

SUFFOLK PENSION FUND

LOCAL GOVERNMENT PENSION SCHEME

Annual Benefit Statement notes and FAQs: Deferred Pension

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Why we have sent you this statement

When your active Local Government Pension Scheme (LGPS) membership ceased, you were sent a letter which stated the value of your deferred pension benefits as at the date of ceasing active membership.

Each year we will send you a statement informing you of how your pension benefits have increased which you may wish to compare with your original letter.

PLEASE NOTE

- The statement shows the usual benefits which may be payable. It should be treated as a guide only. Special circumstances, which can affect benefits, may apply to certain individuals. **Do not use the statement to make irreversible decisions about retirement.**
- You will receive a separate statement for each deferred period of membership that you have in the Suffolk Pension Fund.

If you are still in employment and paying into the LGPS you will also receive a separate statement regarding your current period of membership.

- The full Pension Fund Report and Accounts are available online. To access the information for this year and for previous years, please visit <http://www.suffolkpensionfund.org>

Contact Details

The Suffolk County Council Pensions team issued this statement. Our contact details are as follows:

Address: Pensions, 3rd floor, Endeavour House, 8 Russell Road, Ipswich, IP1 2BX

Telephone: 03456 053000

Email: pensions@suffolk.gov.uk

Website: www.suffolkpensionfund.org

Engage (Member Self-Service): <https://pensions.suffolk.gov.uk/>

Changes to your Annual Benefit Statement

Members who qualify for McCloud underpin protection will now have any underpin addition added in to their pension totals.

What is McCloud underpin protection?

In 2014, the LGPS changed from a final salary scheme (a pension based on your pay when you leave) to a career average scheme (a pension which builds up based on what you earn each year – See FAQ 7 on page 12 for more information).

Older members who were closer to retirement were protected from the changes. This means when a protected member takes their pension, the benefits payable under the career average scheme are compared with the benefits that would have been built up, had the final salary scheme continued and they receive the higher amount. This protection is called the underpin.

In 2018, the Courts found that younger members had been discriminated against because the protections did not apply to them. This was in the McCloud court case.

To remove the McCloud age discrimination, qualifying younger members will now receive the underpin protection too.

Underpin protection only applies to pension built up in the remedy period, between 1 April 2014 and 31 March 2022.

The underpin will have stopped earlier if you left the scheme or reached your final salary normal retirement age (usually 65) before 31 March 2022.

From 1 April 2022, there is no underpin protection. Pension built up after this date is based on the career average scheme only.

Who is covered by McCloud underpin protection?

You are covered by the McCloud underpin protection on benefits up to age 65 if:

- You were a member of the LGPS before 1 April 2012
- You were an active member of the LGPS during the remedy period (1 April 2014 and 31 March 2022) OR transferred in service from another McCloud remedy scheme
- You have not had a disqualifying break (i.e. a continuous period of more than 5 years when you were not a member of a public service pension scheme).

An online tool to help you check if you are affected by the McCloud underpin protection can be found here: <https://www.lgpsmember.org/mccloud-remedy/am-i-affected/>

How can I tell if McCloud underpin protection has been applied?

If you are covered by the McCloud underpin protection, you will see a section on your statement called 'McCloud Values'.

If you think you qualify for McCloud underpin protection, but do not see the 'McCloud Values' sections, please contact us.

Suffolk Pension Fund

Annual Benefit Statement – Deferred Pension

- *Your name and address*

Please check, and update Engage with any changes

Personal Details

- *Your full name*
- *Your date of birth*

Are these details correct? If not, please let us know

- *Date Joined Fund:* The day that you joined the Suffolk Pension Fund in respect of the employment to which these benefits relate.
- *Date of leaving:* The day that your active pension scheme membership ceased.
- *Date Benefits payable from:* The date that your benefits become payable without reduction.
If this date is in the past, your pension can come into payment now and you will be paid from the date of your request. Arrears of pension will not be paid back beyond the date of request.

The normal payable age for benefits built up after 31 March 2014 is your State Pension age (with a minimum of age 65). This date may change in future if the Government changes the State Pension age.

You can request payment of your benefits at any time from age 55, but they will be reduced if taken before your *Date Benefits payable from* date.

You can use Engage to obtain early retirement estimates. Look for the 'Pension Benefits' section of the site which contains 'Benefit Projectors'.

Current value of deferred benefits

- ① **Current annual pension value:** This is an estimate of the annual pension you would receive if you took payment of your benefits on your *Date Benefits payable from date*.

The total pensions increase accrued so far is shown in brackets.

Your *Current annual pension value* does not take into account any early retirement reductions which would be applied if your benefits were brought into payment before your *Date Benefits payable from date*.

- ② **Lump Sum Retiring Grant:** This is an estimate of the one-off lump sum you would receive if you took payment of your pension benefits on your *Date Benefits payable from date*.

The total pensions increase accrued so far is shown in brackets.

If you joined the pension scheme prior to 01 April 2008 you will have an automatic lump sum amount in addition to an annual pension.

Service from 01 April 2008 has had a higher build up rate of pension instead of providing an automatic lump sum.

You have the opportunity at retirement to give up some of your pension to increase/receive a one-off lump sum. For every £1 of pension you give up you will receive an additional £12 lump sum.

Your *Lump Sum Retiring Grant* value does not take into account any early retirement reductions which would be applied if your benefits were brought into payment before your *Date Benefits payable from date*.

- ③ **Surviving partner's pension:** This is the pension paid to your spouse or civil partner if you were to die before the pension quoted at ① and ② had become payable.

Cohabiting Partner's Pension: If you joined the scheme on or after 1 April 2008 a cohabiting partner's pension may be payable provided the following conditions had been satisfied for a continuous period of at least 2 years prior to the date of death:

- you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- you and your cohabiting partner have been living together as if you were married, or civil partners, and
- neither you or your cohabiting partner have been living with someone else as if you/they were married, or civil partners, and
- either your cohabiting partner is financially dependent on you or you are, and have been, financially interdependent on each other.

④ **Death Grant.** This is the estimated amount payable on death in deferment. If a grant does become payable, it will be calculated as follows:

- If you ceased active membership prior to 1 April 2008 the Death Grant is equal to your lump sum
- If you ceased active membership after 31 March 2008 – Death Grant is 5 times the value of your pension

Please note that if you have any periods of active pension scheme membership, any death grant payable would be the greater of:

- All death grants in respect of active periods of membership (based on 3 times actual pay)

Or,

- All death grants in respect of preserved benefits or pensions in payment

Pensions Increase

Your pension benefits are reviewed on the first Monday after 5 April each year in line with inflation, using the Consumer Price Index. On 6 April 2026 the increase applied was 3.8%.

If you left your employment before 22 April 2025 your benefits have been increased by the full 3.8% increase.

Your nomination details

These are the people you have nominated to receive your death grant, and the percentage of the death grant they are nominated to receive.

You can make or change nominations on Engage.

You can also make and change nominations by downloading, completing and signing a form from our website www.suffolkpensionfund.org or by writing to the pensions team.

Frequently Asked Questions

Deferred Pension Benefits

1. What does deferred pension mean?

Deferred pensions are pensions that become payable in the future (typically at normal retirement age) and to which the employee has ceased to contribute as they have either opted out of the scheme or left the service to which gave rise to their benefits.

2. I am also an active member of the LGPS. Does this statement cover that pension?

No. If you are currently paying into any pension benefits with the LGPS these are not included on this statement. You will receive a separate statement for these.

Bringing deferred pension benefits into payment

3. At what age can my benefits come into payment?

If you left the scheme before 1 April 1998

Your Normal Pension Age (NPA) will be between age 60 and 65 depending on when you joined the scheme. Your annual benefit statement will show the date your benefits are payable from.

You may take your benefits at any time after age 55 but they may be reduced due to the earlier payment.

If you left the scheme between 1 April 1998 and 31 March 2014

The age at which an unreduced pension can be taken is 65. You may take your deferred benefits at any time after age 55 but they may be reduced due to the earlier payment. However, if you have membership of the scheme before 1 October 2006, your benefits may be protected from this reduction if you will qualify for the 85 year rule (see question 7) when you retire.

If you left the scheme after 31 March 2014

The age at which an unreduced pension can be taken is your State Pension Age. You may take your deferred benefits at any time after age 55 but they may be reduced due to the earlier payment. However, if you have membership of the scheme before 1 October 2006, your benefits may be protected from this reduction if you will qualify for the 85 year rule (see question 7) when you retire.

Early payment of deferred benefits for pension credit members

If you were awarded a share of your ex-spouse's LGPS pension as part of a divorce settlement and you are a pension credit member in the LGPS, you can now elect to take payment of these benefits from age 55 regardless of when the pension sharing order took effect.

4. I am interested in taking my benefits, what do I need to do?

If you wish to take payment of your benefits at any time from age 55, please contact us.

We will write to you approximately 3 months before you reach age 60 (or your normal retirement date if you are already over 60) with details of the current values including any early retirement reductions, if applicable.

5. I do not want to receive this pension at retirement, can I cash it in now or receive a refund of my contributions?

As you have a deferred pension you are unable to receive payment of it before you reach the age stated in question 3 (except for ill-health grounds) and you are unable to receive a refund of your contributions. Please remember that the LGPS provides you with a secure future income for the rest of your life and if you have any dependants, for the rest of their life, independent of share prices and stock market fluctuations.

6. What happens if I become ill before my deferred pension benefits are due to be paid?

You may apply to your former employer to have your benefits released early on ill health grounds. In such circumstances you should contact your previous employer's HR Department, who may arrange an appointment with an independent Doctor qualified in Occupational Health Medicine.

Early Retirement Reductions

7. What are the amounts of the early retirement reductions?

Years Early from Normal Retirement Date	Pension reduction	Lump sum reduction
0	0%	0%
1	5.1%	2.3%
2	9.9%	4.6%
3	14.3%	6.9%
4	18.4%	9.1%
5	22.2%	11.2%

6	25.7%	13.3%
7	29.0%	15.3%
8	32.1%	17.3%
9	35.0%	19.2%
10	37.7%	21.1%
11	41.6%	N/A
12	44.0%	N/A
13	46.3%	N/A

8. What is the 85 year rule?

This rule applies to anyone who was an active member at any time between 1 April 1998 and 30 September 2006.

If your age in whole years when your deferred benefits come into payment and your total membership of the scheme in whole years (including the length of time your pension has been deferred) equal at least 85 when added together, you will have some protection against reduction to your benefits even if you retire before age 65.

If you do not meet the 85 year rule and your deferred benefits come into payment before age 65 the pension benefits will be reduced to reflect early payment.

This rule was withdrawn for all those people who became active members on or after 1 October 2006, although there are transitional arrangements in place for those who would have met the 85 year rule.

8b. What are the transitional arrangements for the 85 year rule?

If you were a contributing member of the scheme on 30 September 2006 and could have satisfied the 85 year rule by your 60th birthday, and this is before 31 March 2016, your benefits will not be reduced if you retire at or after age 60.

Further tapering protection has been introduced to overcome a big difference in benefits for members whose birthdays are within days of each other. This means that if you were in the scheme on 30 September 2006, will be 60 or over between 1 April 2016 and 31 March 2020, and will meet the 85 year rule by 31 March 2020, some protection still applies to you if you retire at 60. You will have full protection for membership up to 31 March 2008, but tapered protection on your membership between 1 April 2008 and 31 March 2020.

9. What is the McCloud judgment?

The LGPS rules changed from 1 October 2023. When public service pension schemes changed from final salary schemes to career average schemes in 2014 and 2015, older members were protected from the changes.

In 2018, the Courts found that younger members had been discriminated against because the protections did not apply to them.

The 2023 changes are called the McCloud remedy. They remove the age discrimination found in the McCloud court case.

Not all LGPS members are affected by the changes.

9b. Who qualifies for McCloud protections?

You will not be affected by the McCloud remedy if:

- you turned 65 before 1 April 2014
- you left the LGPS before 1 April 2014.

Your LGPS pension is protected by the McCloud remedy if:

- you were a member of the LGPS or another public service pension scheme before 1 April 2012
- you were a member of the LGPS in the remedy period between 1 April 2014 and 31 March 2022
- you were under age 65 in the remedy period, and
- you have not had a disqualifying gap (a period of more than five years when you were not paying into the LGPS or any other public service pension scheme.)

9c. Will the McCloud judgment affect my pension?

If you are a protected deferred member, you do not need to do anything. When you take your pension the Suffolk Pension Fund will compare the pension you built up in the remedy period from 1 April 2014 to 31 March 2022 with the pension you would have built up in the final salary scheme. If the final salary pension would have been higher, the difference will be added to your pension (known as an 'underpin' addition).

Death Benefits

10. Does the LGPS provide children's pensions in the event of my death?

Yes. The conditions for a child's pension to be paid are as follows:

Eligible children must, at the date of your death:

- be your natural child (who must have been born within 12 months of your death at the latest), or
- be your adopted child, or
- be your step-child or a child accepted by you as being a member of your family (this does not include a child you sponsor for charity) and be dependent on you.

Eligible children must meet the following conditions:

- be under age 18, or
- be aged 18 or over and under 23 and in full-time education or vocational training (although your administering authority can continue to treat the child as an

eligible child even if there has been a break in full-time education or vocational training), or

- be unable to engage in gainful employment because of physical or mental impairment and either:
 - has not reached the age of 23, or
 - the impairment is, in the opinion of an independent registered medical practitioner, likely to be permanent and the child was dependent on you at the date of your death because of that mental or physical impairment.

Pensions Increase

11. Does my deferred pension increase?

Yes, the value of your deferred pension will be increased in line with the cost of living (Consumer Price Index). After retirement, your pension will continue to be increased by C.P.I.

We write to you annually to inform you of the increase to your benefits.

Re-joining the LGPS

12. What happens if I re-join the LGPS at a later date?

You need to:

- a) notify the fund in which you are an active member that you have a deferred benefit in another LGPS fund in England or Wales,
- b) notify the fund in which you are an active member of any intervening service in any other public service pension scheme (even if you have completed a transfer out of the benefits in respect of that service to non-public sector pension scheme) and
- c) notify the fund in which the deferred benefit is held that you are an active member in another LGPS fund in England or Wales.

If you re-join the scheme, you will have 12 months from the date you re-join to decide whether to keep your deferred membership separate to your new membership. We will provide you with options regarding this. Please note that if you opted-out on or after 11 April 2015 then it is not possible to combine your benefits with future membership.

Transferring pension rights

The Suffolk Pension Fund takes the threat of pension scams very seriously and is signed up to The Pensions Regulator's 'pledge'. This pledge confirms our commitment to take action to protect your pension benefits and warn you about various threats and scams. If you ever request to transfer your pension benefits out of the fund to another pension provider, you will go through a robust check and if any concerns are noted, certain actions will need to take place to establish if your transfer can proceed.

If you are interested in knowing more about what this pledge involves, please use this link to access the Pensions Regulator website:

<https://www.thepensionsregulator.gov.uk/en/pension-scams/pledge-to-combat-pension-scams/self-certify-you-meet-the-pension-scams-pledge>

13. I have some pension rights from a previous employment. Can I transfer these into the LGPS?

No. You can only transfer benefits in to the LGPS if you are an active member.

14. I am now paying into another pension arrangement (not LGPS). Can I transfer my LGPS benefits to that arrangement?

We can transfer your pension rights to another pension scheme provided it is an HMRC registered pension scheme. If your new scheme is a Qualifying Recognised Overseas Pension Scheme (QROPS), we can transfer your LGPS benefits to it provided the scheme appears on the HMRC QROPS list (which can be found at <http://www.hmrc.gov.uk/pensionschemes/qrops-list.htm>).

Let us know the name and address of your new provider, and we will send them the necessary details. They should then tell you what the LGPS benefits will be worth if they were transferred and converted to benefits in your new scheme. You can then elect to transfer or to keep your benefits deferred in the LGPS.

You may wish to take independent financial advice before transferring benefits out of the LGPS.

Refunds

15. Can I have a refund of my pension contributions?

When assessing your entitlement to a refund we take into account all of your periods of LGPS membership (including periods with other LGPS funds).

If you left the scheme before 1 April 2014 then you would need to have less than 3 months membership to be entitled to a refund.

If you left the scheme on or after 1 April 2014 then you would need to have less than 2 years membership to be entitled to a refund.

If you were eligible for a refund of your pension contributions we would have written to you regarding this before we sent you your deferred benefit notification letter. If you now have deferred benefits then it is no longer possible to have a refund of your pension contributions in respect of this membership.

Amendments

16. I disagree with some of the information on the statement. What should I do?

Update Engage where possible or contact us with the details.

17. What do I do if I have moved house?

Update Engage as soon as possible or contact us with the details.

Divorce

18. I am getting divorced or my civil partnership is being dissolved. Will it affect my LGPS benefits?

You and your spouse/civil partner will need to consider whether to share your pension rights as part of any settlement. Make sure your wishes on who we pay a lump-sum death grant to are kept up-to-date. If you live with a new partner that you are not married to, or not in a civil partnership with, they would not be eligible to receive a Co-habiting partner's Pension until 2 years after your Decree Absolute. You can find out more from our website www.suffolkpensionfund.org

Just an estimate

19. You have provided me with these figures but say that I should not rely on them to make irreversible decisions. Why do you say this?

Firstly, because special circumstances may apply in your case which cannot be included when producing statements in bulk.

Secondly, despite our best endeavours we may not have a complete, correct and up to date record of your service and your personal details. If you think they are not correct, please update Engage and/or contact us:

For more information on the LGPS, please visit our website www.suffolkpensionfund.org

This section will be removed when the document is uploaded:

The following merge fields can be copied and pasted into the document.

SIGNATORY
POSITION
OURREF
EMAIL
TELNO
NI_NUMBER
FORENAMES
SURNAME
INITS
TITLE
ADDR A1
ADDR A2
ADDR A3
ADDR A4
ADDR A5
ADDR A6
ADDR A7

The following is an example of a conditional field. Right clicking and Toggling Field Codes will allow editing. The edited conditional can be copied and pasted into the document.

Conditional Example

The following is an example of a fill-in field. Right clicking and Toggling Field Codes will allow editing. The edited fill-in can be copied and pasted into the document.

Fill-in Example