

DEFERRED MEMBER PENSIONSMART

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



Welcome to your 2021 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 2021 DEFERRED BENEFITS STATEMENT IS NOW ONLINE!

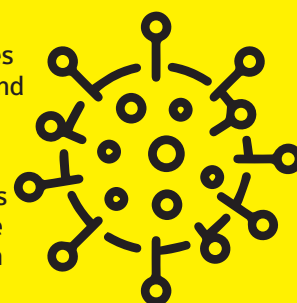
Be Pension Smart and go online using the [Pensions Portal](#) to view your deferred benefit statement. You can now run estimates to see what the value would be after reductions if you claimed your pension early.



AN UPDATE FROM WEST MIDLANDS PENSION FUND – COVID-19

We know that the past year has been an uncertain time for many of us. However, as vaccines continue to be rolled out and we revert back to normality, please continue to take care, be kind and follow [government guidelines](#).

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.



FREQUENTLY ASKED QUESTIONS

WHAT ARE DEFERRED BENEFITS?



Deferred benefits are worked out for you if you leave the LGPS before you retire. They're held in your pension fund 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 are given access to them because of ill health; or
- you decide to transfer them to a different pension scheme.

Your NPA depends on when you left the LGPS. If you left the scheme after 1 April 2014, your NPA is linked to your state pension age. If you left the scheme before 1 April 2014, your benefits normally have an NPA of 65. In some cases, this could be earlier if certain protections apply.

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

DO I HAVE TO RETIRE AT MY NPA?

You can take your deferred benefits at any time, from the age of 55 until age 75, as long as you've left the job the benefits are linked to. If you decide to take your deferred benefits before your NPA, they'll normally be reduced as your pension will be paid for longer. How much they are reduced by will depend on how early you take them.

The current early retirement reduction factors are shown in the following table.

EARLY RETIREMENT REDUCTIONS (AS AT JANUARY 2019)

Years early	Pension reduction	Lump sum reduction
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%	Doesn't apply
12	44.0%	Doesn't apply
13	46.3%	Doesn't apply

You can leave your benefits in the LGPS past your NPA if you left the scheme after 1 April 1998. Your benefits would be increased for late payment, but they must be paid to you by your 75th birthday. If you left the LGPS before 1 April 1998, you must take your benefits when they're due on or before your normal pension age. To find out how much your pension benefits would be if you chose to take them at a date other than your NPA, you can produce an estimate on [My Pensions Portal](#).



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

If you can't work because of ill health, you may be able to have your benefits paid in full, with no reductions, whatever your age was when you left the LGPS. For your application to be approved, you must be permanently incapable of doing the job you were in when you left the LGPS. If you think this may apply to you, contact your former employer. They will then ask an independent occupational health physician to give an opinion before they decide whether they can approve your application.

HOW DO MY DEFERRED BENEFITS KEEP THEIR VALUE AGAINST INFLATION?

Every April, your deferred benefits are adjusted in line with inflation. The increase applied to your benefits is measured by the Consumer Price Index (CPI) as at the previous September. For April 2021, this is 0.5%. If you became a deferred member before 1 April 2020, you'll get the full 0.5% increase.

If you became a deferred member after 1 April 2020, a proportion of the 0.5% increase will be added to your pension.



WHAT HAPPENS TO MY DEFERRED BENEFITS IF I DIE?

If you die while you're a deferred member of the LGPS, a lump-sum death grant and survivor's pension may be due to your loved ones. 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, including any pension increases since you left the scheme.

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, a pension may be paid to:

- your husband, wife or registered civil partner;



- any eligible children; or
- 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.

Alternatively, you can download a **nomination form** from our website.

HOW DO I UPDATE MY PERSONAL DETAILS?

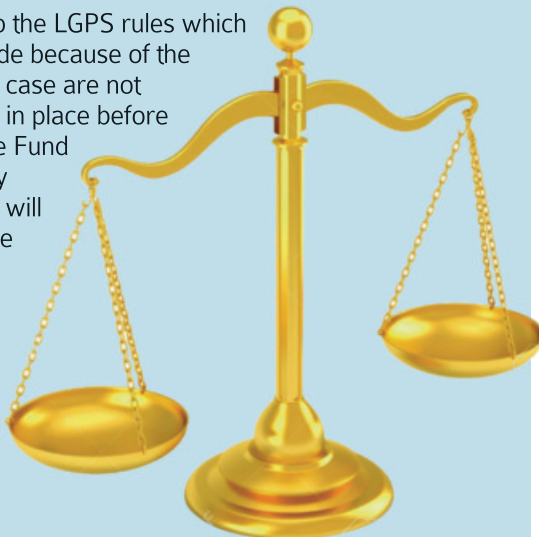
If any of the personal details shown on your statement have changed, you can update these on **My Pensions Portal**. If your marital status has changed, we need to see a copy of your marriage certificate, civil partnership certificate or decree absolute, as appropriate, so we can update your record.



EXTRA PROTECTION IF YOU WERE IN THE LGPS ON 31 MARCH 2012

Following the McCloud court case about age discrimination in pension schemes, the Government has proposed extending the final pay underpin (a type of pensions protection) granted to older members when the current LGPS career average scheme was launched on 1 April 2014 to everyone who was a member of the LGPS on 31 March 2012, no matter what their age is. When you retire, we will do a calculation to make sure you benefit from the extended underpin (you do not need to ask us to do this), but in almost all cases, we expect the career average scheme to deliver the best benefits.

The changes to the LGPS rules which need to be made because of the McCloud court case are not expected to be in place before April 2022. The Fund will contact any members who will benefit from the extended protection.



EXIT PAYMENT CAP

In November 2020, the Government introduced a £95,000 exit cap (limit) on the amount of money a public-sector employer can pay when an employee leaves them. In February 2021, the Government reversed this rule and the cap no longer applies. However, the Government has said that it still plans to reform public-sector exit pay and that it will make some new proposals 'at pace', so there may be more changes to exit pay in the future.

The exit cap does not apply to members with a deferred benefit. If you are also currently employed and pay into the LGPS and would like more information about the exit cap, contact your employer.



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 to try and ensure all members have access to pension support. We will be running a bespoke webinar for deferred members on the 15 September. Why not [click here](#) to register to attend one?

REJOINING THE LGPS



If you rejoin the LGPS with another pension fund, your new pension fund will ask if you have any LGPS pension benefits with other funds.

It's important that you tell your new LGPS fund about any LGPS benefits you have with other funds. You should do this as soon as possible because time limits apply to some of the options you have for transferring your previous LGPS benefits to your new fund. Let your new fund know about your other LGPS benefits even if you do not want to transfer them to your new fund, because you may need to fill in a form to say that you want to keep your benefits separate.

You should also let your new fund know about any other pension benefits that you have with other pension schemes that you're interested in transferring into the LGPS. If you rejoin the LGPS with the same fund, you may still have choices to make about your pension accounts, so it's important that you read and fill in any forms that your fund gives to you.

DO YOU HAVE A COHABITING PARTNER (SOMEONE YOU LIVE WITH AS IF YOU WERE MARRIED)?

If you left the LGPS after 31 March 2008 and live with a partner of either the opposite or same sex, your partner may receive a survivor's pension when you die. If you retired or left the LGPS before 1 April 2008, you can't nominate this person to receive a survivor's pension. However, before we pay a survivor's pension, we must be satisfied that your relationship meets certain conditions laid down by the LGPS. Please check the Fund's website to find out what these conditions are.



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 2021 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.



Log onto **My Pensions Portal** to run 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**



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 re-set 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 pension 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 [here](#) and view our detailed guide which provides navigational support and highlights all of its functions. Or, you can view our [short video](#) which takes you step-by-step through the registration process.



'PENSIONS MADE SIMPLE' VIDEOS

We appreciate that pensions can sometimes be difficult to understand. That's why we have teamed up with the Local Government Association and some other LGPS pension funds to make seven short and simple videos to help you to understand your pension better. You can watch the videos online at www.lgpsmember.org/more/Videos.php

If you're hard of hearing, or your workplace disables sound on videos, you can click CC in the bottom right-hand corner of the screen and it will bring up subtitles.



CONTRIBUTING TOGETHER TO CREATE SUSTAINABLE FUTURES FOR ALL

Stewardship

"Contributing together to create sustainable futures for all"

Events over the past 18 months have reinforced more than ever the importance of strong governance, responsible investment practice, the value of diversity and inclusion and the need for a proactive response to climate change.



Now, more than ever, there is a motivation across the public and our own member and employers' appetite to do more to address environmental and social issues. Highlighted through global understanding of the pace and impact of climate change and through the awareness raised by Black Lives Matter, both have thrown a spot light on the actions all can take, including public bodies and employers, to do more to ensure equality, diversity and inclusion.

As a member of Employers Network for Equality and Inclusion we will increase actions to support equality, diversity and inclusion (EDI) within the Fund and the organisations we work with as well as building on the initial work to Champion Climate change initiatives within our own organisation.

Through our [Responsible Investment Framework](#) we support active stewardship and engagement and seek positive change to protect and enhance the Fund's assets, ensuring they deliver the returns to support the payment of members' pension benefits. Sustainability and long term resilience are themes which flow through our investment strategy, engagement priorities and corporate agenda.

Our engagement network and commitments have broadened as we look to increase collaboration for global influence and continue active stewardship in partnership to drive an increased pace of change, calling out where action is needed to protect human rights and increase responsible financial management and to support greater social equality and a just transition in response to climate change.

Annual Stewardship Report 2021

"Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society"



(Financial Reporting Council, 2021)

In April 2021 the Fund submitted its first Annual Stewardship Report to the Financial Reporting Council.

The [Annual Stewardship Report](#) provides an overview of the Fund's approach to stewardship and the efforts taken to ensure that the Fund practices stewardship at the highest level both in our own operations and throughout our investment chain. It covers each of the 12 principles of the UK Stewardship Code 2020 grouped into four categories: Purpose and Governance, Investment Approach, Engagement and Exercising Voting Rights and Responsibilities.

Through annual review and ongoing development our approach and policies continues to evolve, as does the network we engage and tools we utilise to communicate and advocate an increased pace of action by companies, industries, governments, policy makers and society to build and maintain a sustainable economy, environment and society.

We are proud of the outcomes and effective actions we have been able to bring to our first Annual Stewardship Report and expect our approach to continue to evolve as we continue to engage in collaboration with key partners to drive our common ambition to build sustainable futures for all.

DEFERRED ENGAGEMENT FORUM

We need you!

The Fund has a Pensioner Engagement Forum which meets on an annual basis and pensioner members provide valuable feedback on their experiences and interaction with the Fund and we also discuss new initiatives that are on the horizon.

The Fund has made the decision to launch an engagement forum for deferred members, where we can meet virtually on an annual basis to gain your feedback on the Fund's communications, and listen to any improvements or ideas which you may have to shape the Fund for the future. We would also like to pilot our new initiatives with you and act

upon your feedback to improve a deferred member's customer journey in the future.

To join our Deferred Engagement Forum and to receive more information, please contact us at wmpfevents@wolverhampton.gov.uk



WATCH OUT FOR SCAMMERS

You may think that it could never happen to you, but pension scammers are experts at getting their hands on your hard-earned retirement savings. Scams are hard to spot because fraudsters often have credible websites and make false claims, such as being government-approved, to gain your trust. A scam may begin with a phone call out of the blue offering you a free pension review. This is pension 'cold calling' and it is illegal. Reject all unexpected offers. Research the company you're dealing with and always get impartial advice before making a decision about your pension. To find out more please visit the [FCA website](#).



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 **click here** to try and locate your pension using the government website.

USEFUL CONTACTS



www.moneyhelper.org.uk/en
0800 144 8943



www.unbiased.co.uk/
0800 023 6868



www.citizensadvice.org.uk/
0345 404 0506



www.retirementlivingstandards.org.uk



HM Revenue
& Customs

[www.gov.uk/government/
organisations/hm-revenue-customs](http://www.gov.uk/government/organisations/hm-revenue-customs)



[www.gov.uk/browse/
working/state-pension](http://www.gov.uk/browse/working/state-pension)

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



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



www.wmpfonline.com/contactus



www.wmpfonline.com



Dedicated member and
portal helpline:
0300 111 1665

Be Pension Smart!
and take control of your pension today