

# Annual Benefit Statement FAQs 2024



## Frequently Asked Questions

### 1. How do I view my annual benefit statement?

Your annual benefit statement will be available through our Member Portal:

[Hampshire Pension Services - Home \(hants.gov.uk\)](https://hants.gov.uk)

\*Unless you have written to us asking to opt out of online statements.

### 2. My personal details are incorrect what should I do?

The easiest way to update your personal details is by using our Member Portal.

### 3. Why do I not have an annual benefit statement?

You will not receive a statement if:

- You joined the Local Government Pension Scheme (LGPS) after 31st March 2024. Your first annual benefit statement will be issued next year.
- We are processing your retirement benefits.
- You have a deferred pension and are over your normal pension age (NPA).

If you paid into the LGPS before 31st March 2024, we may have an outstanding query with your employer about the information they have provided for you. In this case, we are unable to produce an annual benefit statement until the query with your employer is resolved.

#### **4. Can I expect more than one statement?**

We will produce a separate statement for each pension record in each different job that you have, even if they are for the same employer.

If you have an active and a deferred membership, we will produce a separate statement for each membership.

#### **5. I received three statements for different posts that I am currently employed in. Can I have one statement that combines all posts?**

We are required to produce an annual benefit statement for each pension record that we hold for you. Once you leave an active post, you can ask us to combine it with any active post you have remaining.

#### **6. I am thinking of retiring. Is the information on the statement enough to help me make a decision?**

Your statement is an illustration; you should not use it to make decisions. It is produced using the information that we hold on your record. Your statement will be inaccurate if this information is incorrect.

If you are thinking of retiring, you can use our Member Portal to compare the pension benefits you would be due at different retirement dates. These estimates are calculated using the data that we already hold on your record.

Active members who are considering retirement can also contact their employer to request an estimate of their pension benefits. The employer updates us with your pension details to ensure that we provide accurate information and allow you to make a decision that is right for you.

#### **7. Where do I find additional notes on my annual benefit statement?**

You can find additional notes to explain your annual benefit statement at:

## My LGPS Benefits

### What type of benefits do I have?

Any membership that you have before 1 April 2014 is in the final salary part of the LGPS. Your benefits in this part of the scheme are calculated on your scheme membership and your final salary at date of leaving.

Membership from 1 April 2014 is in the CARE (Career Average Revalued Earnings) part of the scheme. Your benefits in the CARE part of the scheme are calculated from your actual earnings.

The LGPS is a defined benefit pension scheme. This means that the pension benefits are defined by the rules of the scheme, rather than being subject to changes in the financial markets.

## Pensionable Pay and Membership

### 1. What is CARE pay and how is it calculated?

From 1 April 2014, you build up pension at a rate of  $1/49^{\text{th}}$  of the amount of pensionable pay you receive each year (or half this rate ( $1/98^{\text{th}}$ ) for any period you elected to be in the 50/50 section of the scheme).

Your CARE (Career Average Revalued Earnings) pensionable pay is typically based on the amount of pay you paid pension contributions on and will include contractual and non-contractual overtime.

If you were on reduced pay due to parental leave or sickness or nil pay due to sickness, the CARE pensionable pay figure will reflect the pay calculated as if you had been at work normally.

### 2. Why is my service history not shown on my statement?

Your service history before 1 April 2014 can be viewed via our Member Portal.

From 1 April 2014 your pension benefits are calculated based on your pensionable pay only. We do not use your service history.

### **3. I have less membership than I think I should have. What should I do?**

Membership is only used to calculate your pension up to 31 March 2014. You can view your membership for this period via our Member Portal.

From 1 April 2014 you no longer build up membership as your pension benefits are calculated on your pensionable pay only.

If you worked part time before 1 April 2014, your membership will be adjusted to reflect this. If you had a change of hours this will affect your membership. There is more information about working part time at:

[Drop in pay or hours | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk)

If you have more than one job, you will receive a statement for each one. The total of your membership on all your statements should be correct.

If you have changed jobs, you may have a deferred (frozen) pension for your old job and a separate one for your current job that have not been combined. If you have asked us to join them, we will write to you to confirm when it has been done. You can also use our Member Portal to check if they have been combined.

### **4. Why is some of my membership missing from my annual benefit statement?**

You may have several pension records, one for each different employment. If you left one employment and did not combine your pension records together, you may have separate deferred records with us. Statements for deferred pensions in respect of previous employment(s) are issued separately.

### **5. What is the difference between the main section and the 50/50 section of the scheme?**

Members can opt to be in the 50/50 section of the LGPS. This allows the member to pay 50% of the main section contributions in return for 50% of the pension benefits, whilst retaining *full death benefits*.

This is designed as a short-term measure for members who may have financial difficulties. Your employer will automatically enrol you back into the main section at certain times.

For further information see:

[Reduce your pension contributions | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk)

## **6. Why is my transfer not shown on my annual benefit statement?**

Transfers received before 1 April 2014 and "Club" transfers" buying membership will be included in your membership to 31 March 2014.

Transfers buying pension will be included in your CARE pension. Any transfer buying pension received during the last year will be listed in the CARE benefits from 1 April 2023 to 31 March 2024.

If your transfer was not completed by the time the annual benefit statement was produced then it will be included on your statement next year. When the transfer is complete a statutory notification will be issued to you to confirm that the transfer has taken place.

## **7. What happens if my pensionable pay is less than last year?**

If you have membership before 1 April 2014 and your pensionable pay is lower than last year then your statement may show a drop in pension benefits.

If your pay drops, then it is possible to use a previous year's pay to calculate your pre-April 2014 pension benefits. However, your employer will not provide this for the purpose of annual benefit statements. In this case, if you are approaching retirement, you will need to request an estimate.

## **Breakdown of your Pension Calculation**

### **1. How are my pension benefits calculated?**

- **For membership before 1 April 2008**

Your annual pension is calculated as:

- Your final pay / 80 x the number of years membership (pro rata for part time) before 1 April 2008

The automatic lump sum is calculated as:

- 3 x Your final pay / 80 x the number of years membership (pro rata for part time) before 1 April 2008

- **For membership between 1 April 2008 and 31 March 2014**

Your annual pension is calculated as:

- Your final pay / 60 x the number of years membership (pro rata for part time) between 1 April 2008 and 31 March 2014

There is no automatic lump sum for service built up after 1 April 2008.

- **For membership from 1 April 2014**

Your annual pension is calculated as:

- Your pensionable pay / 49 if you are in the main section of the scheme  
**or**
- Your pensionable pay / 98 if you are in the 50/50 section of the scheme.

## **2. Why is the value on my statement this year less than last year?**

This may be because of one of the following reasons:

- We may have held incorrect data for you which affected the calculation, for example working hours or pay, which have now been corrected by your employer.
- The final pay information provided by your employer for your final salary pension benefits is lower than it was last year. This information is provided by your employer and you should contact them if you think the final salary figure detailed on your statement is incorrect.
- If you moved to the 50/50 section within the last year, your projection to retirement age will assume that you remain in that section. Once you re-join the main section, your projection will be adjusted accordingly.

## **3. How will my pension benefits be affected if I reduce my hours?**

There will be no impact on the benefits you have already built up to 31 March 2014 as these are protected.

From 1 April 2014, you will pay less into your pension if you reduce your hours. Benefits are calculated on the pay you make contributions on, so the amount of pension you build up with be less.

#### **4. Why do I have no lump sum shown on my statement?**

You will only have an automatic lump sum if you have membership before 1 April 2008.

#### **5. Can I exchange my pension for lump sum at retirement?**

You can exchange part of your pension to provide you with a larger tax-free lump sum. For every £1 of annual pension you give up you will receive £12 of tax-free lump sum. There is a limit to how much pension you can give up; this is a maximum of 25% of the capital value (as determined by HM Revenue and Customs) of your benefits.

#### **6. How is the lump sum calculated?**

If you have membership prior to 1 April 2008, you will receive an automatic lump sum of 3 times your pension benefits up to 31 March 2008.

Membership after 1 April 2008 no longer counts towards an automatic lump sum.

#### **7. Can I exchange some of my lump sum for pension?**

No. This option is not available.

#### **8. The automatic lump sum at 31 March 2024 is different from the lump sum at my normal pension age (NPA). Why is this?**

If you have membership before 1 April 2008, your automatic lump sum at NPA may be slightly higher than the one quoted at the beginning of the statement and in the breakdown of pre 2014 benefits.

This will happen if you have a lower retirement age in the final salary scheme than in the CARE scheme. In this case, the projection to NPA will include an actuarial increase as you will be taking your final salary benefits late.

## **9. Why are my Additional Voluntary Contributions (AVCs), Added Years, Additional Regular Contributions (ARCs) and/or Additional Pension Contributions (APCs) not shown on my statement?**

AVC statements are produced by your AVC provider and sent separately.

If you used a transferred AVC to buy membership, it has been included in the calculation of benefits, but the membership is not shown separately.

Added years and ARCs bought by 31 March 2024 are included in the pension figures shown under pension benefits to 31 March 2014 – these are listed as additional pension purchased.

If you elected to purchase an APC and the relevant administrative updates were made to our system by 31 March 2024 then the APC is included in the CARE pension figures shown on your statement. Any APC purchased in the year 2023/24 is listed under 'additional pension purchased'.

## **Death Benefits**

### **1. Can I remove the surviving partner's pension to increase my pension benefits?**

No, you are unable to remove the partner's pension to increase your pension benefits. Partner's pensions are a scheme benefit and do not affect your pension whether you are in a partnership or not.

### **2. Why does my pension statement show £0 under surviving partner's pension when I am married, in a civil partnership or living with an eligible cohabiting partner?**

You can update your pension record online to show you are married or in a partnership. Then the partner's pension will be detailed on the next annual benefit statement that we send you.



### **3. Do I need to nominate my husband/wife or civil partner to receive a partner's pension?**

An annual pension is automatically payable to your husband, wife, civil partner or, subject to certain qualifying conditions, your cohabiting partner.

### **4. I am living with my partner but not married or in a civil partnership. Can I nominate them to receive a partner's pension?**

A cohabiting partner's pension will be paid, subject to certain qualifying conditions, with or without a nomination form being completed. However, if you wish, you can nominate a cohabiting partner to receive a survivor's pension in the event of your death as this may assist the pension scheme to set up the pension.

For more information and a link to the cohabiting partner nomination form please visit:

[Keeping us informed | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/keeping-us-informed)

### **5. Can I nominate my children to receive my partner's pension?**

You cannot nominate anyone else to receive your partner's pension. If you leave any eligible children on your death, they will get a pension too.

Eligible children at the date of your death must be:

- Under 18 and be wholly or mainly dependent on you, or
- Aged 18 or over and under 23, be dependent on you, and be in full time education or undertaking vocational training. In some cases, a dependent child who commences full time education or vocational training after the date of your death may be treated as an eligible child up to age 23, or
- In some cases, a dependent child of any age who is disabled may be classed as an eligible child.

In all cases, eligible children must have been born before or within a year of your death.

## **6. How is the death in service lump sum calculated?**

The scheme provides a death in service lump sum; this is based on three times your annual pensionable pay. Death grants are payable to your nominated beneficiary, at the absolute discretion of the pension fund.

## **7. I made an “expression of wish” regarding my death grant, where do I view this?**

You can make an “expression of wish” or view a nomination that you have made previously by logging on to our Member Portal at:

<https://upmliveportal.hants.gov.uk/>

Alternatively, you can make an expression of wish by completing a form and sending this to Pension Services, see: [Forms for members of the LGPS | Hampshire County Council \(hants.gov.uk\)](#)

We will check your expression of wish form before we make payment of a death grant.

## **Lifetime Allowance**

### **1. What is the lifetime allowance?**

The Lifetime Allowance (LTA) was the amount you could take from all your pension savings without facing a tax charge. The Finance Act 2024 abolished the LTA in full with effect from 6 April 2024. The LTA has been replaced by two new tax allowances. See our website for more information: [Pensions and tax | Hampshire County Council \(hants.gov.uk\)](#)

### **2. What if I want to know more about the tax allowances for your pension?**

See the HM Revenue and Customs website: <https://www.gov.uk/tax-on-your-private-pension/lifetime-allowance>

## **Disclaimer**

**The information in the document applies to individuals who were contributing members of the Local Government Pension Scheme on 31 March 2024. This information was up to date at the time of publication in July 2024. This document is for general use and cannot cover every personal circumstance and does not cover specific protected rights that apply to a very limited number of employees**

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