

Dear M

Local Government Pension Scheme Retirement Benefits

Under the requirements of the LGPS regulations and HMRC legislation must cease active membership of the pension scheme from age 75. I am also required to put your pension in payment from your 75th birthday. You are entitled to the following pension benefits: -

Annual Pension	£ ****
Lump Sum	£ ****

This includes £. ** Underpin Final Guarantee amount*

McCloud Judgment

Following the age discrimination case commonly known as McCloud, your pension has been tested to see if you are affected by the judgment. If you are entitled to extra pension, this is shown as an 'Underpin Final Guarantee Amount' on your letter and is included in the annual pension figure[s] shown. **Please note that very few members are affected.**

Underpin protection only applies to pension built up in the remedy period, between 1 April 2014 and 31 March 2022. The remedy period will be shorter if you left the scheme or reached your final salary normal retirement age (age 65) before 31 March 2022.

You can find out more about the judgment by reading the [McCloud member factsheet / McCloud pages of our website / the McCloud pages of the national LGPS member website (England and Wales: www.lgpsmember.org/mccloud-remedy/).

The figures above are based on current salary information and the current scheme rules. Your actual pension benefit will be calculated at the date of your retirement and the amount payable may be different.

Calculation of Final Salary Pension benefits

Your pension benefits up to 31 March 2014 are based on your membership and your final pay on leaving. Your final pay is usually the pensionable pay in respect of your final year of scheme membership or one of the two previous years' if this is higher. If you were working part-time your final pay is the pay that you would have received had you worked whole-time.

These benefits have been calculated using a pensionable pay of £****. This relates to the period **** to **** and is the highest of the final three years.

If your pay was reduced or increases to your pay were restricted in your last 10 years of continuous employment because you downgraded or moved to a job with less responsibility, or as a result of a job evaluation/equal pay exercise, or because of a change to what is specified as pensionable pay in your contract **you have the option to have your final pay calculated as the average of any 3 consecutive years' pay in the last 13 years** (ending on a 31 March). If you wish to take up this option please notify me in writing immediately.

Your benefits are increased in the line with the cost of living, both while they are preserved, and after they come into payment. Where a previous year's pay has been used these increases apply from the end of the pay period used.

If you receive arrears of salary after leaving the LGPS (e.g. due to a backdated pay award or a bonus paid in respect of an earlier period) your pension benefits will be re-calculated accordingly; where a previous year's pay has been used to calculate your pension benefits the re-calculation may result in the final year being higher and consequently pension increases will apply from a later date. **As a result there may be a reduction in the pensions increase amount and a reduction to the total pension benefit payable.**

Calculation of Career Average Revalued Earnings (CARE) benefits

From 1 April 2014 your pension is calculated each year by taking 1/49th of your pensionable pay in that year and adding it to your Pension Account. The amount of pension in your Pension Account at the end of each scheme year will be adjusted in line with the cost of living.

Exchanging annual pension for lump sum

You have an option to convert some of your pension into extra lump sum retirement grant. Such conversion would be within Her Majesty's Revenue & Customs (HMRC) limits. For every £ 100.00 of annual pension converted, you would receive an additional lump sum retirement grant of £ 1,200.00.

The maximum you are allowed to convert is £*** which would then provide you with an additional lump sum retirement grant of £****.

You can choose to convert any amount of pension up to the maximum amount shown above. The options available to you are detailed on the attached 'Lump Sum Option Form'. Should you elect to convert pension to provide for a larger lump sum but wish to convert an amount less than the permitted maximum you should select Option 3 and specify the amount of additional lump sum you wish to receive. Once you have made your election you will not be able to amend your decision at a later date. **Please note, if your forms are**

*received by the pension office on or after ****, you will no longer have the option to commute any pension into a tax-free lump sum.*

Please also complete the attached 'Personal Details Following Retirement' and 'Lifetime Allowance Statement' forms and return them to the pension's office enclosing any relevant certificates.

If you require any further information regarding this matter, please do not hesitate to contact

Yours sincerely

City of London
Local Government Pension Scheme

Lump Sum Option Form

Option 1- Maximum Permitted Pension Converted to Lump Sum

An annual pension of £
Plus a tax free Lump Sum of £

Option 2- Standard Pension Benefits

An annual pension of £
Plus a tax free Lump Sum of £

Option 3- Pension Converted to Lump Sum

Please state the amount of lump sum required
between £ and £ £_____

I wish to take my benefits as shown in Option _____ (please state which number option you wish to take). I understand this decision is final and cannot be revoked.

Signature: _____

Date: _____

Full
Name: _____

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