

Dear Colleague

Orbis Pension Services have produced this newsletter to keep you up to date with issues that may affect you as a member of the Local Government Pension Scheme (LGPS).

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Contributions from 1 April 2018

As a member of the LGPS, the contribution rate that you pay depends on your annual pensionable salary. Your contribution rate must be reviewed each April, but your employer's policy may be to review your contribution rate more frequently. If you have a query concerning the contribution rate that has been applied, please raise this with your employer.

The contribution rates that apply from 1 April 2018 are shown in the table below. The pay ranges have been increased by 3% in line with changes in the Consumer Prices Index (CPI) in the year to September 2017.

Actual yearly pay	You pay			
	From	To	Main section	50/50 section
Up to	£14,100		5.50%	2.75%
£14,101	£22,000		5.80%	2.90%
£22,001	£35,700		6.50%	3.25%
£35,701	£45,200		6.80%	3.40%
£45,201	£63,100		8.50%	4.25%
£63,101	£89,400		9.90%	4.95%
£89,401	£105,200		10.50%	5.25%
£105,201	£157,800		11.40%	5.70%
More than	£157,801		12.50%	6.25%

My Pension

Secure Online Portal

We would like to encourage you to register for our free online portal which will allow you to view personal and financial information about your LGPS pension securely.

If you were already a member of the LGPS in the 2016/17 financial year you will be able to view your 2017 Annual Benefit Statement on 'My Pension' online. This year's statements are currently being produced and uploaded to the portal.

Benefit statements for future years and other scheme documents will also be made available on the portal as this is more efficient, secure and cost-effective than sending them by post. This also ensures that you have access to your pension information from anywhere that there is an internet connection.

How do I register?

If you have not already registered for the portal it is free of charge and easy to do so by following the steps below:

1. Go to <https://mypension.surreycc.gov.uk>
2. If you haven't got a username or password please click on 'Request One' and input your Surname, NI Number, Date of Birth and email address
3. If your email address is already stored on your pension record then you will receive instructions on how to complete the registration process by email. If the email address you use when you register is not stored on your pension record then we will contact you in writing to complete the registration process.

If you are having any difficulty registering or have other questions about 'My Pension', please call our helpline on 0300 200 1034.

What else can I use 'My Pension' for?

- 1 **Check and update your Personal and Contact Details** – under the **Your Details** menu option, you can update your email address, phone number and postal address.
- 2 **Check or update your Expression of Wish details** – for the distribution of any LGPS death grant that becomes payable. If you wish to update these details and you know the date of birth of the beneficiary/ies you wish to name, you can do so by selecting the **Nominations** section from the dashboard and your pension record will be updated immediately.

The Pension Fund will always endeavour to pay any grant in accordance with your wishes, but it is important to note that the nomination is an expression of wish only. It is a statutory requirement that the pension fund retains absolute discretion to determine who any death grant is paid to.

- 3 **Estimate your projected future retirement benefits** - using the **Pension Benefits > Benefit Projectors** menu option. You can calculate projections for future retirement dates and you can vary the estimated pay used in the calculations to reflect your own circumstances.

The Benefit Projector is easy to use but there is a full guide published in the **Documents > Scheme Documents** section.

We are currently working with our system supplier to develop further ways that we can use the member portal to communicate securely with scheme members in future. Please contact the pensions team in writing if you would like to continue to receive all correspondence about your pension by post.

Your signed letter must include your full name, national insurance number, your current employer and your date of birth.

You can find our address on page 6.

Tax and your Pension

The Annual Allowance

The **Annual Allowance** is a limit on the increase in the value of the pension benefits you can build up in a year before you become subject to a tax charge. A 'carry forward' rule means that if you exceed the AA in a year then you may not have to pay a tax charge, providing you have sufficient unused allowances from the previous 3 years.

The Annual Allowance for 2017/18 was £40,000 for most people, and will remain the same in 2018/19.

The AA for 2017/18 and 2018/19 is reduced on a tapered basis for high earners. You will be affected by the tapered AA if:

- Your annual income (excluding pension contributions) is over £110,000 and
- Your annual 'adjusted income' (broadly, your taxable income plus pensions savings built up over the tax year) is over £150,000

The increase in your pension savings may be assessed against a lower Annual Allowance if you have flexibly accessed any benefits in a money purchase arrangement after 5 April 2015. If you have done so, then you should have been provided with a flexible access statement and you should forward a copy to the pensions team.

If you exceeded the Annual Allowance in 2017/18 the Pension Services will contact you before 6 October 2018 to let you know.

Further information about the Annual Allowance can be found on the [pension fund website](#).

LGPS National Insurance Database

What is the National Insurance Database?

Surrey Pension Fund participates in a data sharing project with other LGPS pension funds in England and Wales in order to comply with the LGPS regulations.

If a member of the LGPS dies, it is necessary for the scheme's administrators to know if the individual also had other periods of LGPS membership elsewhere in England and Wales.

Knowing about any other LGPS membership will ensure that the right death benefits can be paid to the deceased member's dependants.

As the LGPS is administered locally, it can be difficult to tell if an individual has other LGPS records and where these are held. To comply with the LGPS regulations, a national database has been developed that will enable funds to check if their members have LGPS pension records in another pension fund or funds.

What data is shared?

For each member of the LGPS, the database includes a short entry containing:

- The individual's National Insurance Number,
- A number to denote the individual's membership status,
- The last calendar year that the membership status changed,
- A four digit code confirming the LGPS fund where that member's record is held.

LGPS National Insurance Database

Who hosts the database?

The Database is hosted at the South Yorkshire Pensions Authority, an LGPS pension fund.

How will the data be processed?

Data held on the Database will be processed in accordance with the Data Protection Act 1998, the General Data Protection Regulations and other relevant legislation.

What else will the Database be used for?

An extract of the membership information contained in the Database will be shared with the Department for Work and Pensions (DWP) so that the LGPS can participate in the Tell Us Once service.

Tell Us Once is a service offered when an individual registers a death. By participating in Tell Us Once, when the death of an LGPS member is registered, the DWP systems will ensure that the LGPS pension fund is informed of the death, meaning that the member's records can be processed more quickly than would otherwise be the case.

Who is the data shared with?

Other LGPS pension funds. These are all public bodies named in legislation as administering authorities of the LGPS.

For the Tell Us Once service, an extract of the Database containing individuals' National Insurance Numbers will be securely shared with DWP every month so that they may maintain an up to date record of the LGPS's membership.

How long will this data sharing be undertaken for?

For as long as:

- c) the relevant regulatory requirements remain, and
- d) the LGPS participates in the Tell Us Once service.

In the event that neither of the above apply, the data sharing will cease to be undertaken.

Can I opt out of this data sharing?

No. As this data sharing is being undertaken to comply with a legal requirement, it is not possible for scheme members to opt out of the data sharing.

Your Personal Data

As an administering authority in the LGPS, Surrey Pension Fund needs to hold certain information about you – 'personal data'. This 'personal data' will generally include:

- Contact details including name, address, phone number and email address
- Identifying information such as your date of birth and national insurance number
- Information about your employment and salary as a member of the LGPS
- Information about your personal circumstances and your family

This personal data will be used to administer the LGPS to calculate and provide you, and your dependants in the event of your death, with pension benefits.

The rules that must be followed when storing, using and sharing your personal data are set out in legislation - the Data Protection Act and the General Data Protection Regulations. You can find out about what data is held, when your personal data is shared, the organisations this information is shared with, and the legal basis for processing your personal data in accordance with legislation in the Pensions Fund's [Privacy Notice](#).

Changes in the LGPS Regulations

The LGPS regulations are amended from time to time and the latest set of Amendment Regulations came into force on 14 May 2018.

The purpose of most of the recent changes was to correct the previous wording where errors had occurred, tighten up the definitions of certain words and phrases used in the LGPS regulations, to remove any ambiguity and increase clarity of meaning.

The Amendment Regulations did introduce changes which will have an important impact on some scheme members.

The most significant changes to the LGPS regulations relate to:

- The option for certain deferred members whose scheme membership ended before 1 April 2014 to claim their LGPS pension early from age 55 on a reduced basis (Current active members already have the right to claim their pension from age 55 onwards on a reduced basis, once they have left their employment)
- The upper limit for contributions to an AVC scheme of 50% of pay has been removed (for those who started an AVC contract before 1 April 2014)
- There are changes in the ways an AVC fund can be used on retirement.

We have produced a [factsheet](#) for scheme members that gives more information about the effects of the recent Amendment Regulations and this can be found on the pension fund website.

Topping up your State Pension

Your LGPS pension forms a very important part of your retirement planning but it is important not to forget about your State Pension. If you are not on track to get the full amount of State Pension then it's worth considering topping up.

The amount of State Pension you get is based on your record of National Insurance contributions (NICs).



Why you may not receive the full new State Pension

If you reach State Pension Age on or after 6 April 2016 and paid into a 'contracted out' pension scheme, such as the LGPS, between 6 April 1978 and 5 April 2016, the amount of State Pension you receive will be reduced¹ in respect of this period, to reflect the fact that you and your employer paid a lower rate of National Insurance (NI)².

To get your individual forecast go to www.gov.uk/check-state-pension.

¹ Apart from any periods over State Pension age or during which you paid the Married Woman's / Widow's Reduced Rate of National Insurance contributions.

² However, in most cases, the pension you get from the LGPS will be at least the equivalent that you would have received from the State Pension had you not been contracted out. The Government refer to this as the Contracted Out Pension Equivalent (COPE) amount.

Topping up your State Pension

Gaps in your National Insurance record

If you have gaps in your NI record you may be able to pay voluntary Class 3 NICs to fill them, and so increase your State Pension. Individuals reaching State Pension age on or after 6 April 2016 have until 5 April 2023 to pay for any gaps from 2006/07 to 2015/16 tax years.



Paying voluntary NICs after you draw your LGPS pension

If you reach State Pension age on or after 6 April 2016 and you retire from the LGPS before your State Pension age it may be worth considering paying voluntary NICs after you retire. Payment must normally be made within 6 years of missing the original payment.

For the majority of LGPS members, entitlement for the new State Pension will take into account that the LGPS was contracted out between 6 April 1978 and 5 April 2016. Because of this, you will have paid a lower rate of NI and this means you may not receive the full amount of the new State Pension.

See [GOV.UK website](https://www.gov.uk) for more information.

Deferring your State Pension

Delaying the date you start taking the State Pension can make a significant difference to the level of pension you'll get. For those who reach State Pension age after 6 April 2016, the new State Pension rules will apply which means that for every 9 weeks you delay taking your pension, it increases by 1%. This means you'll receive an increase of around 5.8% by delaying for at least a year.

Find out how to defer your State Pension on the [GOV.UK website](https://www.gov.uk).

Useful links and contact information

View your pension record online <https://mypension.surreycc.gov.uk>

Visit the pension fund website www.surreypensionfund.org

Visit the national LGPS website www.lgpsregs.org

Problem accessing the portal? Phone 0300 200 1034

Have a question about the LGPS? Phone 0300 200 1031

Email myhelpdeskpensions@surreycc.gov.uk

Write to: Pension Services, Surrey County Council, Room 243
County Hall, Penrhyn Road, Kingston KT1 2DN

This newsletter has been produced by Orbis Pension Services on behalf of:

