West Midlands Pension Fund

DEFERRED MEMBER PENSIONSMART

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

FREQUENTLY ASKED QUESTIONS

Welcome to your new Deferred Member Pension Smart newsletter for deferred 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.

What are deferred benefits?

Deferred benefits are pension benefits calculated when you leave the LGPS before you retire and which are held in the pension fund for you until:

- you decide to transfer them to another pension scheme;
- they are due to be paid at your normal pension age (NPA); or
- your pension is paid to you, earlier than your NPA, if you retire early or due to ill health.

Your NPA depends on when you left the LGPS. If you left the scheme before 1 April 2014, your benefits have an NPA of 65. However, if you left the scheme after this date, your NPA is linked to your own state pension age.

When can I take my deferred benefits?

This used to depend on what the scheme rules said at the point you left. But due to a very recent change in the scheme rules, most members can now draw their deferred benefits from age 55, although early retirement reductions may apply.

You can draw your deferred benefits in the following ways:

- At NPA without reduction.
- Before normal pension age but possibly with early retirement reductions

If you left before 1 April 1998, the rules are slightly different. If you are under 55, you now have the option to take your benefits at age 55 but early retirement reductions will normally apply. If you don't choose to draw these deferred benefits at 55, you will have to wait until your NPA to do so.

If you are already 55 or over, you don't currently have the option to choose to draw your deferred benefits early without your former employers' agreement, so you must wait until your NPA – in most cases this is 60.

continued overleaf →

This option is being reviewed by Government. However, if you are unable to work again because of ill health, you may be able to receive your pension benefits in full, without a reduction, whatever your age was when you left the LGPS. Please contact your former employer if you feel this applies to you.

If you are considering retiring and would like to know more about the process, please visit our Fund's website or contact our pensions team for further information.

What if I die before receiving my deferred benefits?

If you die before you receive your deferred benefits, your eligible dependants may receive a lump-sum death grant and survivors' pensions.

If you left the LGPS before 1 April 2008, the death grant would be the amount of your lump-sum retirement grant, which includes any increases in your pension since the date you left the scheme. If you left on or after 1 April 2008, the death grant would be the amount of your deferred pension, multiplied by five, including any pension increases since the date you left the scheme.

To see how much your dependants could receive, please view your deferred benefits statement on 'My Pensions Portal'.

Who will receive the dependant's pension if I die before taking my deferred benefits?

Your spouse, registered civil partner, your eligible children or, if you were a member of the LGPS on or after 1 April 2008, an eligible cohabiting partner (someone you live with, unmarried, as part of a couple) may receive a pension. There is more information on who is eligible on the LGPS members' website.

There is no need to nominate your husband, wife, civil partner or dependent children for a pension payable on your death, but you should nominate who you would want to receive the lump-sum death grant.

If you have already made a nomination it will be shown on your Pensions Portal account where you can amend it, or you can download a form from the Fund's website **www.wmpfonline.com/memberforms**

How do my deferred benefits keep their value against inflation?

Your deferred benefits are adjusted each April in line with inflation to make sure they follow the cost of living. The pension increase to be applied to your benefits is measured by the consumer prices index (CPI) as at the previous September. For April 2018, this was 3%.

New data protection regulations come into force

From the 25 May 2018, the EU General Data Protection Regulation (GDPR) replaced the current Data Protection Act. GDPR is a regulation by which the European Parliament, the Council of the European Union and the European Commission intend to strengthen and unify data protection for all individuals within the European Union (EU).

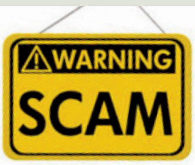
What does this mean for you?

West Midlands Pension Fund is a Data Controller under the Data Protection Act 2018. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we are required to share your information with certain bodies, but will only do so in limited circumstances. 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, please 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, unless they left the LGPS before 1 April 2014. Visit the Department for Work and Pensions website for more information on the state pension age review.



If you are thinking of transferring your pension pot to another pension provider, be sure that you protect yourself from fraudulent companies.

Pension scams

Here are five tips for you to consider before taking any action.

1 If you're using a financial adviser, make sure they are registered with the Financial Conduct Authority (FCA).

2 Avoid or ignore an unsolicited phone call, text or email (one you haven't asked for), these are nearly always going to be a scam.

3 Act straightaway if you think you have been the victim of a scam. Report it to **Action Fraud** on **0300 123 2040**.

4 Be wary of 'attractive' deals. You can visit the FCA website at **www.fca.org.uk/scamsmart** to see if the deal you are being offered is a known scam.

5 Always check the investment is a legitimate one, even if it has been recommended by a friend.

Changes to pre-April 2014 AVC contracts

If you were a member of the LGPS on or after 1 April 2014 and you paid additional voluntary contributions (AVCs) and the contract to pay those AVCs started before 1 April 2014, you will see some changes when you draw benefits from your AVC plan on retirement.

When you take your AVC plan:

- 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.

For information about the other ways you can use your AVC plan, see the national LGPS website – **www.lgpsmember.org/more/AVCoptions.php**

Are you using the new My Pensions Portal?

Take control of your retirement benefits and access your pension account online using the new Pensions Portal!

West Midlands Pension Fund launched its existing online web portal platform in 2013 which enabled members to manage their pension accounts online.

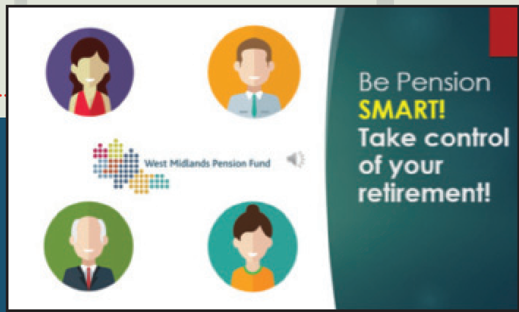
We have been working hard on a project to improve the 'look and feel' of the site, enhancing the customer experience and increasing the efficiency and flexibility of the portal. We have developed a new member web portal which was launched in August 2017 and has been rebranded as 'My Pensions Portal', designed with customer feedback in mind. All existing users who have registered and activated on the previous web portal have been automatically mapped over to 'My Pensions Portal'.

Not registered to access your pension online yet?

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

- access your 2018 deferred benefits 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/**



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**

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:

action for charity women V cancer

COMIC RELIEF

NHS The Royal Wolverhampton NHS Trust

GOOD SHEPHERD MINISTRY

MIDLANDS AIR AMBULANCE CHARITY

Dementia Friends An Alzheimer's Society initiative

GOALS OF THE FUND

The Fund's core objectives

P – PARTNERING for success

R – RESPONSIBLE asset owner, employer and local community partner

I – INVESTING to increase capacity

D – DRIVE efficiences and cost savings

E – ENGAGE to improve outcomes for customers

FREQUENTLY ASKED QUESTIONS

If you have questions in regards to your statement, or want more information in regards to your benefits, why not visit out deferred benefit statement FAQ at **www.wmpfonline.com/dbs**

WE WANT YOUR FEEDBACK!

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**

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

https://portal2.wmpfonline.com/

pensionfundenquiries@wolverhampton.gov.uk

www.wmpfonline.com

Dedicated member and portal helpline:
0300 111 1665

Ask a question through secure messaging

Be Pension Smart!

and take control of your pension today