West Midlands Pension Fund

DEFERRED MEMBER
PENSIONSMART

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

HOW'S YOUR RETIREMENT PLANNING GOING?

Welcome to your 2019 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.

WHAT'S NEW?

New amendment regulations came into force in January 2019. The changes are included in this newsletter on page 3.

We appreciate that there never seems time to sit down and plan your retirement, so we have given you a helping hand. Be Pension Smart and use our five-step process to take control and plan for retirement!

1 TAKE CONTROL

Take control of your West Midlands Pension Fund benefits and register or log on to the Pensions Portal to view your pension record. You are able to review and update the information we hold

www.wmpfonline.com/pensionsportal

2 GET A CURRENT POSITION

Find out how your pension savings are building by viewing your deferred benefit statement online to see where you could be at your normal retirement age. Your statement can be found on the Pensions Portal.

//portal2.wmpfonline.com/

3 TAKE STOCK

Collate all of your pension provisions and income which you may have in retirement. This can be done by obtaining current values of any benefits or income you have.

Your pension provisions may include a state pension which you can get a quote for online at

www.gov.uk/check-state-pension

4 PREPARE & BE AWARE

You may choose to obtain an estimate from any other pension providers which you may have. Also be aware of potential pension scams.

5 CREATE A BUDGET

Do you know how much income you will need in retirement and what you will be spending your income on? Why not take control and take a few minutes to create a budget planner provided by the Money Advice Service.

www.moneyadviceservice.org.uk/en/pensions-and-retirement/ budgeting

What are deferred benefits?

When you leave the LGPS, before you retire, we work out your pension benefits and hold them in the pension fund for you. We call these 'deferred benefits' and we look after them until:

- your normal pension age (NPA);
- you transfer them to an alternative pension scheme;
- or you take them earlier than your NPA at a reduced rate, or after your NPA at an increased rate.

Your NPA depends on when you left the LGPS. If you left the LGPS before 1 April 2014, your NPA is normally 65. In some cases, it may be earlier if certain protections apply.

If you left the scheme on or after 1 April 2014, your NPA is connected to your state pension age, which could change in the future.

If you are unsure when your NPA is, you should check your deferred benefit statement.

Will my benefits be reduced if I take them early?

If you choose to take your deferred benefits earlier than your NPA, they'll normally be reduced to take into account that your pension will be paid for longer. How much your deferred benefits are reduced by will depend on how early you take them. The reduction is based on the length of time (in years and days) between the date you take them and your NPA.

The early retirement reduction factors are set by the government and can vary from time to time. The current factors are shown in the table.

You can find more information about taking your deferred benefits on the national LGPS website: **www.lgpsmember.org/arl/already-left-when.php**

Number of years paid early	Pension reduction	Lump sum reduction (for membership to 31 March 2008)
0	0.0%	0.0%
1	5.1%	2.3%
2	9.9%	4.6%
3	14.3%	6.9%
4	18.4%	9.1%
5	22.2%	11.2%
6	25.7%	13.3%
7	29.0%	15.3%
8	32.1%	17.3%
9	35.0%	19.2%
10	37.7%	21.1%
11	41.6%	Does not apply
12	44.0%	Does not apply
13	46.3%	Does not apply

Can I take my benefits before my NPA?

Changes to the scheme regulations mean you can now take your deferred benefits before your NPA, from the age of 55, as long as you've left the employment the benefits relate to. This has always been the case if you left on or after 1 April 2014, but now also applies if you left before 1 April 2014.

Can I take my deferred benefits later than my NPA?

If you left the LGPS after 1 April 1998, you can choose to leave your benefits in the LGPS past your NPA, but we must pay these to you when you reach 75. In this case your benefits would be increased for late payment. If you left before 1 April 1998 you must take your benefits when they're due.

How do my deferred benefits keep their value against inflation?

Every April, your deferred benefits are adjusted in line with inflation. The pension increase applied to your benefits is measured by the Consumer Price Index (CPI) as at the previous September. For April 2019, this is 2.4%.

Can I take my deferred benefits if I'm unable to work due to ill health?

If you are ill and cannot work, you can ask your former employer to pay your deferred benefits early, without a reduction, whatever your age. Contact your former employer if you would like to discuss this. Your health condition must meet the rules set out in the regulations.

CHANGES IN PENSION SCHEME REGULATIONS

Changes to survivors' benefits for same-sex husbands, wives and civil partners

A change has been made as a result of a Supreme Court judgment (Walker v Innospec) which found that Mr Walker's husband was entitled to the same benefits that would have been paid if Mr Walker had died and left a widow in an opposite-sex marriage.

Why does this apply to the LGPS?

The government believes that the implication of this judgment for all public-service pension schemes, including the LGPS, is that surviving civil partners or surviving same-sex husbands or wives should receive benefits equal to those that would be left to the widow of a male member of the scheme.

When does the change take effect from?

The change is backdated to the date that civil partnerships and same-sex marriages were introduced. This is 5 December 2005 for civil partnerships and 13 March 2014 for same-sex marriages.

Early payment of deferred benefits for leavers before 1 April 1998 only

Last year we let you know about a change to the scheme rules if you left with deferred benefits before 1 April 1998.

We told you that the scheme rules had been changed to allow you to take your benefits at age 55 (rather than 60), or your NPA. Your NPA will be between 60 and 65 depending on when you joined the scheme. You can find this information on your deferred benefit statement.

A further change to the scheme rules now allows you to take reduced benefits at any time from age 55 (rather than only at 55 or your NPA). Your former employer doesn't need to give permission for you to take your benefits between the age of 55 and your NPA. You must take your deferred benefits at your NPA (if you've not taken them before).

Also, you no longer have to leave all local government employment to take your deferred benefits.

This means that if you're working in another local government employment (that is, a different employment to the one you were in when you built up your deferred benefits) you can now choose to take your deferred benefits and continue in your local government employment. The above changes are backdated to 17 April 2018. If you would like to apply for early payment of your deferred benefits, please contact us.

What happens to my deferred benefits if I die?

If you're a deferred member and you die, your eligible dependants may be entitled to a lump-sum death grant and survivor's pension.

If you left the LGPS before 1 April 2008, the death grant would be the same as your lump-sum retirement grant shown on your statement and includes any increases to your pension since the date you left.

If you left on or after 1 April 2008, the death grant would be five times your deferred pension, plus any pension increases since the date you left.

After your death, the following people may receive a pension.

- Your husband, wife or registered civil partner
- Any eligible children
- If you were a member of the LGPS on or after 1 April 2008, an eligible cohabiting partner (someone you live with as if you were married)

Check how much your dependants could receive by logging onto Pensions Portal **https://portal2.wmpfonline.com/**

It's important to let us know about any changes to your marital status.

How do I update my personal details?

If you want to update the personal details shown on your annual statement (including your address), or you want to tell us about any other changes, please log in to your online account through 'Pensions Portal' to update some of your personal details: **https://portal2.wmpfonline.com/**

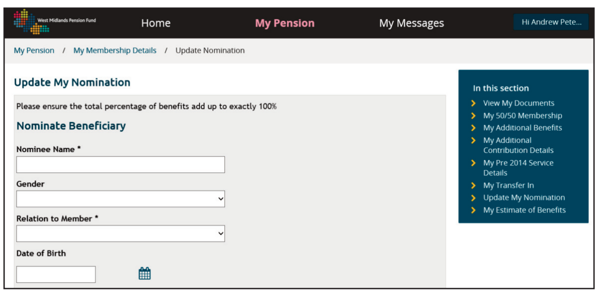
If your marital status changes, you should give us a copy of your marriage certificate, civil partnership certificate or decree absolute, as appropriate, so that we can authorise the change.

Have you told us who to pay your death grant to?

If you leave with deferred benefits and die before receiving them, the Fund will pay a death grant to the person you have nominated.

You can check who you have nominated by logging onto Pensions Portal **https://portal2.wmpfonline.com/**

If you need to update your nomination form, you can download one from the Fund's website **www.wmpfonline.com/CHttpHandler.ashx?id=17549&p=0**



Ban on cold calls

A long-awaited ban on pensions cold-calling came into force on 9 January 2019. (Cold-calling is when a company phones you to try to market their services, without you having asked them to.) The ban was first announced in November 2016 and is now law. Companies who break the rules can be fined up to £500,000.

How does the ban work?
The ban applies to all pensions cold calls, unless both of the following apply. The caller is authorised by the Financial Conduct Authority or is the trustee or manager of an occupational or personal pension scheme.

The person receiving the call agrees to calls or already knows the caller. Calls about your pension in any other situation are illegal and may even be a scam.

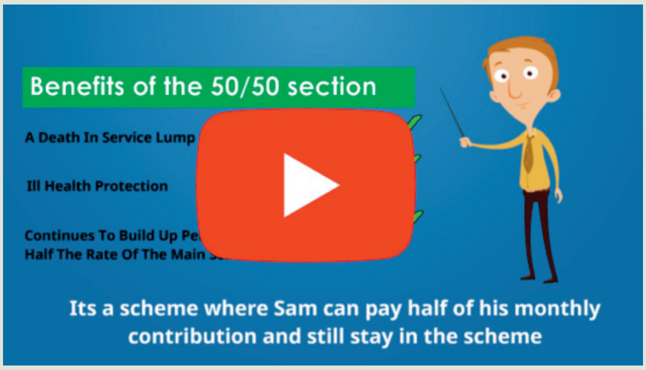
What do I do if I receive a cold call?
If you receive an unwanted call from an unknown caller about your pension, please don't give out any personal information. Gather as much information as possible and report it to the Information Commissioner's Office. Visit their website on **www.ico.org.uk** or call their helpline on **0303 123 1113**.

Rejoining the LGPS

If you have the option to join the LGPS again (because you're working for an employer who offers membership of the LGPS), you may want to consider it, as you will be able to build up further benefits for your future.

If you rejoin the LGPS in a different pension fund, tell them about your existing benefits with us. You may be able to combine your deferred benefits with your new active pension record.

If you are worried about the cost of rejoining the LGPS, you should consider the 50/50 section of the LGPS. It offers half pension for half contributions while still providing full death cover and ill-health protection. More information about the 50/50 section can be found on our website **www.wmpfonline.com/optingout**



Cyber security

We take the security of your information very seriously. Most pension records are held electronically, and many pension scheme members can now access their own pension records online. The Data Protection Act 2018, along with guidance from The Pensions Regulator, sets out rules that pension funds must follow to make sure that they have good cyber security (protection for computers and communications networks).

We work closely with our suppliers to make sure the systems that hold your personal information are protected. We have procedures in place to check that processes and people are kept up to date. We also regularly test systems to make sure that they stay secure and that the risk of a security incident is reduced. We make sure that our suppliers have certificates which prove they meet the expected cyber security standards and that the certificates are kept up to date.

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 2018/2019, the Fund donated
£1,991.47
to the following charities:

SAMARITANS

MACMILLAN CANCER SUPPORT

Mind

Birmingham Children's Hospital Charity

Dementia Friends
An Alzheimer's Society initiative

BBC Children in Need

RED NOSE DAY

Brexit

The decision made by the UK at the referendum (23 June 2016) to leave the European Union, otherwise known as 'Brexit' has dominated the news over the last three years with the possibility of the UK leaving the European Union on 31 October 2019.

Inevitably, there is still a great deal of uncertainty as the Brexit negotiations continue to take place. The benefits paid to members from the LGPS are defined in statutory legislation and are currently pre-determined based on earnings and periods of membership.

The LGPS is a defined benefit scheme and will not be affected by stock market changes or performance of investments. Members pension accounts are revalued each year to allow for inflation and to keep up with the cost of living which are shown yearly on the annual benefits statement.

With regard to UK government policy and legislation plans for the LGPS we understand that the situation is currently one of "no change". At present regulatory changes, policy objectives and the timescales for implementing them remain as they were before the vote. We will continue to administer the Fund accordingly and will monitor the situation going forward.

Climate change

You can't open a newspaper or turn on the television today without there being something on the impact of climate change. The Fund takes a responsible approach to investing £16bn of assets under management and has a strategy for managing the impact of climate change on the portfolio. The Fund recognises the potential financial implications of climate change on investments and funding and continues to put in place measures to deal with the uncertainties this creates. We understand that scheme members may be interested in how the Fund invests and how Fund could be impacted by broader risks including economic and environmental (including climate change). As members of the Local Government Pension Scheme your benefits are protected by law - the performance of the investments does not impact on your pension benefits.

The Fund takes a proactive and evidence-based approach to protect from the potential impact of climate change. We engage with companies and policy makers to promote behaviours and changes which can protect and enhance the value of Fund assets. We collaborate with other institutional investors across the globe to create a much more powerful force for influence and change.

We continue to actively source opportunities to invest in areas that support transition to a lower carbon economy - renewable energy production, energy efficient buildings and sustainable business solutions all feature within the Fund investment portfolio. The Fund's exposure to climate change is being monitored and investment decisions are focused on building resilience to generate the return to meet pension payments over the long term.

Our primary focus remains on paying those pensions promised to members and safeguarding the Fund's investments, but where we can achieve both benefits of making money and making a difference, we will look to do so. Further details about our *Responsible Investment and Climate Change Strategy and Framework* are available on the Fund's website.

How much are your pension benefits?

You can take control of your retirement by logging in online and viewing your Deferred Benefit Statement 2019. It will tell you how much your benefits are and when they are payable from.

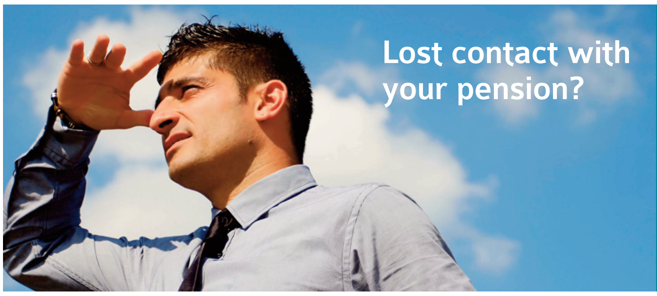
Log onto Pensions Portal to:

- access your Deferred 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!

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**



Lost contact with your pension?

There is currently an estimated £400 million in unclaimed pension savings.

This is money people have previously saved for their retirement.

If you are one of these people, then try and locate your pension through: **www.gov.uk/find-pension-contact-details**

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

www.wmpfonline.com/contactus

Be Pension Smart!

and take control of your pension today