and scammers are using more sophisticated ways to communicate with members. Please make sure you keep your pension safe by reading the [Pension Scams Action Group \(PSAG\) leaflet](#).

If you are approached about your pension and about transferring this away from the Local Government Pension Scheme, we recommend you review the PSAG checklist. Don't become a victim of a pensions scam.