

## APPENDIX B(ii)

### CITY OF LONDON Deferred Pensioner Annual Benefit Statement

\*\*\*  
\*\*\*  
\*\*\*  
\*\*\*  
\*\*\*

Issue Date: June 2019

#### Deferred Pensioner Benefit Details with effect from 8 April 2019

<input type="checkbox"/>		
Name	***	
NI Number	***	
Date of Birth	***	
Date of leaving	***	
Date Benefits payable from	***	
1. Current annual pension payable as at (includes pensions increase of £75.75)	8 April 2019	£467.28
2. Lump Sum Retiring Grant (includes pensions increase of £0.00)		£0.00
3. Contingent spouses pension (includes pensions increase of £28.39)		£175.22
4. Death Grant (includes pensions increase of £378.75)		£2336.40
Pensions increase of *** % applies and is included in the above pension figures.		

Name: \*\*\*

NI Number: \*\*\*

**Your Nomination Details**

\*\*

\*\*\*

**Nomination Comments**

19/07/2010

**Your Membership Details**

**Employer**

**Start Date**

**End Date**

CITY OF LONDON

\*\*\*

\*\*\*



## Local Government Pension Scheme (LGPS) Deferred Pensioner Annual Benefit Statement Notes 2019

The attached statement shows the current value of the pension benefits held with the City of London Pension Fund at 8 April 2019

### Explanatory Notes

**Date Benefits payable from** – this is the age at which you can take the pension benefits you have built up in full.

The date you can take your benefits is usually after your 60<sup>th</sup> birthday. However, you can choose to take your pension benefits from age 55 but they will normally be reduced as they are being paid earlier.

Beginning in July 2019 the City of London Pension Fund will write to scheme members as they near their 55<sup>th</sup> birthday to remind them they can, if they choose, elect for reduced early payment of their deferred benefits from age 55.

Your pension benefits can be paid to you before the age of 55 in certain circumstances, as detailed below:

- i) **Ill health grounds** – where your health deteriorates to the state where you would be incapable of efficiently carrying out the duties you were performing during your employment with your former employer, and if you left the LGPS after 1 April 2008, your condition would also need to prevent you from obtaining other gainful employment, whether in local government or elsewhere, within three years of the date of your application or normal pension age whichever is the sooner;
- ii) **Compassionate grounds** – at any time from age 55 (or age 50 if you left the LGPS prior to 1 April 2008 **and** you were an active member on 5 April 2006) where your former employer determines that payment is justified on compassionate grounds
- iii) **Employer consent** – You can apply to your former employer for the early payment of your pension benefits from age 55 (or age 50 if you left the LGPS prior to 1 April 2008 **and** you were an active member on 5 April 2006)

Your pension benefits may also be reduced for early payment unless you qualify under the 85 year rule.

**Please note** that if benefits are drawn before age 55, unless due to ill-health retirement, the payment would be classified as an unauthorised payment by HMRC and subject to a significant tax charge.

The City of London has resolved in respect of the discretion at ii) "... that payment of benefits on compassionate grounds will be allowed only where there are substantive reasons and the former employee's ability to continue gainful employment is severely restricted". In respect of the discretion at iii) above, "... to make use of this discretion only where there are clear financial advantages to the Corporation".

**The 85 year rule** – if you were a member of the LGPS before 1 October 2006, some or all of your benefits paid early could be protected from a reduction under this rule. The rule is satisfied if your age at the date you draw your benefits is age 60 or older and your scheme membership (in whole years), including the period from the date of leaving to the date of application, add up to 85 or more.

**8<sup>th</sup> April 2019** – This is the effective date of the last increase in the value of the deferred benefits. Benefits are uprated in line with the increase in the Consumer Price Index (CPI) each April. The provisions of the Pensions (Increase) Act, 1971 apply to your benefits.

**Current annual pension** shows the current value of the yearly pension that will become payable at the date shown on your statement 'Date Benefits payable from'

**Lump Sum Retiring Grant** – this is a one off lump sum payment that is payable in addition to the annual pension. This is also payable at the date shown on your statement 'Date Benefits payable from'. The lump sum retirement grant only builds up in respect of your membership prior to 1 April 2008; therefore if your membership of the LGPS dates from 1 April 2008 onwards there is no automatic lump sum payable.

At retirement you will have an option to convert some of your pension into (extra) lump sum retirement grant. The amount you are allowed to convert is set by HM Revenue & Customs and every £1.00 of annual pension converted will provide a lump sum of £12.00

**Contingent spouse's pension** – this is the pension that would be paid to a spouse, civil partner or eligible cohabiting partner<sup>1</sup> in the event of your death. This pension would be paid immediately after your death and would be payable for life.

**Your Nomination Details** – If you die before receiving payment of your deferred pension benefits, a death grant equal to the amount notified on the statement would be payable. If you have completed a form informing us of who you would like the death grant to be paid to this information will be detailed on the statement.

If you have not made a nomination or wish to amend your nomination for payment of the death grant, you can print a "death grant expression of wish form" from our forms and guides section of our website, [www.yourpension.org.uk/CityofLondon/Home](http://www.yourpension.org.uk/CityofLondon/Home), complete and send to our office.

**Please note:** The City of London Pension Fund has absolute discretion regarding payment of the death grant.

**Your Membership Details** – The periods that count for benefit purposes are shown on this statement.

**Personal details** – You are advised to notify us of any changes of your address during the period of deferment. You can download a change of address form from our website <http://www.yourpension.org.uk/CityofLondon/Left-the-Scheme/Deferred-Members/Forms-Guides.aspx>

If your partnership status has changed please inform us by forwarding copies (*please do not send us originals*) of appropriate documents e.g. marriage certificates, civil registration documents or decree absolute, or a cohabiting partner notification form<sup>1</sup>.

<sup>1</sup>A cohabiting partner will only be eligible to receive a pension in the event of your death if you were paying into the LGPS on or after 1 April 2008 and meet certain criteria (please see website).

## Freedom & Choice – Pension Flexibility

The Government announced in the 2014 Budget that reforms to workplace pensions would be made, effective from 6 April 2015. These reforms offer greater flexibility ('Freedom and Choice') in the way individuals aged 55 and over can access any Defined Contribution (DC) pension savings they may have.

It's important that as a member of the Local Government Pension Scheme (LGPS) you understand that you are a "Deferred" member of a public sector Defined Benefit (DB) scheme and therefore the flexibilities being introduced under 'Freedom and Choice' **do not impact on how you can take your Defined Benefits from the LGPS.**

There are, however, some indirect changes which will impact upon any members of the LGPS who are considering transferring the value of their accrued LGPS Defined Benefit pension rights from the LGPS to a DC arrangement offering 'flexible benefits'. For further information about these changes can be found here – <http://www.lgpslibrary.org/assets/gas/uk/FCEv1.0.pdf>

If you wish to consider a transfer to your current pension scheme you should in the first instance contact your current scheme administrators in order to provide them with the authority to write to us for details.

### Pension Scams

An increasing number of companies are targeting savers with pension scams claiming that they can help them take their pension cash early. Individuals may be targeted through websites, mass texting or through cold calls.

LGPS members should be wary about giving any information in response to these approaches and of being talked into transferring their pension benefits to other pension arrangements before reaching retirement age.

The Pensions Regulator provides further information about the dangers of pension scams – visit the below:

<http://www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx>

If you think you may have been contacted by someone who is not legitimate or if you think you have been a victim of fraud you can contact Action Fraud on 0300 123 2040 or at [www.actionfraud.police.uk](http://www.actionfraud.police.uk)

### **CITY OF LONDON PENSION FUND**

☎020 7332 3707/3750

Email: [pensions@cityoflondon.gov.uk](mailto:pensions@cityoflondon.gov.uk)

Change of address forms and Expression of Wish forms can be found on our website (see below). Both forms need your signature, so please print and sign, then either scan to the email address above or post to the address below.

🌐 [www.yourpension.org.uk/cityoflondon](http://www.yourpension.org.uk/cityoflondon)

✉: Pensions Manager, City of London, Guildhall, PO Box 270, London EC2P 2EJ

**NOTHING IN THIS STATEMENT CAN OVERRIDE THE PROVISIONS OF THE LOCAL GOVERNMENT PENSION SCHEME REGULATIONS.**  
**YOU SHOULD NOT MAKE ANY FINANCIAL COMMITMENT BASED ON THIS STATEMENT.**

