

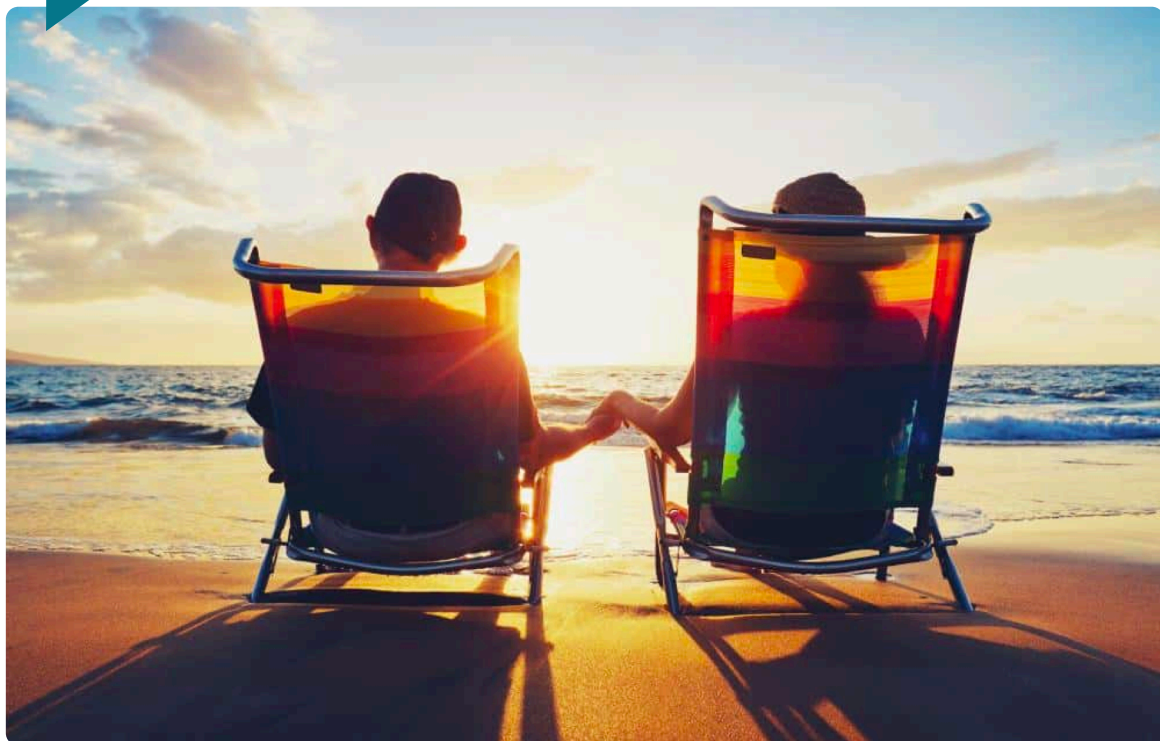
DEFERRED
MEMBER



West Midlands Pension Fund

pension^{smart}

For more information, please visit www.wmpfonline.com



Welcome to your 2023 Deferred Member PensionSmart newsletter for members who have paid into 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 QUESTIONS ANSWERED



What are deferred benefits?

Deferred benefits are worked out for you if you leave the LGPS before you retire.

The figures quoted in annual statements are based on your pension starting to be paid at normal pension age (NPA).

What is my NPA?

Your NPA is based on when you left the LGPS. If you left:

- after 1 April 2014, your NPA is linked to your state pension age;
- between 1 October 2006 and 1 April 2014, your NPA is age 65; or
- before 1 October 2006, your NPA is normally 65 but could be as early as age 60.



When can I take my deferred benefits?

You can take your deferred benefits at any age between 55 (see note below) and 75, as long as you have left the job your deferred benefits are linked to.

You can take your benefits:

- reduced at any age between 55 (see note) and your NPA;
- unreduced at your NPA;

Note: You may not be able to take your LGPS benefits at age 55 in the future. Please see our update on page 4.

- with increases after your NPA and up to age 75 (but if you left the LGPS before 1 April 1998, you can't defer taking your pension past your NPA); and;
- unreduced at any age before your NPA if you are given access to them because of ill health.

How much will I get if I take my benefits before my NPA?

You can take your deferred benefits before your NPA, but they'll normally be reduced because your pension will be paid for longer.

The size of the reduction will depend on how early you take your benefits. The table below sets out the percentage reduction that will apply to your pension if you take it before your NPA.

EARLY RETIREMENT REDUCTION FACTORS

| Number of years | Pension reduction | Lump sum reduction for membership to 31 March 2008 |
|-----------------|-------------------|--|
| 0 | 0.0% | 0.0% |
| 1 | 4.9% | 1.7% |
| 2 | 9.3% | 3.3% |
| 3 | 13.5% | 4.9% |
| 4 | 17.4% | 6.5% |
| 5 | 20.9% | 8.1% |
| 6 | 24.3% | 9.6% |
| 7 | 27.4% | 11.1% |
| 8 | 30.3% | 12.6% |
| 9 | 33.0% | 14.1% |
| 10 | 35.6% | 15.5% |
| 11 | 39.5% | n/a |
| 12 | 41.8% | n/a |
| 13 | 43.9% | n/a |

How do my deferred benefits keep up with the cost of living?

Each April, your deferred benefits are adjusted by the Consumer Price Index (CPI) as at the previous September. For April 2023, the increase is 10.1%.

If you became a deferred member before 1 April 2022, you'll get the full increase. However, if you became a deferred member after that date, you'll only get part of the 10.1% increase.

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 at any age without them being reduced.

To qualify, 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, you should contact your previous employer. Before they can approve your application, they must ask an approved independent registered medical practitioner for an opinion to help make the decision.

What happens to my deferred benefits if I die?

A lump sum death grant may be due to your loved ones.

If you left the LGPS before 1 April 2008, the death grant is three times your deferred pension. If you left on or after 1 April 2008, the death grant is five times your deferred pension. If you also have an active LGPS pension account at the time of your death, only the highest death grant would be paid.

Log on to the Pension Portal at www.wmpfonline.com/pension-portal to express your wish to who you would like any death grant payable to.

A survivor's pension may also be paid to your dependants, such as:

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

You can use our online system to find out how much your dependants could get.

Can I transfer my deferred benefits to another pension scheme?

If you meet certain conditions, you may be able to transfer your deferred benefits to another scheme.

Transferring your pension is an important decision and one that you should think about carefully.



You can find out more about transferring on our website.

McCloud update

The McCloud regulations have now been laid and are due to implemented with effect from the 1 October 2023.

These regulations change the existing underpin to ensure it works effectively and consistently for qualifying members. You do not need to contact the

Fund – we will be writing to all qualifying members that fall within scope by the end of the year.

For more information, please visit McCloud remedy update www.lgpsmember.org/2023/04/25/mccloud-remedy-update/

Help with the rising cost of living

It's fair to say that we all have noticed the effect of rising costs, whether at the supermarket while doing the weekly shop or from increasing energy bills.

It can be challenging to make your money stretch further while trying to keep a certain standard of living. This can lead to people feeling vulnerable, anxious and even overwhelmed.

The cost-of-living crisis is a national concern, and the Government has put certain support in place to try to help you if:

- you need support with your housing costs;
- you need support with your bills;
- you need support coping with disabilities; or
- you are generally finding things difficult and need someone to talk to.

For more information about this support, please visit: www.gov.uk/cost-of-living

You can also visit www.gov.uk/cost-living-help-local-council for information about how you may be



able to get help with essential costs from your local council. This is sometimes known as 'the Household Support Fund'. This could help if you're struggling to afford things such as energy and water bills, food and essential items.

Other national organisations, such as MoneyHelper, are also providing lots of support. This ranges from sharing tips for cutting back costs and making income go further, to highlighting scams: www.moneyhelper.org.uk/en

Changes to state pension age and increase to the normal minimum pension age

The Government has carried out a review of the state pension age to see if it needs to change. It has decided no changes will be made before the next general election.

If you paid into the LGPS after 1 April 2014, the date your pension can be paid without reductions is the same as your state pension age. So, if your state pension age changes, the date your LGPS pension can be paid without reductions will also change.

The date your LGPS pension is paid from without reductions is known as your normal pension age (NPA). You can find this date on your annual benefit statement.

You can choose to take your pension earlier than this date (currently from age 55), but as it will be paid longer than expected, it will be reduced.

The earliest date you can start receiving your pension is set by the Government and is known as the normal minimum pension

age (NMPA). This will increase to age 57 from 6 April 2028.

If you started paying in before 3 November 2021, you may have a protected NMPA of age 55, and this change will not affect you.

However, we won't be able to confirm this until the changes come into force.



Do you know how much money you will need for your retirement?



If you don't, then you're not alone. Research by the Pensions and Lifetime Savings Association (PLSA) shows that 77% of people saving for retirement don't know how much they will need.

To help people picture their retirement, the PLSA has created 'Retirement Living Standards' which you can see online at www.retirementlivingstandards.org.uk

There are three featured lifestyles – minimum, moderate and comfortable. The website explains what's included in these lifestyles and shows how much they would cost.

When thinking about your retirement, you'll need to consider how much money you'll have from your LGPS pension, as well as from the state pension and any

other pensions you may have. You can check your state pension at www.gov.uk/check-state-pension

You might be thinking about whether you can afford to retire early. If you choose to retire and take your LGPS benefits before your normal pension age (NPA), the benefits will normally be reduced to take into account that your pension will be paid for longer.

The reduction is based on how early you take your benefits. The earlier you retire, the bigger the reduction. The minimum age that you can take your pension is currently 55. You can find the current early retirement reductions online at www.lgpsmember.org/your-pension/planning/taking-your-pension

Introducing pensions dashboards

In the future, LGPS funds will be taking part in a new initiative that is most likely going to be called 'pensions dashboards'.

This is a Government programme designed to give you quick, easy and secure online access to information about all of your pension savings in one place. To access the pensions dashboards website, you will need to confirm your identity, so you know your information is safe and secure.

The hope is that, by having all of your pension information in one place, it will be easier for you to plan for your retirement. It may also help you find any lost pensions. Pensions dashboards will be free to use.

A date has not yet been set for when the project will be available for public use, but we will keep you updated as the project develops.



Changes to the CARE revaluation date

You may have heard about a consultation that was released in February 2023 by the Department for Levelling Up, Housing and Communities to change the date that the cost-of-living adjustment is applied to CARE benefits in the LGPS.

If you're a deferred member, these proposed changes won't affect you as long as you left the scheme before 1 April 2022. This is because your benefits are adjusted to keep pace with the cost of living by Pensions Increase Orders rather than revaluation by the Treasury. The suggested changes won't affect your pensions increase or the date on which it applies.

If you left the scheme after 1 April 2022, the proposals also won't affect you and you won't see any change to the benefits you received. This is because the adjustment is awarded on 6 April but is backdated to 1 April.



Pension scams are on the rise!

Pension scams are on the rise in the UK. The people behind the scams are good at tricking you into handing over your money.

It's important that you have an idea of how to spot a pension scam, even if you think it could never happen to you.

Some warning signs of a pension scam could be:

- someone calling you out of the blue, offering a free pension review;
- someone promising to get you better returns on your pension savings; or
- being pressured into making a quick decision about transferring your pension.

You can help to protect yourself by learning how to spot a scam. There's more information on the MoneyHelper website:

www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam

The West Midlands Pension Fund has taken The Pension Regulator's pledge to do what we can to protect scheme members and follow the principles of the Pension Scams Industry Group (PSIG) Code of Good Practice.

Taking this pledge to combat pension scams demonstrates that the Fund are committed to stopping scammers in their tracks.

Rules on transferring your LGPS pension



You can transfer your deferred benefits out of the LGPS to a different pension scheme if you want to. However, there are certain rules that have to be followed, especially if you are transferring your benefits from a 'defined benefit' scheme (such as the LGPS) into a 'defined contribution' scheme. You need to think carefully about whether transferring your benefits is the right choice and what this might mean for you in the long term.

You can't transfer your LGPS benefits to another pension scheme if you're within a year of your normal pension age (NPA). This is set out in the rules that your LGPS pension fund has to

follow. And you can't transfer if you are still paying into the LGPS.

Pension funds have to carry out certain checks and can raise any concerns they have about a transfer

under two categories – red flags and amber flags. Red flags are used when there is a clear sign of a scam or fraud. Amber flags are used when certain features of the scheme that you're transferring to show that you might be at risk of being scammed. If you want to explore your options for transferring, you may need to ask your LGPS pension fund for a cash equivalent transfer value (CETV). (You can only request a CETV once every 12 months at most.)

Deciding whether to transfer out of the LGPS is a serious financial decision. You should only make this decision after taking advice from registered independent financial advisers. In some cases, by law you must take financial advice before you can transfer. Make sure that the company or person giving you the advice is registered with the Financial Conduct Authority (FCA) – www.fca.org.uk

Your 2023 deferred benefit statement is online!

Do you know how much your pension benefits are?

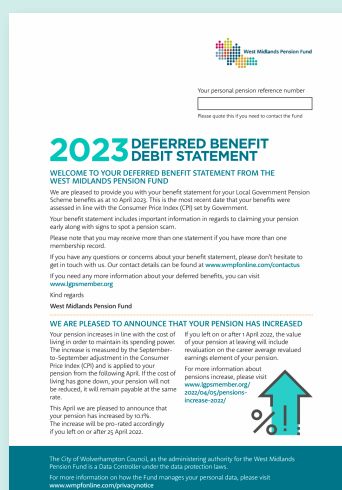
Be Pension Smart and log online to the new Pension Portal and view your deferred benefit statement.

Register or log on today at www.wmpfonline.com/pension-portal

Need help understanding your Deferred Benefit Statement?



Let's go through it together



We have also a short video and a variety of support which can help you understand your statement and your deferred benefits.

www.wmpfonline.com/members/no-longer-paying-in/deferred-benefit-statements-newsletters

System transition update



Introduction

The implementation and transition to our new Pensions Administration System remains a significant development for the Fund, introducing increased automation, enhanced information security and optimising integration with other systems.

We are extremely sorry that the performance for members of the West Midlands Pension Fund has not been up to our usual high standards.

As per our commitment below, we remain focussed upon returning to normal service standards as soon as possible.



Processing your benefits

We are aware some members are awaiting progress updates on their cases and are committed to increasing processing rates to ensure timely payment of benefits with additional payment runs being made on a weekly basis. The Fund's focus remains on working to reduce delays, increase functionality and return to our normal service standards as quickly as possible.

We are writing to members who are waiting to receive retirement benefits to provide an update.

Contacting the Fund

To support members with further information and guidance, we have added additional resource to our website and we will continue to review and keep this up to date. As such, this is the best place for you to view a general update.

For general updates please visit www.wmpfonline.com/system-transition-update

Please note, we continue to receive high volumes of calls and this may mean that you have encountered delays when calling the Fund. We are working to support members and provide updates as swiftly as possible and thank you for your patience during this time.

Please be assured that where you have contacted the Fund, we will be in contact with you to provide an update as soon as possible.

The Fund is committed to returning to normal service standards as soon as possible.

Our Customer Services Helpline is open and ready to assist you with any enquiries you have.

Our current opening times are 10am – 12pm and 2pm – 4pm Monday to Friday. These opening hours are temporarily reduced and the Fund is undertaking a twice weekly review with a view to phasing back to full hours over time.



Our commitment

We recognise that our service standards have not been at the level our customers have grown to expect from the Fund. The Fund continues to work hard to minimise disruption to all customers, and we apologise for any delay and inconvenience caused.

Please be assured that our teams are working tirelessly to provide the information and benefits you need.

As noted above, please follow updates on progress via the Fund's website: www.wmpfonline.com/system-transition-update.

Thank you for your patience.

Responsible Investment member survey



In May 2023 the Fund launched a pilot Responsible Investment (RI) survey to all members with a registered email address. The survey was designed to gauge members' awareness and understanding of RI as well as assess how familiar members were with the Fund's RI commitments and communications.

The Fund was very pleased to receive responses from over 7,300 members. We would like to say thank you to all members who took the time to complete the survey. Whilst we are currently analysing the results, the responses provided will be particularly useful in helping the Fund develop how it communicates and engages with its members on RI going forward.

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, visit www.gov.uk/find-pension-contact-details 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](https://www.gov.uk/government/organisations/hm-revenue-customs)



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



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0300 111 1665

Be Pension Smart!

and take control of your pension today