

You have become entitled to pension benefits under the Local Government Pension Scheme. These benefits are not payable to you immediately, which means they will remain with the Dorset County Pension Fund until they are due to be paid to you, or alternatively you may transfer them out to another pension arrangement.

If you have paid Additional Voluntary Contributions (AVCs) to either the Equitable Life or Prudential Assurance Company these are not included in the enclosed statement. They will contact you separately.

This leaflet contains information on your deferred pension benefit including topics on

- When you will receive your pension benefits
- Online Access to your pension information
- How your benefits have been calculated
- Ill health pensions
- Pension scams
- Death benefits
- How to appeal against a pension decision

Increases to Benefits

Your Deferred Benefits are adjusted every year in line with the cost of living. In accordance with the Pensions Increase ACT 1971, 'the cost of living' is measured against an index as advised by HM Government', this is currently the Consumer Prices Index.

Receiving Benefits

Normal Pension Age in the LGPS will be the same as your state pension age. However, benefits can, by election, be paid early from age 55 with a possible reduction for taking them early. Full details will be sent to you automatically nearer to your normal retirement date. If you wish to start receiving your pension between 55 and your Normal Pension Age, please write to the Dorset County Pension Fund with your request. Your former employer can also agree to the early introduction of your benefits on compassionate grounds. This can be considered from age 55, please contact your former employer for more details.

Online Access to your Pension

Checking your pension is now as easy as online banking with our secure My Pension website.

With my pension you can:

- Update personal information and contact details
- See how much your pension is worth
- Estimate how much your pension could be when you retire
- Check your membership history
- Calculate death benefits and make or change your death grant nomination details.

<https://mypension.dorsetcouncil.gov.uk/>

How Your Benefits Have Been Calculated

For Membership Accrued Before 1 April 2014

Your pension benefits for membership of the LGPS before 1 April 2014 are calculated on the length of time you had been a member of the pension scheme (called 'period of membership') and your final pay **at date of leaving**.

Final Pay

Your Final Pay is based on your full time equivalent pay averaged out over the last 365 working days. Any pensionable extras you may have received, such as pensionable shift pay, would also have been included in this figure.

For example:

Member who had 2 months paid at an annual pay figure of £20,000 and then the last 10 months, leading up to the date of leaving, paid at an annual pay figure of £20,500.

- 2 months /12 months X £20,000 = £ 3,333.33
- 10 months /12 months X £20,500 = £17,083.33
- Gives a final pay figure of = £20,416.66

If your pay was reduced because of sickness, your Final Pay will be the pay that you would have received if you had not been off sick. Your employer will also look at the two immediately preceding years to check whether either of them would produce a higher figure (This is commonly known as 'the best of the last three years').

If you suffered a reduction in your pensionable pay within a ten year period prior to your date of leaving, your employer may have been able to apply 'protections' to the Final Pay used in calculating your benefits. These protections fall under Regulation 10 of the LGPS 2008 regulations. Please contact your former employer if you feel this may apply to you.

Please contact your former employer if you would like to clarify the Final Pay figure used in your deferred benefits calculation, and they will be able to help you.

Period of Membership

The period of membership also includes any previous pension rights transferred in and any additional membership you have purchased up to the date you left. For any membership you have built up to 31 March 2008, your deferred benefits will be a pension of 1/80th of your final pay plus an automatic tax-free lump sum of 3 times your pension. For membership from April 2008 your deferred pension will be at the increased rate of 1/60th of your final pay. There will be no automatic lump sum for membership built up after March 2008. However, when your benefits become payable, we will provide you with details of how you can give up some of your pension to provide an additional tax free lump sum.

Part-time and Term Time Employment

If you were employed part time for any period whilst you were a member of the pension scheme this period of membership is adjusted according to the number of hours you worked to its full time equivalent length. The pensionable pay used in the calculation of your benefits is the full time equivalent.

For example:

If you worked 20 hours per week for 52 weeks, one years service would equal 197 days (20/37 x 365 days = 197 days).

If you worked term time your hours have been equated over the full 52.14 weeks per year.

For example:

If you worked 27.50 hours per week for 44.27 weeks, this equates to 23.35 hours a week for 52.14 weeks a year (27.50 x 44.27 = 1217 divided by 52.14 = 23.35 hours per week).

How Your Benefits Have Been Calculated

For Membership Accrued After 1 April 2014

On 1 April 2014 the LGPS changed from a final salary pension scheme to a Career Average Revalued Earnings (CARE) Scheme. Your pension benefits for service after 1 April 2014 will be based on your pay each year. Each year 1/49th of your pensionable pay will be added to your pension account on 31 March. An adjustment for cost of living is made on 1 April each year, this is currently in line with the Consumer Prices Index (CPI).

Two year example:

Year 1

Your Pensionable Pay for this year was £24,500, this is divided by 49 and £500 is put into your pension account on 31 March. An adjustment for cost of living is also made on 1 April, for example a 1% CPI increase would add an additional £5 making the total £505 for the year.

Pensionable Pay	£ 24,500.00
£24,00 / 49	£ 500.00
Cost of living adjustment e.g. + 1%	£ 5.00
Total pension build up for one year	£ 505.00

Year 2

Your Pensionable Pay for this year was £24,740, this is divided by 49 and £504.90 is put into your pension account on 31 March. Again an adjustment for cost of living is made on 1 April, if this a 1% CPI increase, an additional £10.10 would be added to your pension account.

Pensionable Pay	£ 24,740.00
£24,00 / 49	£ 504.90
Plus pension for Year 1	£ 505.00
Total of Year 1 and Year 2	£ 1,009.90
Cost of living adjustment e.g. + 1%	£ 10.10
Total pension build up for two years	£ 1,020.00

After two years membership you could have £1004.90 plus cost of living adjustments (in this example the cost of living increases the yearly pension to £1020.00) built up as a pension which would be paid to you. If you take your pension before your Normal Pension Age, this pension amount would most likely be reduced for early access.

Pensionable Pay

The pay used to calculate your CARE pension is called your Pensionable Pay. This is the actual pay you receive (not the full time equivalent), plus any overtime or additional hours worked in excess of your contractual hours.

Annual Benefit Illustration

You will receive Annual Benefit Illustrations detailing your benefits as they increase each year.

It is therefore very important that you keep us informed of your current address.

You should also inform us of any changes in personal circumstances such as:

- Change of Name
- Marital Status
- Marital / Civil Partnership Status

Ill Health

If you are suffering from ill health you can apply for early payment of your benefits on the grounds of permanent ill health. You can do this at any age. You will need to apply in writing to your former employer who will refer you to their Occupational Health Provider to determine whether your condition qualifies you to receive early payment under the scheme rules.

Transferring Benefits and Pension Scams

If you have joined or are thinking of joining another pension arrangement you may wish to consider transferring your LGPS benefits to your new scheme. You should contact your new pension provider for further information and on your instruction they may write to us for a transfer quotation. Please be aware when thinking about transferring your pension benefits to another scheme, that pension scams are on the increase. The scammers have a variety of tricks to catch you out.

They may;

- claim that you can access your pension pot before age 55
- approach you out of the blue over the phone, via text message or in person door-to-door
- entice you with upfront cash
- offer a free 'pension review' or try to lure you in with so-called 'one-off' investment opportunities.
- Check the facts before you make an irreversible decision. A lifetime's savings can be lost in a moment.

What to do if you think you are being targeted:

- Never be rushed or pressured into making a decision
- Before you sign anything, call **The Pensions Advisory Service on 0800 011 3797**
- If you have already accepted an offer, call **Action Fraud on 0300 123 2040**
- Visit **www.pension-scams.com** to find out more.

Death Benefits

Death Grants

If you die before the benefits become payable, there may be a lump sum death grant payable. Any applicable death grant would be paid to your next of kin, legal personal representatives or, you can choose to nominate a beneficiary by completing an Expression of Wish form available at the Dorset County Pension Fund website, full contact details can be found on page *.

Survivor's Pension

A pension will be paid in the event of your death to your spouse, registered civil partner or, subject to certain qualifying conditions, your co-habiting partner. This pension is payable immediately after your death for the rest of their life and will increase each year in line with the cost of living.

Children's pensions

These are payable to eligible children in the event of your death and are adjusted every year in line with the cost of living. For your child to be eligible they must be under 18 years of age or under 23 if they are in full time training for a trade, profession or vocation. Children who are either physically or mentally incapacitated before the age of 18 may also be eligible to receive a pension for life.

If you require further information about death benefits, please contact the Dorset County Pension Fund.

LGPS Amendment Regulations (McCloud Remedy)

From 1 October 2023 new Local Government Pension Scheme Regulations, known as the McCloud Remedy came into effect. These regulations provide a pension underpin to certain members for any pension built up between 1 April 2014 and 31 March 2022. This underpin protects members from the change on 1 April 2014 from a Final Salary scheme to a Care Average Revalued Earnings (CARE). The underpin will provide an additional amount if your LGPS pension between 1 April 2014 to 31 March 2022 is less than it would have been if you had stayed in the Final Salary scheme.

To qualify for the McCloud underpin you must meet the following criteria:

- You were a member of the LGPS or another public service pension scheme before 1 April 2012,
- You were a member of the LGPS at any time between 1 April 2014 and 31 March 2022 and some or all of this membership was before your final salary normal retirement age (usually 65), and

You do not have a disqualifying gap. A disqualifying gap is a continuous period of more than five years when you were not a member of a public service pension scheme.

If you have more than one period of LGPS membership, you do not have to join up or 'aggregate' these memberships to qualify for underpin protection.

If you have membership of another public service pension scheme before 1 April 2012, you will not have to transfer that membership to the LGPS to qualify for underpin protection.

The McCloud remedy underpin will automatically be applied to your pension calculation if you fit the criteria above. If we have your service history correct and we know of any relevant additional public sector pension service, you will not need to take any further action and an underpin amount will be added to your pension automatically if applicable.

Please note that the majority of LGPS members will not have an underpin, even if they are eligible, because benefits accrued between 1 April 2014 and 31 March 2022 are greater than they would have been had the 'old' final salary rules applied.

Do I need to take any action?

You do not have to take any action as these calculations will be done automatically, However, you may wish to check your pension record is correct.

To do this, please visit the Dorset County Pension Fund member self-serve portal at <https://mypension.dorsetcouncil.gov.uk/> to check your service history is correct.

If you have any LGPS membership or other public service pension that is not on either your service history or your transfer in page, please email pensionshelpline@dorsetcouncil.gov.uk so we can investigate.

Your deferred pension benefits will be calculated to assess if McCloud Remedy underpin is necessary. However, when you take your pension benefits and retire, this calculation will be reassessed to check your underpin eligibility at this future date.

For further information, please visit <https://www.dorsetpensionfund.org/news/mccloud-judgement-and-your-lgps-pension/>

What can I do if I am not happy with any decision made?

If you have a concern about your LGPS benefit entitlement, please contact us. We will seek to clarify or put right any misunderstandings or inaccuracies as quickly and efficiently as possible. If you are still dissatisfied you can start the complaints process (Internal Dispute Resolution Procedure (IDRP)) as detailed below:

1. **Informal Resolution**

If you are not satisfied with any decision made in relation to your rights under the Local Government Pension Scheme (LGPS), you can request that it be looked at again. In the first instance, you should contact the Service Manager for Pensions at Dorset County Pension Fund, Dorchester, Dorset DT1 1XJ, who may be able to resolve the matter informally.

2. **Formal Appeal: Stage 1**

If you are still not satisfied, you may make a formal appeal to the person nominated by your employer to resolve disputes at stage 1 using an application form provided in the employee's guide to the IDR procedure obtainable from your employer or on the Dorset County Pension Fund website. Your appeal must normally be made within 6 months of being notified of the decision you wish to appeal against.

3. **Formal Appeal: Stage 2**

If you are not satisfied with the nominated person's decision, or you have not received a decision or an interim letter from the nominated person within 3 months of lodging your appeal, or it is over a month since you received the interim reply, you can make a further appeal to the administering authority, which is Dorset Council. The person dealing with Stage 2 appeals is Mr Jonathan Mair, Corporate Director (Legal and Democratic Services Monitoring Officer), Dorset Council, County Hall, Dorchester, Dorset DT1 1XJ.

Application forms for Stage 2 are contained with the employee's guide to IDR.

MoneyHelper

MoneyHelper is provided by the Money and Pensions Service. MoneyHelper provides independent and impartial information about pensions, free of charge, to members of the public. MoneyHelper is available to assist members and beneficiaries of the Scheme with any pension query they have or any general requests for information or guidance concerning their pension benefits.

MoneyHelper can be contacted:

In writing: 120 Holborn, London, EC1N 2TD

By telephone: 0800 011 3797

Website: www.moneyhelper.org.uk/en/pensions-and-retirement/

Contact details for the Dorset County Pension Fund are:

Post: Dorset County Pension Fund
County Hall, Dorchester DT1 1 XJ

Tel: 01305 224845

Email: pensionshelpline@dorsetcouncil.gov.uk

Website: www.dorsetpensionfund.org

Online access: <https://mypension.dorsetcouncil.gov.uk>