West Midlands Pension Fund

DEFERRED MEMBER PENSIONSMART

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

Welcome to your 2020 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.

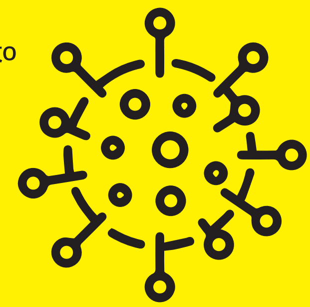
YOUR 2020 DEFERRED BENEFITS STATEMENT IS NOW ONLINE!

Be Pension Smart and go online to view your deferred benefit statement. You can now do estimates to see what the value would be if you take it reduced, please visit **www.wmpfonline.com/pensionsportal**

AN UPDATE FROM WEST MIDLANDS PENSION FUND – COVID-19

We know that the past few months have been an uncertain time for many of you. We want to remind you that the Local Government Pension Scheme (LGPS) is a defined benefit scheme and your benefits are not linked to stock-market changes or how investments perform. Benefits are set out in law. Although short-term investment values may change, the LGPS as a long-term investor is securely managed to deal with any longer-term effects, such as those of the coronavirus. Pension benefits for LGPS members are set out in law and are guaranteed, whether they are being paid or are yet to be paid.

We hope that you keep safe and well during these times.



FREQUENTLY ASKED QUESTIONS

WHAT ARE DEFERRED BENEFITS?

Deferred benefits are given to you if you leave the LGPS before retirement. They're held in your pension fund for you until:

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

Your NPA depends on when you built up your benefits. Benefits built up before 1 April 2014 normally have an NPA of 65. In some cases, it could be earlier if certain protections apply. However, benefits built up after 1 April 2014 have an NPA linked to your state pension age (which may change in the future)

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

WHEN CAN I TAKE MY BENEFITS?

Your benefit statement shows the date that your LGPS pension benefits are due to be paid to you. This date is known as your 'normal pension age' (NPA). However, remember the LGPS offers you the flexibility to choose to take your benefits at a date other than your NPA.

TAKING BENEFITS BEFORE YOUR NPA

You can take your deferred benefits early, from age 55, if you've left the job the benefits relate to. If you choose to take your deferred benefits earlier than your NPA, they'll normally be reduced because your pension will be paid for longer. How much your deferred benefits are reduced by will depend on how early you take them. The current early retirement reduction factors are shown below.

	Pension reduction		Retirement grant reduction
Years early	Male	Female	All members
0	0.0%	0.0%	0.0%
1	5.1%	5.1%	2.3%
2	9.9%	9.9%	4.6%
3	14.3%	14.3%	6.9%
4	18.4%	18.4%	9.1%
5	22.2%	22.2%	11.2%
6	25.7%	25.7%	13.3%
7	29.0%	29.0%	15.3%
8	32.1%	32.1%	17.3%
9	35.0%	35.0%	19.2%
10	37.7%	37.7%	21.1%
11	41.6%	41.6%	Doesn't apply
12	44.0%	44.0%	Doesn't apply
13	46.3%	46.3%	Doesn't apply

TAKING BENEFITS AFTER YOUR 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 by your 75th birthday. In this case your benefits would be increased for late payment. If you left the LGPS before 1 April 1998, you must take your benefits when they're due.

CAN I TAKE MY DEFERRED BENEFITS IF I CAN'T WORK BECAUSE OF ILL HEALTH?

If you have a permanent ill-health condition, you can apply to your former employer to have your deferred benefits released at any age, without any reduction. Your former employer will ask an independent occupational health physician to give an opinion before they decide whether they can approve your application. For your application to be approved, you must be permanently incapable of doing the job you were in when you left the LGPS. For more information, go to www.**lgpsmember.org/arl/alreadyleft-when.php**

HOW DO MY DEFERRED BENEFITS KEEP THEIR VALUE AGAINST INFLATION?

Each 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 2020, this is 1.7%.

continued overleaf →

If you became a deferred member before 1 April 2019, you'll get the full 1.7% increase applied to your deferred benefits. If you became a deferred member after 1 April 2019, you'll have a proportion of the increase added to your benefits.

WHAT HAPPENS TO MY DEFERRED BENEFITS IF I DIE?

A lump-sum death grant and a survivor's pension may be due to your loved ones if you die while you are a deferred member of the LGPS.

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 deferred benefit statement, including any pension increases since you left.

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

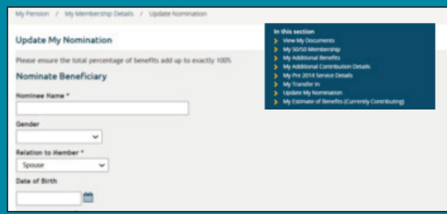
After your death, the following people may be due a pension:

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

Check how much your dependants could get by logging on to My Pensions Portal. You can also tell us who you would like the death grant to be paid to. Alternately, you can download a nomination form from our website

www.wmpfonline.com/memberforms

https://portal2.wmpfonline.com/



HOW DO I UPDATE MY PERSONAL DETAILS?

If any of the personal details shown on your statement have changed, you can update these on My Pensions Portal **https://portal2.wmpfonline.com/**

If your marital status has changed, we need to see a copy of your marriage certificate, civil partnership certificate or decree absolute, as appropriate, so we can update your record.

YOUR LGPS BENEFITS ARE ONE OF THE MOST VALUABLE ASSETS YOU OWN.

However, this makes them attractive to criminals.

Pension scams are on the increase. Fraudsters posing as businesses are becoming more convincing in the methods they use to trick people out of their life savings. Contacting people out of the blue (often referred to as cold-calling) about their pension is now illegal and is usually a sign that the company involved is not what they seem.

The Pensions Regulator has produced a useful guide which tells you what to look out for if you are considering transferring your LGPS benefits to a company offering to manage your pension savings. For more information, please visit The Pension Regulator's website at **www.thepensionsregulator.gov.uk/pension-scams**

McCLOUD COURT CASE

On 25 March 2020, a ministerial statement was made about the progress towards removing the unlawful age discrimination identified in public service pension schemes following the McCloud/Sergeant age-discrimination case.

The statement confirms that if you're a qualifying scheme member, you won't need to make a claim for these upcoming scheme changes to apply to you.

DON'T GAMBLE YOUR FINANCIAL FUTURE

You have the right to transfer your deferred benefits out of the LGPS to a defined contribution arrangement which offers flexible benefits. However, it's very important you're aware that transferring out of the LGPS to another pension scheme where your benefits may be linked to investment markets is unlikely to be good for your financial future, except in exceptional circumstances.

If you're thinking of transferring your benefits, make sure you check what LGPS benefits you will be giving up, as well as any costs associated with a transfer, and what transferring your benefits might mean for you in the long term.

Deciding whether to transfer out of the LGPS is a serious financial decision which needs careful consideration. You should only make this decision after taking financial advice from registered independent financial advisors. In some cases, by law you must take financial advice before you can transfer.

For further information, visit the Pensions Advisory Service website at **www.pensionsadvisoryservice.org.uk** and The Pensions Regulator's website at **www.thepensionsregulator.gov.uk**

PICTURE YOUR RETIREMENT

WHAT KIND OF LIFESTYLE DO YOU PICTURE FOR YOURSELF WHEN YOU RETIRE?

The new Retirement Living Standards, published by the Pension and Lifetime Savings Association, will help you to picture what kind of lifestyle you will be living in retirement.

The Standards aim to give you a realistic starting point to help you develop your own savings targets and plan for the retirement you want.

They feature three different 'lifestyles' – minimum, moderate and comfortable – and illustrate what goods and services you could afford at each level, for a single person and then also for a couple.

They show that (at today's prices) to have:

- a minimum standard of living when you retire, you need to have a pension of £10,200 a year;
- a moderate standard of living, you need to have a pension of £20,200 a year; and
- more financial freedom and some luxuries, you need to plan to have an income of £33,000 a year.

Don't forget these amounts will include your state pension (full state pension is currently around £9,110 a year) and any other pensions or benefits you receive. If you're part of a couple, the amount you need to achieve a certain standard of living for each person is likely to be less.

Your LGPS pension benefits explained on your benefit statement will help to pay for your retirement lifestyle. Visit **www.retirementlivingstandards.org.uk** and explore the categories to help you plan for the retirement you want.

We understand that members of the scheme may need help and support with their pension benefits and it is not always convenient for you to attend face-to-face events – therefore, we offer webinars to cover all the basics of the scheme and provide you with links and guidance to assist you to take control and plan your retirement. Webinars are run at various times including evenings to try and ensure all members have access to pensions support.

We will be emailing you in autumn with details how to register for to attend a webinar

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 for your loved ones. More information about the 50/50 section can be found on our website **www.wmpfonline.com/optingout**

NEW! YOU CAN NOW PRODUCE AN ESTIMATE OF EARLY PAYMENT OF YOUR DEFERRED BENEFITS FROM AGE 55 ONLINE!

You can take control of your retirement by logging online and viewing your 2020 Deferred Benefit Statement, it will tell you how much your benefits are and when they are payable from.

You can now also run estimates of your pension to see what the reduced value of your benefits would be if you are considering claiming them early from the age of 55.

Click on **https://portal2.wmpfonline.com/** to do a quote today!

FREQUENTLY ASKED QUESTIONS

If you have questions regarding your statement, or want more information about your benefits, why not visit: Deferred benefits statement FAQs - **www.wmpfonline.com/dbsfaq**

If you are unable to register or sign in, go to your registered email account and search for 'Pensions Portal Activation Email'.

If you've registered, your correct username can be found in this email.

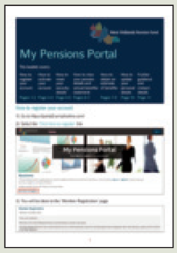
Once you have your username, you can reset your password using the 'Forgotten user details' button on the sign-in page.

Log on to Pensions Portal to:

- access your deferred benefit statement,
- keep us up to date by amending your personal information,
- plan for your retirement by calculating pensions estimates
- 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 click **www.wmpfonline.com/guidancenotes**



Here, you can view our detailed guide which provides a full navigation and highlights all its functions.

Or you can view our short video which takes you step-by-step how to register.

www.wmpfonline.com/guidancenotes

RESPONSIBLE INVESTMENT

LGPS Central Limited manages the pooled assets of eight Midlands-based local government pension schemes, including the West Midlands Pension Fund. Along with its Partner Funds, **LGPS Central is committed to responsible investment**.

LGPS Central's approach to climate change
LGPS Central firmly believes that climate change poses a significant risk to financial markets. For asset owners, it's a risk that can't be eliminated just by traditional investment techniques, such as portfolio diversification. All asset classes, sectors and regions are likely to be affected by the physical, policy or market-related consequences of climate change. LGPS Central's role is to help the Partner Funds identify and manage climate-related risks in the portfolios it manages on their behalf.

LGPS Central works with the companies in which it invests to improve how risks relating to climate change are managed. In particular, LGPS Central aims to influence companies so that their business models are in line with the Paris Agreement on climate change. This is often done more effectively through partnerships. For example, LGPS Central recently filed an AGM resolution at Barclays plc, asking the bank to set targets to phase out finance that is provided to energy and utility companies that are not aligned with the Paris goals. Following LGPS Central's continued involvement with Barclays, the company announced in March 2020 an ambition to be a 'net-zero bank' by 2050. Put simply, this means that the distribution of Barclays' lending activities should be such that the businesses emitting harmful greenhouse gases (GHGs) are completely offset by the businesses removing or displacing GHGs, achieving 'net zero'. Barclays has pledged that all of its financing activities will keep to the Paris Agreement and the bank will publish clear targets to track their progress.

A significant proportion of the money LGPS Central manages on its clients' behalf is allocated to external fund managers. LGPS Central won't appoint external fund managers unless it sees evidence of effective climate risk management, such as analysing vehicle emissions standards, monitoring exposure to different carbon price scenarios, and investing in new technologies such as renewable energy.

LGPS Central aims to offer investment opportunities to support clients to manage climate risk. Its Climate Multi-Factor Fund, which incorporates climate change considerations into the way the portfolio is constructed, has been invested with £2.1billion in capital. The fund invests less in companies with greater carbon emissions and intensive fossil fuel reserves and more in companies with green revenues, to take account of risks and opportunities associated with climate change by design.

LGPS Central is a public supporter of the Taskforce on Climate-related Financial Disclosures (TCFD), and reports against this framework each year. Climate change is one of LGPS Central's main sustainability themes, and you can find progress reports every three months on the LGPS Central website. LGPS Central, its service providers and the external fund managers focus jointly on climate change in the way investment portfolios are managed, so that investment returns are more likely to be sustainable over the long term. LGPS Central's aim is for a combination of measures that allow it to support the Partner Funds to manage the long-term risks of climate change.

LGPS Central Limited

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.

Over the last 12 months, the Fund donated **£3,000.64** to the following charities:

BBC Children in Need

Cancer Research UK

Compton Care

Comic Relief

Macmillan Cancer Support – Right there with you

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**

USEFUL CONTACTS

the Money Advice Service
www.moneyadviceservice.org.uk/en
800 138 7777

unbiased
www.unbiased.co.uk/
0800 023 6868

citizens advice
www.citizensadvice.org.uk/
0345 404 0506

PICTURE YOUR FUTURE
www.retirementlivingstandards.org.uk

HM Revenue & Customs
www.gov.uk/government/organisations/hm-revenue-customs

GOV.UK
www.gov.uk/browse/working/state-pension

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