

ACTIVE MEMBER

PENSIONSMART

For more information, visit the national Local Government Pension Scheme member's website: www.lgpsmember.org

NEW DATA PROTECTION REGULATIONS COME INTO FORCE



Welcome to your new Active Member Pension Smart newsletter for active members of the West Midlands Pension Fund.

This newsletter has been produced jointly with other LGPS funds. However, should you have any queries or require further information, please contact West Midlands Pension Fund direct.

New amendment regulations came into force on 14 May 2018. The changes are included in this newsletter... read on to find out how they affect you.

The General Data Protection Regulation (GDPR) is a new set of regulations which came into force on 25 May 2018. Within the UK these regulations make up part of the new Data Protection Act 2018. GDPR changes how businesses process and handle data (information). The main aim is to simplify data privacy laws, while giving greater protection and rights to individuals.

How will GDPR affect me?

To look after your pension benefits, the Fund holds certain information about you, including the following:

- Contact details, including your name, address, phone number and email address.
- Identifying details, including your date of birth and national insurance number.
- Information about your benefits in the Fund, including length of service and salary.

- Other information to do with your membership of the Fund, which helps us to calculate or pay benefits, for example, your bank account details.

We get some of this personal information direct from you. We may also get information from your employer (for example, information about your salary) and from other sources, including public databases.

We use this personal information to manage the Fund, to calculate pension benefits for you (and any beneficiaries when you die) and to keep to our legal obligations.

As a member of the LGPS, you are unlikely to notice any changes with the introduction of GDPR. This is because the Fund already had

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procedures in place, under the previous Data Protection Act. The introduction of GDPR simply means that the current requirements on data protection are reinforced.

West Midlands Pension Fund has issued a privacy notice setting out why we hold certain information, the reason

for processing the information and how long it will keep it for. The notice will also include further information about your rights. To find out more about GDPR and how we use your information, visit www.wmpfonline.com/privacynotice

Increases to the state pension age

Based on the recommendations of an independent review of the state pension age, the Government's new timetable proposes that the state pension age will increase to 68 between 2037 and 2039. This is earlier than the current legislation, which proposed a rise between 2044 and 2046. The change will affect everyone born between 6 April 1970 and 5 April 1978. No-one born on or before 5 April 1970 will see a change to their state pension age.

As the normal pension age (NPA) within the LGPS is now linked to state pension age, this will change the NPA of members born between those dates. Visit the Department for Work and Pensions website for more information on the state pension age review (www.gov.uk/state-pension-age) and to read the full report.



Tax limits

There are two types of pension growth taxation limits that you need to be aware of: the annual allowance and the lifetime allowance. You can find more information about pensions tax on our Fund website www.wmpfonline.com/tax-on-pension-savings or by visiting the Government website, gov.uk.

Annual allowance

The annual allowance is the amount by which the value of your pension savings can increase in any one year, without you having to pay a tax charge. The period over which your pension growth is measured is known as the 'pension input period' (PIP). If the value of your pension benefits grows by more than the limit, you may have to pay a tax charge on the extra amount. However, three years' 'unused' annual allowance can be used to offset the tax charge. The annual allowance amount for 2017/2018 was £40,000 and has stayed the same for 2018/2019.

The Fund has issued pensions savings statements to members with pension savings in the LGPS which were more than the annual allowance limit for the previous tax year. If you have exceeded the annual allowance limit, the statement will tell you your options relating to the tax charge.

Lifetime allowance

Your lifetime allowance is the overall limit on the amount of pension savings you can build up over your working life without having to pay a tax charge. To work out the percentage of the lifetime allowance limit you have reached so far, multiply your annual pension by 20, add in any automatic lump sums or additional voluntary contributions (AVCs), then divide by the lifetime allowance limit and multiply by 100.

The lifetime allowance limit for 2017/2018 was £1 million and was increased for the 2018/2019 tax year to £1,030,000.



Exit payments – legislation update

In 2016 the Government announced proposals to standardise and limit severance or exit payments in the public sector. The main proposals were as follows:

A £95,000 cap on exit payments – A proposed limit on the total value of payments made when ending a public-sector worker's employment. This includes the cost of employer-funded early retirement, for example, an immediate pension payable on redundancy from age 55.

Retrieving payments following re-employment to the public sector within 12 months for those earning £80,000 or above (and other associated reforms) – If someone who earns £80,000 or more leaves their employment, and returns to the public sector within 12 months, they would have to pay back some or all of their total exit payment.

A recent update from the Ministry of Housing, Communities and Local Government has confirmed that although they still plan to go ahead with the reforms, no exact timetable has been given. A fresh consultation about the reforms is scheduled to take place. We will tell you about any future updates.

Are your nominated beneficiaries up to date?

As an active member of the LGPS, a death grant lump sum of three times your pay may be payable to your beneficiaries if you die. It is important to check your death grant nominations regularly, particularly if your personal circumstances change. If you would like to update your nominations (the details of who you want to receive the lump sum), please fill in the expression of wish form on the Fund's website www.wmpfonline.com/memberforms

If you are registered for the Fund's Pensions Portal you can also update your death grant nominations online by signing into your account. <https://portal2.wmpfonline.com/>

Thinking of reducing your pension contributions?

Did you know that since 1 April 2014 there have been two sections in the LGPS: the main section and the 50/50 section? In the main section, you pay normal contributions and get your normal pension build-up (that is, 1/49 of your pensionable pay). However, in the 50/50 section, you pay half your normal contributions and build up half your normal pension during the period you are in that section (that is, 1/98 of your pensionable pay). If you move to the 50/50 section, you still get full life assurance cover, full ill-health cover and full survivor benefits if you die.

The 50/50 section is designed to be a short-term option for when times are tough financially. This means that you can save money while still building up valuable pension benefits. If your current financial situation is causing you to consider opting out of the LGPS, why not take a look at the 50/50 section? The 50/50 section of the scheme is flexible, which means you can switch between the 50/50 section and the main section as your circumstances change.

For more information on the 50/50 section, please view our short video www.wmpfonline.com/optingout



High court ruling cohabiting partners

From 1 April 2008, the LGPS allowed survivor's pensions to be paid to cohabiting partners, as long as they had been 'nominated' by the scheme member. Under a high court ruling, which you may have heard referred to as Elmes v Essex, it is no longer necessary for us to have received a nomination form in order to pay a survivor's pension.

This ruling is likely to affect members who died before 1 April 2014, but did not complete a nomination form before their death. Now it is possible to pay a survivor's pension to the eligible cohabiting partner of such members.

This is already the case for LGPS members who died after 1 April 2014, as the change to the LGPS rules removed this requirement for a nomination to be made.

If your cohabiting partner left the LGPS between 1 April 2008 and 31 March 2014, died before 1 April 2014, and you have not received a survivor's pension, you may be affected by this ruling or know someone who is. If this is the case, you should contact the Fund.

New law to ban pension cold calls

On 20 August 2017, Government ministers announced new proposals to crack down on cold-callers targeting pension benefits which in turn can lead to pension scams.



There are two major changes. The first is an official ban on cold calls, text messages and emails that target private pensions. The second change will stop people from transferring their private pension pots to companies that are not investing money, sometimes referred to as 'dormant' companies.

Legislation is yet to go through Parliament, but it is thought that this law may come into force in 2018. The Pensions Regulator website has some useful advice on how to keep yourself safe from scams targeting your pension. Visit www.thepensionsregulator.gov.uk for more information.

If you are worried that you may have fallen victim to a scam, call **The Pensions Advisory Service (TPAS)** on **0300 123 1047** for free help and advice.

Changes to AVC contracts

If you started paying additional voluntary contributions (AVCs) before 1 April 2014, and also left your employment before this date, the rules around your contract were slightly different to those for contracts taken out after 1 April 2014. If you have not yet taken payment of your AVCs, the rules have brought in the following changes to your previous contract:

Contributions

The maximum contribution limit has increased from 50% to 100% of pensionable pay. This won't affect you unless you also have AVCs with a current job, as a deferred member you can't continue to pay into your AVC after leaving the scheme.

Option to defer payment

You used to have the option to delay taking your AVCs when you took your main scheme benefits. This option is no longer available, AVCs must now be taken at the same time as your main benefits.



Buying extra LGPS benefits

As a deferred member you can now use your AVCs to buy additional pension when you take your main scheme benefits, under all circumstances.

Death benefits

If you were to die before you could take your AVCs, you can now choose who to pay a death grant to.

Combining your AVC pots

If you have more than one AVC pot, either through different jobs or a transfer of AVC benefits from elsewhere, these pots will be automatically joined together when your main benefits are combined. Previously, you used to have to tell us to do this.

If you also have an AVC pot which you started paying into before 1 April 2014 and are still paying into, please be aware that some of your old contract rules remain the same. These are that your NPA stays at age 65, and if you started your contract before 13 November 2001, you still have the right-to-buy scheme membership in some cases.

Have you viewed your annual benefit statement?

Annual benefit statements are currently being uploaded to the Pensions Portal so "Be Pension Smart" and check your Pensions Portal account today! This year, the Fund has implemented a rolling benefit statement production to maximise the number of statements we produce. If your statement is not yet available on the Pensions Portal, please keep checking back as we will continue to produce statements through to December.

Your statement will give you a snap shot of the benefits you have currently built up and provides an estimate of your benefits at your normal pension age.

Log online today to check your statement.



Need assistance registering for a pensions portal account? Please view our short video or our step-by-step guide to navigate around Pensions Portal, click www.wmpfonline.com/guidancenotes

Not registered to access your pension online yet?

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

- access your 2018 annual benefit statement;
- keep us up to date by amending your personal information;
- get peace of mind by viewing documents and your nomination form;
- And much more!

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



FREQUENTLY ASKED QUESTIONS

If you have questions in regards to your statement, or want more information in regards to your benefits, why not visit our annual benefit statement FAQ at www.wmpfonline.com/abs

CHARITABLE ACTIVITIES

West Midlands Pension Fund has an internal team of employee representatives, known as the Staff Forum, who encourage the whole organisation to support various charities and causes.

In 2017/2018, the Fund donated

£1,071.28

to the following charities:



The Royal Wolverhampton
NHS Trust



We welcome any feedback you have on the service you have received. Please share your experience with us online and submit your feedback at www.wmpfonline.com/feedback

GOALS OF THE FUND



If you need to contact us, we are here to help...



<https://portal2.wmpfonline.com/>



www.wmpfonline.com



Ask a question through secure messaging



pensionfundenquiries@wolverhampton.gov.uk



Dedicated member and portal helpline:
0300 111 1665

Be Pension Smart!
and take control of your pension today