

PENSION



lgps

AWARENESS WEEK

14 - 18 SEPTEMBER 2026

Planning your retirement

Greater Gwent Pension Fund

A pension is a great way to save for retirement, and a public sector pension like the LGPS is one of the best.

It's important that you make sure you understand how it works, and what you might get when you retire.

This session will help you plan for your retirement. We will concentrate on the LGPS, but also cover what else you may need to think about.

Did you know?

The LGPS is tax efficient - you get tax relief on your pension contributions

Members of the Scheme before 1 April 2008 receive an automatic tax-free lump sum

You can exchange up to 25% of your pension pot for a tax-free lump sum – for every £1 you give up, you get £12 back

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More to come later in this presentation on the option to swap pension for lump sum

Key benefits of the LGPS

- Occupational scheme paid in addition to your state pension
- Employer pays in
- Defined benefit scheme
- Guaranteed pension
- Pension is indexed linked
- Tax relief on your contributions (subject to HMRC limits)
- Tax-free lump sum at retirement
- Protection for your loved ones - Death benefits
- Protection for you - Ill health protection
- Contribution flexibility – pay more or less!

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We will cover how you can pay more to boost your pension later.

Paying less – when times are tough, you can join the 50/50 section of the scheme

In the 50/50 section you pay half your normal pension contributions and you build up half the pension.

Better for you than opting out of the scheme altogether

Short-term option – return to the main section of the scheme when you can

Your employer will move you back to the main section automatically

Career Average Revalued Earnings scheme (CARE)

The LGPS is a Career average revalued earnings scheme, or CARE scheme, and it has been since 2014

We will cover LGPS benefits built up before 2014 later in this session.

From 1 April 2014

- All active members are in the **CARE scheme**
- Defined benefit
- 1/49 accrual rate
- Revalued in line with inflation
- Normal pension age linked to State pension age
- Contribution flexibility (50/50 option)

Accrual rate 1/49. You build up a pension of 1/49th of your pensionable pay every Scheme year

Or 1/98th of your pay if you are in the 50/50 section

Normal pension age: the age when you can take your pension without it being adjusted for early or late payment.

You can take it before or after, and we will cover later how that affects how much you will get.

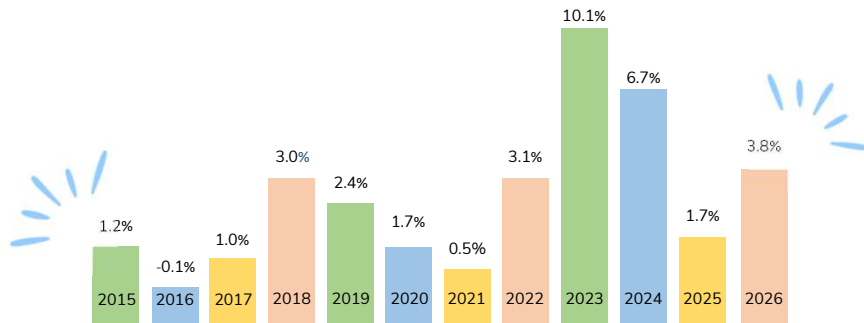
CARE pension calculation

$$\begin{array}{ccccc} \text{Pensionable} & \div & \text{Accrual} & = & \text{Yearly CARE} \\ \text{pay} & & \text{rate} & & \text{pension} \\ \hline \text{£30,000} & \div & 49 & = & \text{£612.24} \end{array}$$

Revalued each year in line with inflation

Did you know.....

Each year, your CARE pension will follow Consumer Price Index inflation?



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Revaluation since 2015

Generally low increases until 2022: between 0.5% and 3.1%

Much higher in April 2023 and 2024 when inflation soared: 10.1% and 6.7%

Back down to 1.7% in April 2025

Stabilised back closer to average in 2026 with 3.8%

Example of CARE pension account

We have assumed:

- £30,000 pay in first Scheme year
- Steady pay increase each year of £500

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Scheme Year	Opening Balance	Pension built up in scheme year	Total account 31 March	Cost of living adjustment (CPI)	Updated total account
2014/15	£0.00	$\text{£}30,000 \div 49 = \text{£}612.24$	£612.24	£7.35 (1.2%)	£619.59
2015/16	£619.59	$\text{£}30,500 \div 49 = \text{£}622.45$	£1,242.04	-£1.24 (-0.1%)	£1,240.80
 Fast forward 8 years...					
2024/25	£8,173.10	$\text{£}35,000 \div 49 = \text{£}714.29$	£8,887.39	£151.09 (1.7%)	£9,038.48
2025/26	£9038.48	$\text{£}35,500 \div 49 = \text{£}724.49$	£9,762.97	£370.99 (3.8%)	£10,133.96
2026/27	£10,133.96	$\text{£}18,000 \div 49 = \text{£}367.35$	£10,501.31 (at 30/09/2026)		

This example is based on 12.5 years in the career average scheme working full time
 Your pay will be different
 If you are part time, or in the Scheme for less time or earn less, the figures will be different.

Pension account after 12.5 years

- Annual pension of **£10,501.31**
- Payable for life
- Index linked
- Option to swap pension for lump sum (limits apply)

Joined the LGPS before 1 April 2014?

If you joined the LGPS before 1 April 2014 and you haven't had a break, you have some final salary benefits.

You will also have final salary benefits if you had a break of less than five years and:

- combined your LGPS benefits or
- transferred in final salary benefits from a different public service pension scheme

Final salary benefits

Pensionable service

Scaled down for part time working, may also include transferred in service

Accrual rate

Before April 2008 = 1/80

April 2008 to March 2014 = 1/60

Final pay

Your full time equivalent (FTE) pay, usually the pay from final 365 days of employment

1 Apr 1998 to 31 Mar 2008 (10 years) ÷ 80 × £35,500 =	£4,437.50
Lump sum (3 × pension) =	£13,312.50
1 Apr 2008 to 31 Mar 2014 (6 years) ÷ 60 × £35,500 =	£3,550.00

How are your final salary benefits worked out? Based on:

Pensionable service, which is scaled down for any period you worked part time

How does your pension build up? Known as the accrual rate – changed in 2008

Final pay – when you leave the LGPS

Example – a member with 28.5 years – April 1998 to Sept 2026

Final pay

Final pay for pre-April 2014 benefits

- Your pensionable pay in the 12 months up to leaving
or one of the previous 2 years if it was higher
- If you work part time, final pay is the full-time rate for your job
- If your pay is reduced because of sickness, final pay is the pay you would have received if you had not been sick

Pensionable pay is generally pay that pension contributions are based on, but pay for non-contractual overtime is not included in final pay

How are your benefits calculated?

Final pay = £35,500

Service to 31 March 2008
10 years
Pension **£4,437.50**



Plus tax-free lump sum
£13,312.50

80ths
up to
31 March
2008

Yearly pension: £4,437.50

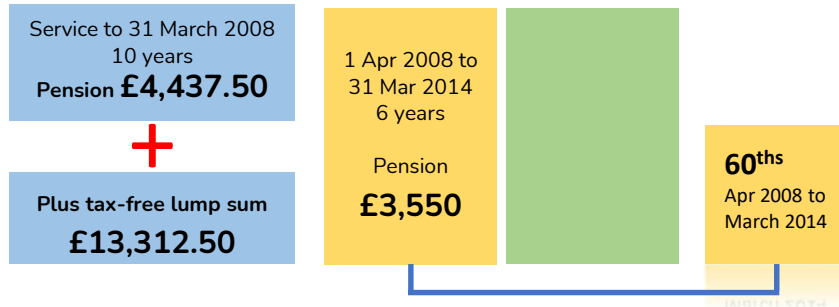
Lump sum: £13,312.50

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Returning to our example – assume the member first joined the LGPS in 1998
They were in the Scheme for 10 years up to 31 March 2008
And built up a pension and a lump sum based on 80ths of their final pay

How are your benefits calculated?

Final pay = £35,500



Yearly pension: £4,437.50 + £3,550

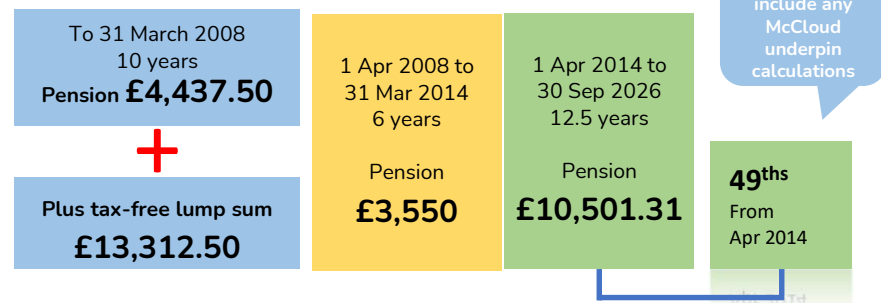
Lump sum: £13,312.50

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Then a further 6 years in the final salary scheme 1 April 2008 to 31 March 2014
Built up a pension only of £3,550 a year

How are your benefits calculated?

Final pay = £35,500



Yearly pension: £4,437.50 + £3,550.00 + £10,501.31 = **£18,488.81**

Lump sum: **£13,312.50**

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Then add in the CARE pension we worked out earlier

To get the total yearly pension £18,488.81

And automatic lump sum of £13,312.50

Remember – you only get an automatic lump sum if you joined the LGPS before 1 April 2008

This example won't be relevant to everyone. Some members will only have pension built up in the CARE scheme,

Or a mixture of final salary and CARE benefits built up after 31 March 2008

What if you're part time?

- Assume the member in the example works 50% of full time – 18 hours a week for an employer where FT hours are 36 per week
- CARE benefits build up based on actual pay
- Membership in the final salary scheme is scaled down for part time working. In this example, the member builds up one year of membership every two years
- Actual pay in the final year is £17,750.
But final pay in the final salary scheme is still £35,500

Many members work part time and so the pension they build up will be lower than the figures in the example

Very simple example – a member has worked 50% of full time throughout their career.

Part time - example

Final pay = £35,500

To 31 March 2008 10 years × 50% = 5 years Pension £2,218.75	1 Apr 2008 to 31 Mar 2014 6 years × 50% = 3 years Pension £1,775	1 Apr 2014 to 30 Sep 2026 12.5 years Pension £5,250.66
+		
Plus tax-free lump sum £6,656.25		

Yearly pension: £2,218.75 + £1,775 + £5,250.66 = **£9,244.41**

Lump sum: **£6,656.25**

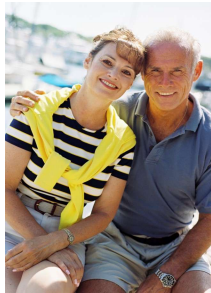
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If a member is part time, they will build up a smaller pension and lump sum than if they were full time in the same job.

In this example, the pension and lump sum are half the value for the full-time member from the first example, because the member worked 50% of full time throughout

When can you retire?

Normal retirement



Early or late retirement



Redundancy



Flexible retirement

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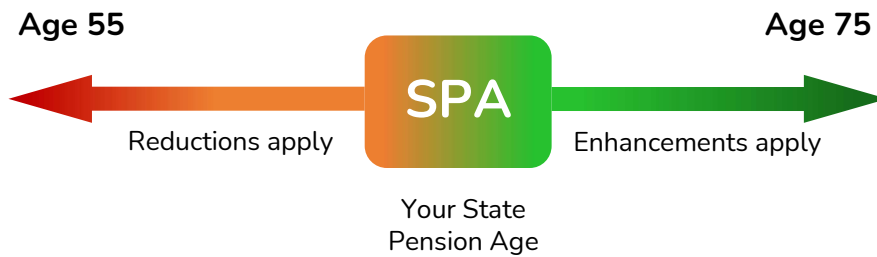
We have looked at the basics of how your pension and any automatic lump sum are worked out.

But what is actually paid depends on your age when you take your pension and the reason for your retirement

You can also choose to swap pension for lump sum

How do these affect your pension?

When can you retire?



Your normal pension age (NPA) is your state pension age. If you retire at NPA, there will be no adjustment to your LGPS CARE pension

If you retire later than that, your pension will be increased because it will be paid for a shorter time

If you retire earlier, your pension will be reduced. You cannot take your LGPS pension before your Normal Minimum Pension Age (NMPA)

NMPA is currently age 55

NMPA will increase to 57 in April 2028

If you joined the LGPS after 3 November 2021, from April 2028 you will have to wait until you are 57

If you joined the LGPS before 4 November 2021, you could be protected from this change. The LGPS rules will have to be changed. The Government could choose to introduce protections allowing those who joined the scheme earlier to take their pension from age 55

This change will not affect ill health retirement

Retirement options

Age *55-75  without employer consent

Flexible *55+  with employer consent

Redundancy/efficiency  at age *55+

Ill health  at any age, subject to conditions

*Minimum retirement age increasing to 57 in April 2028

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Once you have left your job, you can take your LGPS pension at any time between age 55 (increasing to 57 in 2028) and 75

If you stay in your job after age 75, you have to take your pension from age 75

Flexible retirement

If your employer allows it, you can reduce your hours and/or your pay grade from age 55 and draw some or all of your pension while continuing to work.

If you retire flexibly before your normal pension age your benefits may be reduced. You should ask your employer what their flexible retirement policy is if you are interested in flexibly retiring.

Redundancy/efficiency retirement

If you are made redundant or retired on the grounds of business efficiency when you are over 55, your LGPS pension must be paid straight away. If you are under your

Normal Pension Age, your pension is not reduced for early payment

Ill health retirement before NPA

No early payment reduction. There may be an enhancement to your pension depending on the severity of your condition

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Number of years paid early	Pension reduction	Automatic lump sum reduction
1	5.0%	2.0%
2	9.6%	3.9%
3	13.9%	5.8%
4	17.8%	7.6%
5	21.5%	9.4%
6	24.9%	11.2%
7	28.1%	12.9%
8	31.1%	14.7%
9	33.9%	16.3%
10	36.6%	18.0%
11	39.0%	N/A
12	41.4%	N/A
13	43.6%	N/A

These are the current reductions that apply if you take your pension before your NPA
The reduction is based on the exact number of years and days between the date you take your pension and your NPA

Complicated - different parts of your benefits have different NPAs

CARE pension: NPA = State pension age

Final salary benefits: NPA = 65, generally but...

A lower reduction will apply to benefits built up before 1 April 2008 if you are protected by the 85-year rule.

85-year rule

$$\text{Age} + \text{Service} = 85$$

Applies to members who joined before 1 October 2006

Smaller reductions on benefits built up before 1 April 2008

85-year rule protections built into all estimates

The 85-year rule only protects members who retire before age 65

Only benefits built up before 1 April 2008 are protected by the 85-year rule

(Different rules applied in the past, but members who were protected by them are all over age 65, so they are no longer relevant)

The 85-year rule only automatically applies in full if you retire between 60 and 65 – different rules apply on flexible retirement.

Age and service in full years are used to work out if a member is protected.

Calendar length of membership is used. It is not scaled down for members who worked part time.

Early/late retirement on 30/09/2026

Member details	Yearly pension	Lump sum
Redundancy retirement between 55 and 65	£18,489	£13,313
Early retirement at age 58 (NPA 67)	£13,505	£12,793
Early retirement at age 63 (NPA 66)	£16,279	£13,313
Retirement at Normal Pension Age (66 years & 3 months)	£18,572	£13,319
Late retirement at age 70 (NPA 66)	£21,955	£13,412

How many people plan to retire on their State Pension age? In practice, people will retire at different ages.

The figures are based on retirement in 2026. The example members have different NPAs based on their age.

Using the figures from the full time example earlier, let's look at the impact of early or late retirement

Starting with redundancy at any time between age 55 and 65 – these are the figures we saw earlier (rounded to the nearest £1). There is no reduction for early retirement when a member retires early due to redundancy

Using these as the starting point, the table shows the results for members who retired on 30 September 2026

ER at 58 – pension and lump sum reduced

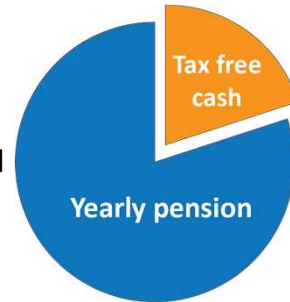
ER at 63 – pension reduced, but no reduction to the lump sum because it is protected by the 85-year rule

At NPA (66 years and 3 months) – increase to the final salary part of the pension because it was payable in full from 65, small increase to the lump sum

At 70 – increase to both the pension and the lump sum

Lump sum

- Swapping pension for lump sum
- £1 pension = £12 lump sum
- Maximum lump sum set by HMRC
 - 25% of capital value of accrued rights
- No effect on spouse's pension
- You have to make a lump sum choice when you take your LGPS pension



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The lump sum is paid tax-free to most members.

Members taking a very large lump sum – over £268,275 – may have to pay extra tax

The limit is lower if you have already been paid a lump sum or pension

The limit could be higher if you applied for protection from the lifetime allowance.

Taking a lump sum

Standard benefits

Yearly pension

£18,489



of capital value can be taken as tax-free cash

Tax-free lump sum

£13,313

Going back to our earlier example

This member joined the LGPS before 1 April 2008 and so they have an automatic lump sum of £13,313.

They must take a lump sum of at least this amount, you can't give up lump sum to increase your pension.

But you can give up part of your pension to increase your lump sum

Or provide a lump sum if you joined after 31 March 2008, so don't have an automatic lump sum

Taking a lump sum

Standard benefits

Yearly pension

£12,599

Reduced by £5,890 a year



of capital value can be taken as tax-free cash

Tax-free lump sum

£83,992

Increased by £70,679

(simplified example based on whole £s). The maximum lump sum the member can take is £83,992

It has increased by just over £70,000

But the member has given up £5,890 of guaranteed yearly income.

Think carefully and make the right choice for you – how old will you be when you take your pension? How many years will your pension be paid for? Think about the tax you will pay

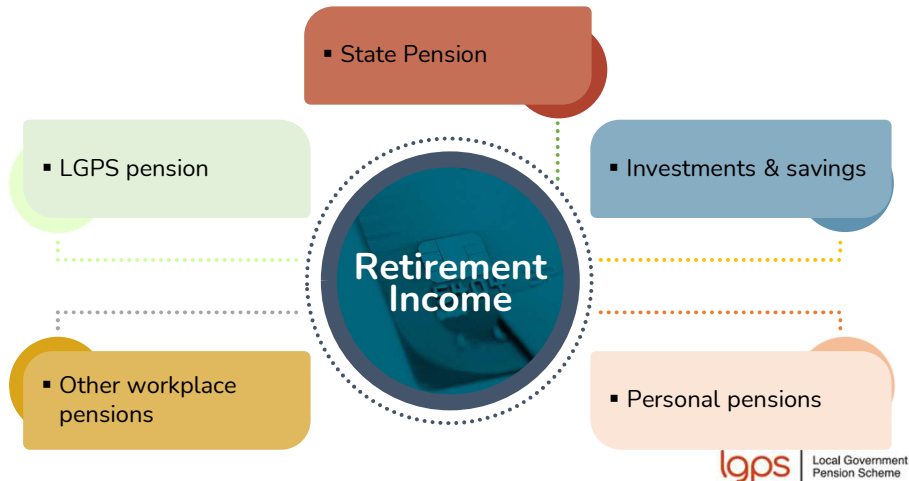
You don't have to choose the maximum – you can take a lump sum anywhere between the minimum and the maximum. Your pension would be reduced accordingly.

(The maths, for anyone who asks: you can take up to 25% of the value of the benefits you are taking as a lump sum. You find the 'value' of the pension by multiplying the yearly amount by 20

Capital value in this example: $20 \times £12,599 = £251,980$ + lump sum £83,992 = £335,972

$£83,992 / £335,972 = 24.9997\%$)

How will you fund your retirement?



Always keep in touch with other pension providers so you can plan your retirement income effectively

Planning your retirement

Yearly salary

£35,500

= £35,500

Yearly retirement income

LGPS pension
£18,489

State Pension
£12,548

= £31,037

Difference -
£4,463 a year

Tax-free lump sum

£13,313

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Your finances may look very different after you retire

Looking at our example member, their annual income after retirement will be £4,831 less than their current salary.

If you are old enough, remember to factor in your State Pension when you work out your expected income. We have shown the full State Pension here, but not everyone gets the full rate. More to come on State pension later.

Your outgoings will also change – travel costs might drop when you stop working, but your household bills might increase

These figures will look very different for all of you. Your LGPS pension may be lower than the amount shown, you might have other pensions that are already being paid or that you plan to take

Look at your own figures and see what the difference is between your in-work income and your retirement income.

Additional pension contributions (APCs)



You might have other pensions, savings or investments that will increase your income in later life.

But what can you do in the LGPS to boost your income in retirement?

You might have started buying added years before April 2008, or to pay additional regular contributions before April 2014

Any existing contracts can continue, but no new ones can start

We are going to look at options that you can start now

You can pay additional pension contributions, known as APCs to buy extra LGPS pension

Pay by lump sum or make regular payments from your salary

The cost depends on your gender, age, how much extra pension you buy and the payment period

You must take the additional pension at the same time as the rest of your LGPS benefits

Buying extra pension

Female scheme member age 50, buying £1,000 of extra yearly pension

Contract period	Monthly cost	Total cost	Cost after tax relief (20%)	Extra yearly pension from NPA*
Lump sum	N/A	£13,510	£10,808	£1,000
1 year	£1,130.50	£13,566	£10,852.80	£1,000
5 years	£245.70	£14,742	£11,793.60	£1,000
10 years	£136.40	£16,368	£13,094.40	£1,000
15 years	£101.10	£18,198	£14,588.40	£1,000

* Plus revaluation

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This example gives you an idea of the different options when you are buying extra pension.

These figures are based on a 50 year old woman buying £1,000 of extra pension payable from NPA – 67. Rounded to nearest £1.

The extra pension would be increased if she retires after 67 and reduced if she retires before then.

Cheaper in total to buy over a shorter period. But certainly not cheap!

Remember that tax relief will reduce the actual cost to you – we have assumed that this member is a basic rate taxpayer.

Extra pension increases with CPI in the same way that your pension does as an active member.

Paying by lump sum or over 1 year in this example, add 16 or 17 years of inflationary increases to that £1,000 figure

Inflationary increases only apply to the pension you have bought, so they are lower if you pay over a longer period

Cost of buying extra pension is reviewed roughly every four years.

So members paying over 10 or 15 years are likely to see a different monthly cost later in their contract.

Is it worth it? Ignoring inflation and assuming this member takes her pension at age

67:

In simple terms, if she paid by lump sum, after just under 11 years she would have got her money back (based on the cost after tax relief).

How many years will the pension be paid for?

How much tax will she pay on her pension payments?

Different for everybody.

Buying extra pension

Male scheme member age 61, buying £1,000 of extra yearly pension

Contract period	Monthly cost	Total cost	Cost after tax relief (40%)	Extra yearly pension from NPA*
Lump sum	N/A	£14,890	£8,934	£1,000
1 year	£1,255	£15,060	£9,036	£1,000
5 years	£280	£16,800	£10,080	£1,000

* Plus revaluation



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Using an older member as an example – in this case a man age 61 buying the same amount of yearly pension - £1,000.

The total cost is higher than the previous example

No option to pay over 10 or 15 years because the contract must end before he reaches his NPA of 67

But in this example we have assumed that he is a higher rate taxpayer, so the cost after tax relief is lower.

Scan the QR code to visit the extra pension calculator on the national member website www.lgpsmember.org to find out what it would cost you to buy extra pension

Additional Voluntary Contributions (AVCs)

Paying in

- Flexible contributions
- Investment choices
- Tax relief



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TAKING YOUR AVC

- Tax-free cash
- Additional LGPS income
- Both lump sum and income



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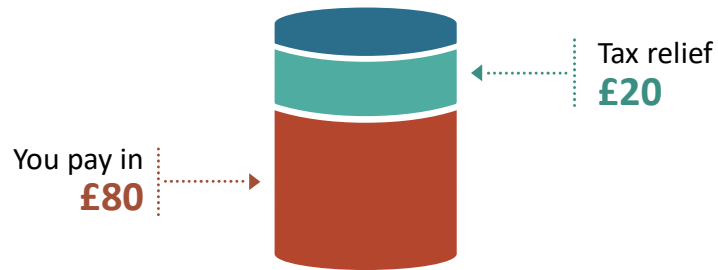
Another way to boost your LGPS pension is to pay additional voluntary contributions or AVCs

[Administering authorities to add information about their AVC arrangement(s) – provider, how to find out more, whether employers offer a salary sacrifice AVC option]

AVCs – tax relief

Basic rate taxpayer

£100 total



Apply online: www.gwentpensionfund.co.uk

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Go to our website <https://www.gwentpensionfund.co.uk/help-support/increase-my-pension/> to find the application form and AVC guide.

Pension scams

...on the rise across the pension industry

- Anyone can fall victim to a scam
- They're becoming more sophisticated
- Always remember, if it sounds too good to be true – IT PROBABLY IS!



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If you are more than a year below your NPA, you can transfer your LGPS pension to another pension scheme (subject to certain conditions)

If you are thinking of transferring your pension to a scheme that is not a public service pension scheme, think very carefully. You would lose the guaranteed benefits offered by the LGPS.

A transfer may not be in your best interest. Even worse, you could fall victim to a pension scam.

Unfortunately Pension scams are on the rise across the pensions industry. Scammers are clever and will do what ever they can to disguise themselves and get their hands on your pension.

Be cautious. Particularly if anyone encourages you to transfer your benefits out of the LGPS.

To prevent scams, your pension fund must check lots of information before you can transfer out.

If there is a serious warning – a red flag – the transfer cannot go ahead

If there is a less serious warning sign – an amber flag – you will need to get free guidance at a MoneyHelper Pension Safeguarding Guidance appointment

Depending on the amount to be transferred, you may also need to pay for

independent financial advice from a suitably qualified adviser before you can transfer

Pension scams – what to look out for

Promises to release cash from your pension before age 55



Sending couriers to your door to sign paperwork while they wait...

Unusual investments – with high risk, or complicated structures

Be cautious of anyone encouraging you to transfer out of the LGPS.

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Some warning signs to look out for:

Promises of higher returns or help to release cash from your pension, even before age 55

Unusual investments - which tend to be unregulated and high risk, or complicated structures where it isn't clear where your money will end up.

Scammers might set limited time offers and send couriers to your door to sign paperwork while they wait

Contact from out of the blue from an adviser or company you have not dealt with before

State Pension

When is the State Pension payable?

Birthdates	Retirement age
6 April 1960 to 5 March 1961	66 - 67 (sliding scale)
6 March 1961 to 5 April 1977	67
6 April 1977 to 5 April 1978	67 - 68 (sliding scale)
Born after 6 April 1978	68

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Looking at the State Pension - When will you start to receive the State pension?

Depends on when you were born

Men and women have the same SPA now

The table shows the state pension age timetable for those who have not yet reached State Pension age.

Pension Commission is currently reviewing the State Pension and so the timetable to increase the state pension could change

State Pension

Claiming your State Pension

By phone, online, or
download a form

You will be contacted 2 months
before SPA

If not, call: 0800 731 7898

Deferring your State Pension

If you reach SPA on or after
6 April 2016

For 9 or more weeks: +1%
(5.8% per year)

Additional payments could be
taxed

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You can claim your state pension By phone, online or by downloading a form.
You will be contacted 2 months before state pension age - If not call 0800 731 7898
Most people can defer taking their state pension,
For every 9 weeks you defer it will be increased by 1%, this works out at just under
5.8% for every full year.
If you want to defer, you don't need to do anything. Your State Pension will
automatically be deferred until you claim it. Any extra payments you get from
deferring could be taxed when you take your state pension.

State Pension

Contracted Out

Contracted out of SERPS i.e. paid less National insurance

Back in from 6 April 2016

LGPS pension is equal to or greater than additional pension

What to do next

Obtain a quote

www.gov.uk/check-state-pension

Gaps in your National Insurance record? You could pay extra to fill them

www.gov.uk/voluntary-national-insurance-contributions

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As a member of the LGPS you were contracted out of the State Second Pension also known as Additional pension or SERPS. Before 6 April 2016, you paid lower national insurance contributions.

Contracted out status ended on 6th April 2016 and you started to pay full national insurance contributions.

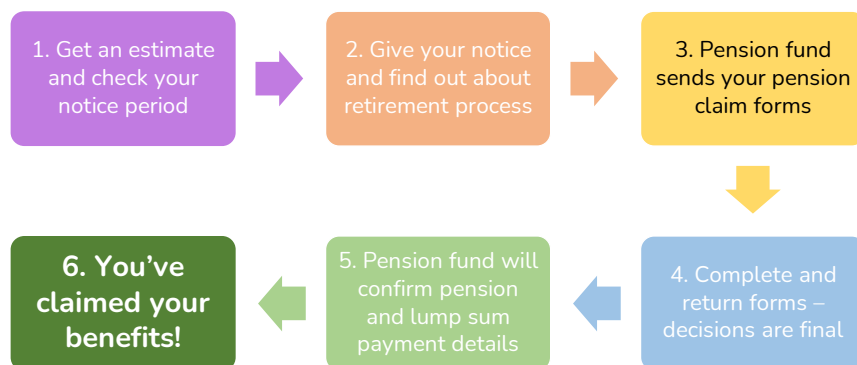
As the LGPS is a far better arrangement than the State additional pension, the LGPS pension is normally greater than the additional state pension you would have received

Contracting out could mean you do not get the full State pension [more info and useful links on Gov.uk [Contracted out of the Additional State Pension: How contracting out affects your amount - GOV.UK](#) if anyone has questions]

Go online to obtain a state pension forecast – when you can claim it and how much it will be

Some people can increase their State Pension by paying to fill gaps in their National Insurance record.

The retirement process



[Administering authority to amend to fit their retirement process]

1. Get an estimate from your LGPS pension fund. If you have paid for added years, or extra pension by paying additional regular contributions or additional pension contributions, these extra benefits will be included in the figures the pension fund gives you.

Think about other sources of income and whether you can afford to retire.

2. If you decide to retire, give your notice and ask about the retirement process

3. Pension fund sends you pension claim forms – check them carefully and ask any questions before making a final decision.

If you have an AVC fund, you will need to decide how to use it when you retire. There will be a separate letter and form about your AVC, if you have one.

4. Think carefully about your options – how to use your AVC, whether to swap pension for a one-off lump sum – as once you have made your decisions, you cannot change them.

5. Your pension fund will arrange to pay your pension, any lump sum and AVCs as you have requested and let you know when to expect payment. They will also give you some information about how your pension will be taxed, which we will cover next

Tax and your pension

Your pension payments are subject to income tax if your earnings exceed your personal allowance.

HM Revenue & Customs
PAYE & Self Assessment
BX9 1AS

Telephone: 0300 200 3300



lgps | Local Government
Pension Scheme

 HM Revenue
& Customs

Income tax 2026/27

	Taxable income	Tax rate
Personal allowance	Up to £12,570	0%
Basic rate	£12,571 to £50,270	20%
Higher rate	£50,271 to £125,140	40%
Additional rate	Over £125,140	45%

Your pension payments are subject to income tax if your income exceeds your personal allowance, £12,570 (Tax year 2026/27)

Tax and your pension

Taxed at Month 1 Basic Rate until tax office confirms correct code

OVERPAYMENT
refunded via payroll within the same tax year only or direct from tax office



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Your pension may be taxed using a basic rate code until further instructions are received from the tax office, and any refund will be paid to you **at a later date** if applicable.

[Admin authority to include any instructions about P45s as appropriate]

Pensions increase

Your LGPS pension increases in line with the Consumer Price Index

- Applies each April
- 3.8% from 6th April 2026
- *Your April payment will not contain the full increase (part month)*

Proportion of increase paid if your pension paid for less than one year

Did you know? Over the last seven years, pensions in payment have increased by over 30%

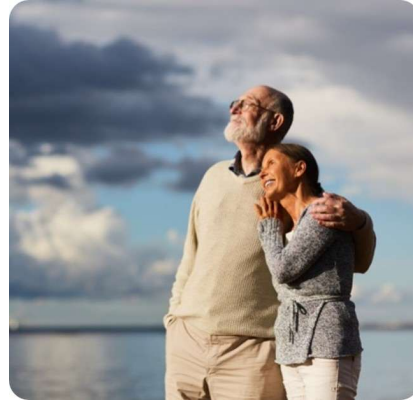


lgps | Local Government Pension Scheme

Once your LGPS pension is being paid to you, it will increase yearly in line with the Consumer Prices Index. The increase in April 2026 was 3.8%
CPI is a measure of inflation. The increase is based on the year up to the previous 30th September and applies from the first Monday after 5 April
If you retire mid year, you will only get part of the increase for that year

After I retire, what happens if...

- I get a new job?
- My marital status changes?
- I move abroad?
- I change my address?
- I want to change the bank account my pension is paid to?



Death benefits

If you die after taking your LGPS pension, these payments may be made:

Death grant

Pension fund decision on who it is paid to – check and update your expression of wish details

Lifelong survivor's pension

Eligible child's pension



lgps | Local Government Pension Scheme

Broadly, your pension has a ten year guarantee

If you die less than 10 years after taking your pension, the balance of 10 years' payments will be paid as a death grant

There is an adjustment to the amount paid if you have exchanged pension for lump sum

A different amount may be paid if you re-join the LGPS after taking your pension

Pension fund decides who to pay the one-off death grant to - expression of wish form to let them know your wishes

A survivor's pension is payable for life. A survivor can be a husband/wife/civil partner or a cohabiting partner.

A child's pension for children under 18, or under age 23 and in full time education

If you have a child who is permanently disabled (physically or mentally) and is fully dependent on you, then the fund can pay a pension at any age for the rest of their life.

Background info:

- Ten times the level of your annual pension in respect of your membership of the scheme after 31 March 2014 (before giving up any pension for a tax-free cash lump-sum)

- less any pension already paid to you in respect of your post-31 March 2014 membership and the amount of any tax-free cash lump sum you chose to take by giving up some of the pension you built up after 31 March 2014 when you retired.
- Ten times the level of your annual pension in respect of your membership of the scheme before 1 April 2014 (after giving up any pension for a tax-free cash lump sum)
- less any pension already paid to you in respect of your pre-1 April 2014 membership.

However, if you are drawing a pension and are also an active member of the pension scheme and die in service, a death-in-service lump-sum death grant of:

- The amount as calculated above, or, if higher,
 - Three times your assumed pensionable pay
- will be paid

Other sources of information



moneyhelper.org.uk



ageuk.org.uk/care
0800 055 6112



citizensadvice.org.uk
0345 404 0506



HM Revenue
& Customs
hmrc.gov.uk



unbiased.co.uk
0800 023 6868



[gov.uk/browse/working
/state-pension](https://gov.uk/browse/working/state-pension)

Pensions
Dashboards
Programme

... coming later in 2027/28



Local Government
Pension Scheme

We cannot give advice but there are several websites where you can find useful information

What to do next

▪ Engage with your LGPS Benefits

▪ Budgeting

▪ Investigate what savings & investments you have

▪ Use the information from today to get started



So what to do next - Most importantly... start planning

Find out what income you will have when you retire by:

- Engaging with your LGPS benefits
- And any other pensions you have, including the State pension
- Savings & investments
- Think about what you will spend your money on
- And use the information and links you have learned today to get as much information as possible so you can be fully informed to make your decisions

Any questions?

