



## West Midlands Pension Fund

### Local Government Pension Scheme (LGPS)

Dear Member,

Welcome to your update from the West Midlands Pension Fund, providing information about the recent amendments to the Local Government Pension Scheme (LGPS).

#### Why are we writing to you?

Important changes have been made to the Local Government Pension Scheme Regulations and these changes, unless indicated otherwise, came into effect from 14 May 2018. We are writing to inform contributing members of the West Midlands Pension Fund as these changes may impact the benefits and options available to you through the Scheme. We recommend you read this carefully.

#### What are the changes?

There are two main changes which are relevant to contributing members of the scheme, these are in relation to members who pay or who have paid Additional Voluntary Contributions and members who may benefit from the underpin protection, (this protection was put into place when the scheme changed in 2014).

The changes are summarised below: -

#### **Additional Voluntary Contributions (AVCs)**

Changes to pre- April 2014 AVC contracts - if you are a member of the LGPS and are or were, paying Additional Voluntary Contributions (AVCs) and the contract to pay those AVCs started before 1 April 2014, you will see some changes to the way the limit and definition of pay these contributions are based on and also when you draw benefits from your AVC plan if you leave the fund before taking benefits on retirement.

If you are currently paying AVCs:

- You can now pay up to 100% (rather than 50%) of your pensionable pay into your AVC plan.
- AVCs will now also be deducted from any voluntary overtime you work (if you pay AVCs as percentage of your salary).

When you take your AVC plan:

- If you leave the scheme with a deferred benefit you can now buy additional pension from the LGPS with your AVC plan when you take your benefits from the scheme.

Before the change, this option was only available to members who took immediate payment of their main scheme benefits and their AVC plan when they left the scheme.

- When you take your main scheme benefits you will no longer be able to leave your AVC invested and take it later.
- In the unfortunate circumstance that you were to die before taking your AVC, and a lump sum is to be paid from your AVC plan, the Fund now has absolute discretion over who to pay that sum to (rather than it having to be paid to your estate). If the lump sum is paid at the discretion of the pension fund it does not form part of the estate and will not be subject to inheritance tax.
- As part of the Fund's discretion in relation to paying any death grants, we will take into consideration your completed nomination form, if you have not already done so please complete and return your nomination form which you can download from our website - [www.wmpfonline.com/memberforms](http://www.wmpfonline.com/memberforms)

For information about the other ways you can use your AVC plan see the national LGPS website - [www.lgpsmember.org/more/AVCOptions.php](http://www.lgpsmember.org/more/AVCOptions.php)

### **Expansion of the underpin (this protection was introduced in April 2014)**

The way your pension is calculated in the LGPS changed from 1 April 2014. If you were a member of the LGPS before 1 April 2014, any benefits built up to 31 March 2014 are protected as final salary benefits and will normally be calculated using your membership to 31 March 2014 and your final year's pay.

An additional protection was put in place for members who were active members of the LGPS on 31 March 2012 and who were within 10 years of age 65 at 1 April 2012. Subject to certain conditions, these members will get a pension at least equal to that which they would have received had the scheme not changed on 1 April 2014. This protection is known as the underpin.

As a result of these changes from the 1 April 2014, this underpin protection has now been extended to also apply to people who were active members of a different public service pension scheme on 31 March 2012 and who were within 10 years of age 65 on 1 April 2012; if you have joined the LGPS and transferred pension benefits from other public service pension schemes into the new LGPS scheme and part or all of that transfer buys final salary benefits in the LGPS, subject to certain conditions, the underpin will apply.

More information on the underpin is available on the national LGPS website - [www.lgpsmember.org/more/underpin.php](http://www.lgpsmember.org/more/underpin.php)

### **Have you checked the value of your pension benefits recently?**

Your annual benefit statements are available to view on "My Pensions Portal" and provides you with the latest update of your benefits.

Statements are produced each year, based on your benefits at 31 March and are normally uploaded to the portal late summer.

Why not [Be Pension Smart](#) and log into your account today.

Not registered for “My Pensions Portal” yet?



Take control of your pension and use “My Pensions Portal” to:

- Keep us up to date with any changes in your personal information;
- Get peace of mind by viewing documents including your nomination form;
- Plan for your retirement by running pension estimates;
- And much more!

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

There is a variety of support to assist you with registering for a portal account along with a step by step user guide, we are pleased to offer a dedicated pension portal helpline, please visit <http://www.wmpfonline.com/pensionsportal> for further information.

### We want to hear from you.

Over the past 12 months, the Fund has been busy exploring different ways to engage with our members and shape our service to ensure it is fit for the future, and we welcome any feedback you have on the service you have received. Please share your experience with us online [www.wmpfonline.com/feedback](http://www.wmpfonline.com/feedback)

### Contact us

If you have any queries in regards to the information in this letter please contact Customer Services on 0300 111 1665 who will be pleased to assist you, or you can find more about the LGPS by visiting [www.wmpfonline.com](http://www.wmpfonline.com)

The West Midlands Pension Fund is a Data Controller under the General Protection Regulations. For more information on how the Fund manages your personal data, please visit <http://www.wmpfonline.com/privacynotice>

Yours sincerely

*Rachel Brothwood*

Director of Pensions