



Local Government Pension Scheme (LGPS) Annual Benefit Statement 2025

Enclosed is your Annual Pension Benefit Statement (Statement) for 2025. It is important that you read this Statement and these explanatory notes.

If you believe any of the details on the Statement are not correct (as at 31st March 2025) please email – pensions@cityoflondon.gov.uk

1 – Annual Benefit Statement Contents

Your Annual Benefit Statement contains the following sections

1. Your personal details including pensionable pay.
2. The total value of your pension at 31 March 2025 & your nomination details.
3. CARE pension value in the 12 months to 31 March & total CARE value built up to 31 March 2025.
4. Final Salary pension values at 31 March 2025.
5. Total projected pension at your normal pension age & Annual Allowance estimate .
6. Final Salary scheme membership details.

Since 1 April 2014 the LGPS has been a Career Average Revalued Earnings (CARE) Scheme, benefits build up at the rate of a 1/49th of your pensionable pay (if you are a member of the main section of the Scheme), or at the rate of 1/98th of your pensionable pay (if you are a member of the 50/50 section of the Scheme) and then revalued in line with increases in the Consumer Price Index (CPI) on 1 April each year.

The CARE benefits shown on this Statement have had the 2024 inflationary increase of 6.7% applied to them.

All benefits built up to 31 March 2014 will continue to be based on final pensionable pay. This Statement shows that benefits have been calculated on the 1/80th pension and automatic 3/80ths lump sum basis in respect of your membership up to 31 March 2008, plus 1/60th pension with no automatic lump sum from your membership built up between 1 April 2008 and 31 March 2014.

If there is no survivor's pension shown and you are married, in a civil partnership or have a co-habiting partner, then we have not seen verification that you are in a qualifying relationship. Therefore, please send to the Pensions Office either the appropriate certificate or a completed Notification of Co-habiting Partner form available on the pensions office website - [Co-habiting Partner Nomination Form | City of London Pension Fund](#)

Also, if the "Nomination Details" section is blank you should complete an "Expression of Wish" form ([Expression of Wish – Death Grant | City of London Pension Fund](#)) in order to indicate to whom you would like the Death Grant to be paid.



2 - When can I retire?

Since 1 April 2014 you can choose to leave your employment and receive payment of your pension anytime from age 55 but the longer you work the more your pension will be. Your pension will be reduced if you choose to retire before your normal pension age and increased if you retire later.

Normal pension age is no longer fixed at 65; it will be the same as your current state pension age - with 65 as the earliest age but please see section 3 below. If you are unsure of your state pension age have a look at - www.gov.uk/calculate-state-pension

If you were age 55 or over as at 31 March 2025 your figures do not show any early retirement reduction which would apply had you retired on this date.

Also included in your Statement is a projection of your pension benefits to your normal pension age. **If you were over your Normal Pension Age as at 31 March 2025 section 5 has been left blank intentionally.**

3 – Protections

If you were a member of the Scheme on 1 April 2014, you automatically joined the career average pension scheme and will continue to build up benefits in the LGPS. The entire pension you have built up in the LGPS before this date is fully protected.

All benefits built up before 1 April 2014 will continue to be based on your final year's pay when you leave or retire, as these benefits were built up in the final salary scheme. That means that all the membership you built up to 31 March 2014 will be used to calculate your final salary benefits when you leave.

Your Normal Pension Age is also protected. This means that the benefits you built up before 1 April 2014 retain their Normal Pension Age under final salary scheme rules, which for almost all scheme members is age 65.

Rule of 85

If you have rule of 85 protection this continues to apply from 1 April 2014. The only occasion where this protection does not automatically apply is if you choose to voluntarily receive payment of your pension on or after age 55 and before age 60, further information can be found here - <https://www.lgpsmember.org/more/eightyfive.php>

4 – Underpin

Protections are in place if you are nearing retirement to ensure that you will get a pension at least equal to that which you would have received in the scheme had it not changed on 1 April 2014. This protection is known as the 'underpin'.

The underpin generally applies to you if you were: Paying into the Scheme on 31 March 2012 and were a member of the scheme between 1 April 2014 and 31 March 2022, further information can be found here - <https://www.lgpsmember.org/more/pre2014.php>

This underpin protection also applies if you were an active member of a different public service pension scheme (e.g. Civil Service Pension Scheme) on 31 March 2012 and you



Appendix 1

were within 10 years of age 65 on 1 April 2012; if you transfer your pension benefits from the other public service pension schemes into the LGPS and part or all of that transfer buys final salary benefits in the LGPS, the underpin will apply to you.

5 – Age Discrimination – The ‘McCloud Remedy’

When the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes. The Court of Appeal ruled that younger members of the Judges’ and Firefighters’ Pension schemes had been discriminated against because the protections did not apply to them. The Government has confirmed that there must be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often called the ‘McCloud judgment’ and the action taken to remove the discrimination is known as the ‘McCloud Remedy’, or simply, ‘the Remedy’.

For the LGPS, for those eligible for the Remedy, it meant a simple extension to the pre-existing underpin (see section 4 above). Originally the underpin only applied to those scheme members that were within 10 years of their Normal Pension Age on 1 April 2012; as a result of the Remedy it now applies to all scheme members that were paying in to the LGPS on 31 March 2012 and paid into the scheme between 1 April 2014 and 31 March 2022 (known as the Remedy Period).

If you are eligible for the Remedy, we will check the protected part of your pension when you retire. If you would have built up a bigger pension in the final salary scheme, your pension will be increased. The increase is known as your final guarantee amount. If you are protected, we have shown an estimate of this figure in your Statement and included it in the projection of your annual pension at Normal Pension Age (see section 5 of the Statement).

For some members, the estimated final guarantee is zero. This is because their pension is better than it would have been in the final salary scheme.

The estimated final guarantee amount is based on the pay information used for this Statement. We will work out the actual figure when you take your pension. It could be higher or lower than the amount included in this year’s Statement, but it cannot be less than zero.

If the ‘McCloud Values’ part of Section 5 of your Statement shows the Provisional Underpin Amount to be £0, this means that our records indicate that you are not eligible for the underpin to be applied to your benefits (see the previous section of this notes page for the eligibility criteria). If you believe your status is incorrect, please contact the Pensions Office at pensions@cityoflondon.gov.uk

You can find out more about this protection by reading the McCloud pages of the national LGPS member website: www.lgpsmember.org/mccloud-remedy/



6 – Transfers into the LGPS

If you have been a member of the LGPS with City of London Pension Fund for less than 12 months you can elect to transfer any of your previous pension rights into the scheme. However, you do need to make an election before the 12 months expires.

7 – Additional Contributions (if applicable)

If you are paying or have paid to Purchase Additional Years the value of this at 31 March 2025 is **included** in the illustration amounts.

If you are paying or have paid Additional Regular Contributions (ARCS) the value of this at 31 March 2025 is **included** in the illustration amounts.

If you are paying or have paid Additional Pension Contributions (APC) the value of this at 31 March 2025 is **included** in the illustration amounts.

If you are paying or have paid Additional Voluntary Contributions (AVC) values are **not included** in the illustration amounts. AVC annual Statements will be provided separately by your AVC provider.

8 – Changes to Pre - April 2014 AVC contracts

If you pay or have paid Additional Voluntary Contributions (AVCs) and the contract to pay those AVCs started before 1 April 2014, you will see some changes to your AVC plans and how you can receive payment of them.

When you take the main scheme benefits you will no longer be able to leave the AVC invested and take it at a later date.

All scheme members can now buy additional pension from the LGPS with the AVC plan when they take their benefits from the scheme. Previously, this option was only available to scheme members who took immediate payment of their main scheme benefits (i.e. pension and lump sum) and their AVC plan when they left the scheme.

If you die before taking the AVC and a lump sum is to be paid from your AVC plan, the Pension Fund now has absolute discretion over who to pay that sum to (rather than it having to be paid to your estate). As any lump sum owed will now be paid at the discretion of the Pension Fund it currently will not be subject to inheritance tax.

For scheme members currently paying AVCs:

- You can now pay up to 100% (rather than 50%) of your pensionable pay into the AVC plan.
- AVCs will now also be deducted from any voluntary overtime you work (if you pay AVCs as percentage of your salary).



9 – Divorce Pension Debits

If you have been divorced and your former spouse awarded part of your LGPS benefits as part of the divorce settlement your pension values will be reduced. The current and projected pension values shown are before the pension debit has been deducted.

10 – Annual Allowance (AA)

This is the amount by which your pension can grow before you may have to pay additional tax. The 2024/25 limit was **£60,000**, but if your taxable earnings were over **£200,000** for the tax year 2024/25 the limit may be reduced to a minimum of **£10,000**.

We will write to all scheme members who we think may be affected by 6 October 2025.

Most scheme members will not be affected by the annual allowance tax charge, however, we have included the estimated value of your pension input amount in this year's Statement based on the information we hold with regard to your LGPS benefits up to 31 March 2025. You should add this value to any other pension benefits you have accrued during the year.

If you exceed the annual allowance you may be allowed to bring forward any unused allowance for the last three years to off-set the excess. This means that even if the value of your pension savings increase by more than £60,000 in a year you may not be liable to pay the annual allowance tax charge.

There are, however, some things that the Fund will not know about but could affect your AA. For example, income from other employments, income from property rental and any other pension provision you may have.

If you think you are at risk of exceeding the annual allowance you should seek advice. Further information can be found at - <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

If your LGPS benefits exceed the threshold for AA in 2024/25 we will contact you separately in October.

11 – Membership Details

The scheme membership used for calculating your final salary benefits are recorded under section 6 of the Statement. The final salary scheme ended on **31 March 2014** and if you were a scheme member on this date your membership of the final salary scheme ended on this date.

With effect from 1 April 2014 the LGPS introduced the CARE scheme and the pension values you have built up in the CARE scheme, including any pensions transfers purchasing CARE benefits, are recorded under Section 3 of the Statement.



City of London Pension Fund

Contact Details

Email: 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 send to the email address above as an attachment. Alternatively, this information can be updated directly via the Online Member Portal.

Online Member Portal: <https://cityoflondon.pensiondetails.co.uk/login>

Website: www.cityoflondonpensions.org

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

If you have a query regarding this Statement, please email: pensions@cityoflondon.gov.uk

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

Important

It is important to note that your Annual Benefit Statement is for guidance only and you should not base an irreversible decision to retire solely on the figures in this Statement.

The benefit values shown in this Statement are illustrative values ONLY, based on the LGPS regulations in force at the time of production and do not constitute an offer to pay the benefit values shown.