

Frequently Asked Questions

General LGPS Overview Webinar



PENSION

AWARENESS WEEK

15 - 19 September 2025

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Contributions and accessing statements

I recently joined the scheme. Should I expect to receive a welcome pack?

Yes. Your employer will let your LGPS fund know that they are deducting pension contributions from you. Once your LGPS fund is informed about you, they will create a pension record and send you a welcome pack with forms to complete and details on how to find the LGPS scheme guide online.

Could you please explain more how the transactions are being done for pension funds? Who pays to our account?

Both employees and employers pay LGPS contributions. However, these contributions are not what is used to calculate your pension value at retirement so they are not paid into your account.

The contributions paid simply give you membership into the LGPS and a pension with us when you retire. Please see the section below for how your pension is worked out.

Can I delay starting my pension and continue to contribute?

If you are between the ages of 16 and 75 and your employment contract is for three months or more, you can pay LGPS contributions. You do not have to retire at your state pension age. You can continue to work and build up LGPS benefits. You will be classed as a late retirement if you retire after your state pension age.

How can we get our annual benefit statement?

Your annual benefit statement will have been posted to you or published to your online account (depending on your communications preference). Your LGPS fund must give you an annual benefit statement by 31st August each year if you are currently paying LGPS contributions.

Calculating LGPS benefits

Did the changes over the years to the LGPS make it more beneficial to the employee?

Some changes were beneficial and some changes could be seen as not beneficial.

Pros:

- Accrual rates (also known as build up rates) improved so you earn more annual pension as the accrual rate changed from 80ths, then 60ths, and now 49ths

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- Employees were allowed to retire from age 55 without employer consent (this used to be age 60)
- Flexible retirement gives employees the chance to take what pension they have built up already but keep on working. Although employer consent is needed for this, this type of retirement has only existed since 2006
- Same sex marriage and couples who live together but are not married, are recognised for surviving partner pensions when the LGPS member dies
- Death grants increased
 - Death in service 2 x assumed pensionable pay to 3 x assumed pensionable pay
 - Death of deferred member from 3 x annual pension plus inflation to 5 x annual pension plus inflation
 - Death of pensioner from 5 year guarantee to 10 year guarantee on pension payments (subject to pensioner dying before age 75)

Cons:

- Automatic tax free lump sums stopped from April 2008. (Although everyone still has the option to swap some of their annual pension for lump sum).
 - If you joined the pension scheme before April 2008, you will still have an automatic lump sum but only based on pension membership up to 31 March 2008.
 - If you joined on or after 1 April 2008, you do not have an automatic lump sum
- Normal retirement age increased from 65 to state pension age

The main reason for the changes were to make sure LGPS was able to continue as a pension scheme. Without the changes LGPS may not exist now.

How do you calculate the 49ths CARE LGPS? What does it mean?

Your employer tells your LGPS fund what you have earned and paid pension contributions on from one April to the next. (1st April to 31st March is a pension scheme year). This information is then used to work out how much pension you have earned from one pension scheme year to the next. For example:

Scheme year	Pension at start of year	Gross pensionable salary and build up rate	Pension (for that year)	Pension (built up to date)	Inflation increase	Pension at end of year
Year 1	£0.00	£19,600 ÷ 49	£400.00	£400.00	1.20%	£404.80
Year 2	£404.80	£23,129 ÷ 49	£472.02	£876.82	-0.10%	£875.94
Year 3	£875.94	£25,000 ÷ 49	£510.20	£1,386.14	1.00%	£1400.00

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You will carry on building up your pension in this way each year, until you stop paying LGPS contributions.

What if I have a deferred LGPS record from 30 years ago, as well as a current LGPS record from 2009. Would both be in the 60th bracket?

No. The timeframes for what is 80ths, 60ths and 49ths is shown below:

- Up to and including 31st March 2008: final salary 80ths
- 1st April 2008 to 31 March 2014: final salary 60ths
- From 1st April 2014: career average revalued earnings (CARE) 49ths

If you have membership in the 60ths version of the final salary scheme, how does that work?

1st April 2008 to 31st March 2014	Annual pension only Years and days membership ÷ 60 x final pensionable salary
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If you have membership in the 80ths version of the final salary scheme, how does that work?

On or before 31st March 2008	Annual pension Years and days membership ÷ 80 x final pensionable salary One off tax-free lump sum 80ths annual pension x 3
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Please could you briefly explain McCloud?

When the LGPS changed the way it worked from final salary to career average in 2014, the scheme added a protection for members nearing retirement called an underpin. This underpin made sure that the benefits those members had built up to the date of the change would keep at least the same value. Other public sector pension schemes did the same.

However, the Court of Appeal found that in the Judge's and Firefighter's Pension Schemes, the protection was discriminatory because the underpin did not apply to younger members. This ruling is often called the McCloud judgment.

As a result, every public sector pension scheme, including the LGPS, has made changes to remove this age discrimination. The McCloud rule changes took effect on 1st October 2023 in LGPS. Now the underpin applies to all members who qualify for it, whatever their age.

You qualify for this change if:

- You were paying pension contributions into the LGPS or another public sector pension scheme on or before 31st March 2012;

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- You were also paying pension contributions into the LGPS between 1st April 2014 and 31st March 2022; and
- You have been a member of LGPS or another public sector pension scheme without a break of more than 5 years running.

The rule change, known as the McCloud remedy, will remove the age discrimination for the period from 1st April 2014 to 31st March 2022.

You can watch a short video about it here:

<https://www.lgpsmember.org/help-and-support/videos/>

Combining LGPS records

Will deferred benefits from a previous LGPS Scheme be included in next year's Annual Statement?

You must tell your current LGPS fund about the previous deferred benefits and that you are interested in joining them together. This will not be done without you asking for it to be done. If you have already started the process of combining LGPS records, then this should be completed in time for it to show on your 2026 annual statement.

I have a LGPS from another job that I left years ago. Can I put two or more LGPS pensions together? If yes, how do I transfer one LGPS pension into another?

Generally speaking, yes you can combine two or more LGPS pensions. You must tell your current LGPS fund about the previous LGPS benefits and that you are interested in joining them together. Your current LGPS fund will then start the combining process and contact the other LGPS fund on your behalf. You may need to complete a form giving your current LGPS fund permission to speak to your previous LGPS fund.

Transferring other pensions to LGPS

Why when you are considering a transfer why can't you get a value?

The transfer value is an amount of money that the previous pension administrator would pay to your LGPS fund for the pension to be held as LGPS pension instead. Your previous pension administrator sends the transfer value to your LGPS fund instead of you because we use that transfer value to work out how much annual pension it will buy you in LGPS. Your LGPS fund will tell you how much annual pension it will buy you. It is this information you should use to make your decision to transfer or not. If you had a copy of the transfer value, this would give you no meaningful information to help you make your decision.

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Can you transfer a previous pension to the LGPS pension? For example, NHS, private pension plan, civil service, previous private sector occupational pensions, bank pension?

When you join your LGPS fund, you have 12 months from joining to start transferring any previous pensions. Your employer does have the discretion to extend this deadline, but they don't have to.

First, you should complete a transfer authority form for each pension that you want to transfer.

Receiving your signed form allows your LGPS fund to speak to your other pension providers and ask them for the transfer value of the pension you have with them. Once your LGPS fund has the value, they can let you know how much annual pension it would buy you in the LGPS.

You must then complete some more forms if you want the transfer to go ahead.

Is it possible to transfer an AVC into your main LGPS pension and what are the benefits?

If you have an AVC that is linked to a previous LGPS benefit, then the AVC can be transferred over to your new LGPS fund. However, the AVC would be transferred from the AVC provider of your previous LGPS fund to the AVC provider of your current LGPS fund. This means that it would still be an AVC.

If you have any AVCs that are not linked to the LGPS, these are known as free standing AVCs. This would be treated as a private pension plan. You would have 12 months from joining your LGPS fund to transfer the AVC in and it would buy you annual pension within the LGPS. We are not licensed to give financial advice. You must decide whether the AVC is best left where it is or transferred into the LGPS. If you do need advice, these Bodies may be able to help you:

Unbiased:

<https://unbiased.co.uk>

MoneyHelper:

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser?source=mas>

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If I have transferred in pensions from private or occupational pensions to my LGPS record. How is this paid when I retire? Is it a separate payment or linked in with my LGPS pension since joining the scheme?

When your transfer of previous pensions is complete, those benefits are converted into LGPS benefits. This means that when you retire, your monthly pension payment will take into account your LGPS service and your transfers.

If your transfer happened before 1st April 2008, the transfer will have bought you extra automatic lump sum too. This will be included when you receive your one off lump sum payment at the start of your retirement.

APCs (additional pension contributions) and AVCs (additional voluntary contributions)

What are the different types of extra contributions?

APCs: You can buy extra pension by paying APCs regularly over a period of time, or by paying a one-off lump sum. The maximum amount of additional pension you can buy is £8,903 (this figure increases each year in line with the cost of living). How much the APC costs depends on how much extra pension you want to buy, the age you start paying the extra contributions and the length of time you want to pay them over.

AVCs: An AVC is an extra pension savings option available to members of the LGPS. It allows you to contribute additional money from your salary (up to 100% of your pensionable pay) into a separate pot that grows based on your chosen investments. These contributions are taken before tax, giving you tax relief, and can be used at retirement to boost your pension benefits, such as taking a tax-free lump sum or buying an annuity. You can start, stop, or change your AVCs at any time, and they must be accessed when you take your main LGPS pension.

Can APCS or AVCS be requested by all members of the LGPS scheme (or is it depending upon employer/local scheme)?

All LGPS members have the choice to start APCs and / or AVCs regardless of which LGPS fund you are in and who your employer is.

If you wanted to make additional contributions via either APC or AVC, does the employer have to increase their contributions in line? / If you buy APCs do you get employers contributions on those too?

No, your employer does not legally have to increase their contributions if you start an APC or AVC. However, each employer should have a policy on whether they offer Shared Cost APC and Shared Cost AVC. You should speak to your employer's HR department directly to see what their policy is on this. Shared cost means that your employer would pay into your APC or AVC with you. As it is not obligatory, you will need to check whether this is something your employer offers and on what terms.

How do you join an APC?

If you want to buy extra annual pension through an APC, please go to:

<https://www.lgpsmember.org/help-and-support/tools-and-calculators/buy-extra-pension-calculator/>

This is a national online APC calculator that you can use to decide if you want to pay APCs and how much it would cost you. If you are happy with the figures on the calculator, there is a form you can complete through the calculator. You should complete and return the form to your LGPS fund. As part of your LGPS fund's process and before the APC can be set up, you will need to get a medical certificate signed by your doctor, at your own expense, to confirm you are in reasonably good health.

Can you take your AVC pension earlier than your main LGPS? / Can you take your AVC after you take your LGPS pension?

- If you stopped paying LGPS contributions before 1st April 2014, you can choose not to take your AVC plan when you take your main LGPS benefits. You can leave your AVC plan invested and use it later but you must take it by age 75
- If you have paid LGPS contributions on or after 1st April 2014, you must take your AVC plan at the same time as you take your main LGPS benefits

What is the age limit for extra contributions?

APCs: You can spread the cost of buying extra pension by making regular payments from your salary, or you can pay by lump sum. However, the option of making regular payments is not available if:

- you are within 12 months of your normal retirement age (NRA)
- you are over your NRA

If any of the above apply, you can only buy extra pension by making a lump sum payment. You can make a lump sum payment up to age 75.

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AVCs: You can pay AVCs up until age 75. However, if starting an AVC you would need to have enough time between starting it and retiring for the contributions to be invested and released. Therefore, it may not always be practical to start an AVC close to retirement.

Retirements

**At what age can you start drawing your Local Government pension?
You mentioned 55 but I wasn't sure what that related to.**

The lowest age you can retire from the LGPS is currently age 55. The UK Government has announced that the earliest age you can take your pension will increase from age 55 to 57 with effect from 6th April 2028. This does not apply if you have to take your pension early due to ill health.

I would like to retire early aged 62. Can I take a reduced pension immediately?

If you leave your job between the ages of 55 and your state pension age, you can take your pension immediately with reductions. This is known as early retirement.

If you choose to not take a tax free lump sum, do you lose the tax free benefit going forward?

If you joined LGPS before 1st April 2008, you will have an automatic tax free lump sum anyway.

If you joined LGPS on or after 1st April 2008, you will not have a lump sum unless you want to convert annual pension into one. You do not have to convert pension to make a lump sum if you don't want to.

- Lump sums are usually tax free
- Annual pensions are an income so the tax office will tell your LGPS fund what tax code to apply to it. If all of your incomes are below a certain threshold, you will not need to pay tax on your annual pension. The threshold for 2025/2026 is £12,570 per year

I may start taking a pension from another scheme. Does this affect my LGPS pension? Does LGPS need to know? I will still be working and paying into LGPS.

You will need to speak to the LGPS fund you are going to receive the pension from to let them know you still pay LGPS contributions elsewhere. Each LGPS fund has their own policy on whether they need to stop or reduce an LGPS pension in payment if the pensioner is still paying LGPS contributions elsewhere.

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I am confused by the 85 year rule. I think it is discretionary on the employer pre 60 years of age put compulsory after 60. How does the protection work on which bits of pension?

If you qualify for the Rule of 85 and retire early, some of your pension will not be reduced.

You only qualify for the Rule of 85 if you were paying pension contributions into the LGPS before 1st October 2006. You meet the Rule of 85 if:

- Your age when you take your LGPS benefits + The number of years you have paid pension contributions into LGPS for = 85 or more

If you meet the Rule of 85, it will automatically apply if you start your pension from age 60.

If you meet the Rule of 85 and want to take your pension before age 60, you need your employer's consent for it to apply. If your employer does not consent, you can still take your pension but it will be lower than if the Rule of 85 had applied.

The Rule of 85 works in this way:

Birth Date	Pension built up on or before 31st March 2008	Pension built up between 1st April 2008 and 31st March 2016	Pension built up between 1st April 2016 and 31st March 2020	Pension built up on or after 1st April 2020
Between 1st April 1956 and 31st March 1960	Unreduced	Tapered: that is, partially reduced on a sliding scale	Tapered	Fully reduced
On or after 1st April 1960	Unreduced	Fully reduced	Fully reduced	Fully reduced

If I were made redundant is there a responsibility that my employer must continue to pay their contribution (or both theirs and the employee element)? If this is correct, how long would they have to make up the contributions? Is it to your state retirement age?

If you are over 55, then made redundant or leave due to efficiency of the service, you must receive your pension straight away. Under current rules, the pension will not be reduced for early payment.

Although the pension will not be reduced, it will not be automatically enhanced either to give you the pension you could have built up if you carried on paying contributions until your normal retirement age.

This means that your employer does not continue to pay contributions after your redundancy date. They have the discretion to award you an enhanced amount of pension as

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part of your redundancy package. This is an employer discretion and not a legal obligation. You will need to speak to your employer to see what their policy is. Each employer is different.

Is the LGPS index linked?

Yes. When you stop paying pension contributions, the value of your pension is worked out. The value of it increases in line with the Consumer Price Index (CPI) each April after that. These cost of living increases happen every year for life.

Is there an annual increase in pension as well as the CPI uplift, as shown on the Online Benefit Calculators?

The only increase on an LGPS pension is the CPI uplift. Please see the question above for more details.

Death grants and surviving partners

What evidence is needed for a beneficiary to claim the death grant and survivor's pension please?

Your LGPS fund will have a set of forms you will need to complete to claim any death grant and survivor's pension. You will be a beneficiary if the LGPS member nominated you to receive all or part of any death grant payable.

If no beneficiaries have been nominated, it is the LGPS fund's discretion who to pay the death grant to.

For survivor's pensions, we only need to see copies of the LGPS member's death certificate, marriage certificate and spouse's birth certificate. If the survivor's pension is being paid to a cohabiting partner who was not married to the LGPS member, they will be asked to send in evidence such as:

- Joint bank account statement
- Joint mortgage statement or rent card
- Joint utility bills

What happens if you die and you are not married or co-habiting?

If you die in service, a death grant will be paid to whoever you have nominated to receive it. This could be family, friends, charities, etc. You can nominate more than one person. The death grant is three times your assumed pensionable pay.

If there is no partner, then no surviving partner will be payable.

If my nominee for death benefits is a German citizen living in Germany and I provide contact details, will that be OK?

Yes, we can pay death grants and / or pensions to bank and building society accounts in the UK or overseas.

If I die and am an active member and I've nominated my wife / husband, is the payout a lump sum?

If you have nominated them to receive all or some of your death grant, then we will pay out the amount of death grant lump sum due to them.

They will also automatically be eligible for a survivor's pension. They would need to send us copies of your death certificate, marriage certificate and their birth certificate.

Other questions

If Acts of Parliament change the terms of the LGPS what fallback guarantees protect members?

Whenever LGPS rules have changed in the past, there have been protections put in place to safeguard members. Here are some examples of those protections:

- Any benefits before April 2008 remain final salary 80ths
- Any benefits between 1st April 2008 and 31st March 2014 remain final salary 60ths
- The McCloud remedy: if you are eligible and better off having final salary 60ths between 1st April 2014 and 31st March 2022, this will automatically be paid to you instead of the current CARE scheme rules
- When minimum and normal retirement ages increases, there are generally protections put in place so that the change does not happen overnight

A lot of talk at present of the Government taxing tax free lump sums etc. Is it likely they could do that and backdate for whole pension. This could be automatic lump sum or conversions of pension to a lump sum or both?

There are no definite changes to tax on pensions as yet. If anything does come out of Rachel Reeves' Autumn budget, it will be for one off lump sums that new pensioners will take at the start of their retirement.

Once the budget has taken place on 26th November 2025, LGPS funds will let members know if there are any changes to lump sums based on what is announced at the Budget.

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Useful Links and Contact Details

<p>National LGPS member website</p> <p></p>	<p>www.lgpsmember.org</p> <p>Calculators, videos, FAQs, general information about the scheme</p>
	<p>clwydpensionfund.org.uk</p> <p>pensions@flintshire.gov.uk</p>
	<p>www.oxfordshire.gov.uk/business/oxfordshire-pension-fund</p> <p>Pension.services@oxfordshire.gov.uk</p>
	<p>www.shropshirecountypensionfund.co.uk</p> <p>pensions@shropshire.gov.uk</p>