

# Avon Pension Fund

## Local Government Pension Scheme

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## Notes for Pensioners of the Avon Pension Fund who were paying into the Local Government Pension Scheme (LGPS)

### Local Government Pension Scheme Regulations 2014

These notes are designed to give pensioners who were paying into the LGPS general information about how we calculate retirement benefits and how they will be paid.

We try to make the information in these guidance notes as accurate as possible, but please be aware that they don't cover every circumstance and cannot override the LGPS Regulations.

### How my Pension Benefits are calculated?

From 1 April 2014 for each year you are in the LGPS you will build up a pension equal to 1/49<sup>th</sup> of your actual pensionable pay added into your pension account. This is revalued each year, with any inflation added to your pension account.

Benefits build up prior to 1 April 2014 are based on the number of years and days of membership you have in the LGPS and your Final Pay. From 1 April 2008, each year of membership gives you an Annual Pension of 1/60<sup>th</sup> of your Final Pay. Membership up to 31 March 2008 gives a smaller Annual Pension plus an automatic Lump Sum as shown below. Final Pay is normally the pay in your last 12 months of work that you've paid pension contributions on, but we can sometimes use previous years pay where that would be higher.

If you have worked part-time the same calculation is used, but the membership is scaled down to the whole-time equivalent length based on the contractual hours worked and the Final Pay is scaled up to the whole-time equivalent rate.

Your membership in each of the schemes will have been calculated and added together to give you your annual pension amount.

#### LGPS Membership up to 31 March 2008 provides:

Annual Pension =  $1/80 \times \text{Final Pay} \times \text{Membership}$   
Automatic Lump Sum =  $3/80 \times \text{Final Pay} \times \text{Membership}$

#### LGPS Membership from 1 April 2008 to 31 March 2014 provides:

Annual Pension =  $1/60 \times \text{Final Pay} \times \text{Membership}$   
You can exchange some pension for Lump Sum (£1 for £12)

#### LGPS Membership from 1 April 2014 provides:

Annual Pension =  $1/49 \times \text{Pensionable Pay for each year} + \text{inflation}$   
You can exchange some pension for Lump Sum (£1 for £12)

Access your pension account  
[www.avonpensionfund.org.uk](http://www.avonpensionfund.org.uk)

my pension online



Tell us how we did. Give us your views at  
[www.avonpensionfund.org.uk/customer-survey](http://www.avonpensionfund.org.uk/customer-survey)



**Data Protection:** Avon Pension Fund is a Data Controller under the General Data Protection Regulations. We store, hold and manage your personal data in line with statutory requirements to provide you with pension administration services. 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, visit [www.avonpensionfund.org.uk/privacy-notice](http://www.avonpensionfund.org.uk/privacy-notice)

## **Normal Pension Age**

Your Normal Pension Age is the same as your State Pension Age at the date your benefits are paid (or age 65 if this is later). If your State Pension Age rises then so will your Normal Pension Age.

You can find out your State Pension Age at: [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)

## **Disagreement Procedure**

If you disagree with the amount of benefit you have the right to apply for 'adjudication of a disagreement'. An application form can be downloaded from our website or you can contact us to request that one is sent to you. The application must be made within 6 months of the date that notification of the decision you disagree with was given, and should be sent to the adjudicator:

Technical and Compliance Manager  
Avon Pension Fund  
Bath & North East Somerset Council  
Lewis House  
Manvers Street  
Bath  
BA1 1JG

The adjudicator must send you a decision within two months of receiving your application, or if this is not possible send you an interim reply setting out the reasons for the delay and an expected date for giving the decision.

If you do not agree with the decision of the adjudicator, you may refer this for reconsideration by Bath and North East Somerset Council. A referral must be made within:-

- where a decision has been given by the adjudicator, six months
- where an interim reply but no notice has been given by the adjudicator, seven months from the expected decision date
- in a case where no notice or interim reply has been given, nine months from the expected decision date.

You may nominate a representative to make or continue an application or a referral of a decision on your behalf. If you are or become incapable of acting, the application may be made or continued on your behalf by a family member or a suitable representative.

## **Payment of Pension**

### **How will my pension be paid?**

We will pay your Annual Pension into your chosen Bank or Building Society Account in 12 monthly instalments on the 22<sup>nd</sup> day of each month. However, if the 22<sup>nd</sup> falls on a Saturday or Sunday (or a Bank Holiday), your pension will be paid on the Friday before.

We will shortly send you your first pension pay advice slip. From then on, details of each payment will only be sent to you if your net monthly pension changes by £5 or more. Changes are likely to occur each April when the annual Pensions Increase is applied to your pension and again possibly in May or June when any new tax codes are applied.

Call the Pensions Payroll Section free on 0800 0644155 if you want to check the amount of pension we've paid you. You can also view your pension figures online at [www.avonpensionfund.org.uk](http://www.avonpensionfund.org.uk) Click on the link 'my pension online' and follow the instructions which tell you how to register and get a PIN number to view your details through a secure link.

### **Pension Payroll Number**

We allocate all new pensioners their own unique pension payroll number. Your pension payroll number will be printed on your first, and future, pay advice slips. It will help us identify your pension record if you could quote your pension payroll number if you email, telephone or write to the Pensions Payroll Section.

## **Change of Home Address or Bank or Building Society details**

If you change your permanent address please notify the Pensions Payroll Section in writing at the address above or by email to [avonpensionfund@bathnes.gov.uk](mailto:avonpensionfund@bathnes.gov.uk) Please quote your pension payroll number and / or your National Insurance number.

If you change your bank or building society details you must notify the Avon Pension Fund's Pensions Payroll team in writing by post or email, quoting your pension payroll number and / or your National Insurance Number.

## **What if I go to live abroad?**

We can pay pensions into overseas bank accounts through Western Union TAPS (Transcontinental Automated Payment Service). Call the Pensions Payroll Section free on 0800 0644155 or contact the Avon Pension Fund by email at [avonpensionfund@bathnes.gov.uk](mailto:avonpensionfund@bathnes.gov.uk) and you will be sent a Mandate Form for completion. Please be aware that it may take up to 10 working days for your account to be set up through Western Union. There is a small transaction fee for using the TAPS service and you will be advised of the current value when you contact the Pension Payroll team for your mandate. You should also be aware that the amount of pension you'll receive each month will depend on the exchange rate at the time.

## **Income Tax, P60s and tax code queries**

HM Revenue & Customs treat your pension as 'earned income' and Avon Pension Fund have to deduct Income Tax from any pension payments we make to you, as instructed by the Tax Office which deals with pensioners of Avon Pension Fund.

When you retire straight from work with an LGPS Scheme Employer (unless you're taking Flexible Retirement), your employer must issue a P45 Form for income tax purposes. They should give part 1A to you and send all other parts to the Pensions Section, who will then forward your P45 details to the Tax Office. This will only apply if form P45 is received from your employer prior to processing your first pension payment.

The Pensions Payroll Section will deduct Income Tax from your pension using the Tax Code on your P45 until we receive a new Tax Code from the Tax Office.

If you don't retire straight from work with an LGPS Scheme Employer, or we don't receive a P45 for you, or form P45 is received after your first pension payment has been processed, then the Pensions Payroll Section must apply an Emergency Tax Code to your pension payments, until the Tax Office tell us the Tax Code to use. When we receive a Tax Code we'll refund any overpayment of tax or collect any arrears of tax due.

We will send you a P60 at the end of each tax year, usually in May. This will show the total pension we have paid you and the amount of tax (if any) we have deducted in that year. You must keep this P60 as it may be required for tax purposes.

## **Tax Code Queries**

It is the HM Revenue & Customs Tax Office which determines your Tax Code, not Avon Pension Fund. If you want to query the Tax Code that has been applied to your pension, please contact:

HM Revenue & Customs  
Pay As You Earn  
PO Box 1970  
Liverpool  
L75 1WX

Tel: 0300 200 3300

HM Revenue & Customs have Local Enquiry Offices which may also be able to help with your Tax Code enquiry. Your local office should be in your telephone directory under HM Revenue & Customs. You'll need to tell them your National Insurance Number, your pension payroll number and quote their reference for Avon Pension Fund which is: **070 EXA 100P**.

## **Pensions Increase**

### **What is Pensions Increase?**

We will revalue your Annual Pension each April so that it keeps pace with the cost of living. The amount of Pensions Increase is based upon what the government says consumer prices have increased by in the 12 month period up to the end of the previous September.

### **How is my increase calculated?**

If you retire before State Pension Age and your pension is in payment you will receive the increase in full. However, your first increase will be apportioned according to the number of months your pension has been in payment since the previous increase. When you reach State Pension Age or you are retiring at or after State Pension Age and you have pensionable service before 6 April 1997 your increase may be calculated in two parts and paid from two sources.

The Pensions Service pays an increase related to your Guaranteed Minimum Pension with your state pension. This means that the Local Government Pension Scheme will pay an increase on the balance of your Pension (i.e. your Pension less your Guaranteed Minimum Pension).

The Local Government Pension Scheme is responsible for paying up to 3% of the increase to that part of your Guaranteed Minimum Pension that relates to any of your service after 5 April 1988.

This is rather complicated but it should be noted that the total increase you will get from both sources will be the same as if the Local Government Pension Scheme had paid all of it.

### **What if I receive additional state benefits from the Pensions Service?**

You should notify your local office of the Pensions Service (of the Department for Work and Pensions) immediately of any increase to your Local Government Pension. If you don't do this you may have an overpayment of any state benefits you receive from them.

## **Re-employment**

### **Is my pension affected if I take further employment?**

Not unless you have membership prior to 31 March 2014 and have been retired by reason of ill-health, efficiency, redundancy or your employer has agreed to the early release of your pension on leaving.

In which case if you take up further employment with an employer which participates in the Local Government Pension Scheme (LGPS), your pension may be reduced or suspended if the combined annual income from your new employment and the part of your pension built up before 1 April 2014 exceeds your pay immediately before your retirement.

If you do become so employed, you are required by the LGPS Regulations to:

- (a) tell your employer that you have a pension from the LGPS, and
- (b) write to Avon Pension Fund giving full details of your further employment.

If you fail to carry out these requests your pension may be overpaid and you will have to pay the money back.

### **Changes that you should tell Avon Pension Fund about**

The amount of your Local Government Pension you can keep while you work may change if you have:

A pay rise backdated to when you started your post-retirement work.

A change in the conditions of your post-retirement work e.g. a pay increase due to promotion or a change in the number of contractual hours you work.

## **Divorce or Annulment of Marriage / Dissolution of a Civil Partnership**

If your pension benefits are subject to a Pension Sharing Order issued by the Court following a divorce or annulment of marriage or the making of an order for the dissolution or nullity of a civil partnership, or are subject to a qualifying agreement in Scotland, your benefits will be reduced in accordance with the Court Order or agreement.

## Death

### What happens to my pension when I die?

Your pension ceases on your death and the Pensions Payroll Section must be notified of your death as soon as possible thereafter. This can be done in writing or by telephone followed by written confirmation. The person who notifies the Pensions Payroll Section of your death must quote your pension payroll number or your National Insurance Number. We will need to see a copy of the death certificate when it is available.

### Lump Sum Death Grant

A one-off cash Lump Sum Death Grant will be payable if your pension has been in payment for less than ten years and you die before age 75. This is known as a 'Ten Year Guarantee' and will be based on the total of ten year's pre-commutation pension less the pension and commuted lump sum paid.

If you have membership prior to 1 April 2014 this portion of the Lump Sum Death Grant will be based on the total of ten year's post-commutation pension less the pension paid.

You can complete an 'Expression of Wish Form' to say who you would like to receive the Death Grant in the event of your death. The advantage of doing this is so that any payment does not form part of your estate and therefore would not count when calculating Inheritance Tax.

### Survivor's Pensions

If a Survivor's Pension is payable to your Spouse, Civil Partner or eligible Cohabiting Partner, an application form will be sent to them for completion. We will also need to see relevant documentation.

Children's Pensions are payable to any eligible dependent children you may have. An eligible child must normally be:

- your natural or adopted child or
- your step-child or child accepted as part of your family

and

- under the age of 18
- under 23 if they have continued in education, or
- any age if dependent on you because of physical or mental impairment.

### Access your pension account using 'my pension online'

Register for *my pension online* at [www.avonpensionfund.org.uk](http://www.avonpensionfund.org.uk) to:

- View and update your contact details
- View your pension details
- View your P60 and payslip history
- Update your bank account details
- Send online requests/enquiries to us

Further information about receiving a pension from Avon Pension Fund can be found at our website [www.avonpensionfund.org.uk](http://www.avonpensionfund.org.uk)

## Disclaimer

These 'Notes for Pensioners of the Avon Pension Fund' provide general background information about the Local Government Pension Scheme (LGPS) and they do not cover every individual circumstance. These Notes are not intended to be an authoritative statement of the Law or the LGPS Regulations and do not confer any contractual or statutory rights. Nothing in these Notes can override the provisions of the LGPS Regulations.

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