

Pension

NEWSLETTER

SPRING/SUMMER 2022 • ACTIVE LONDON BOROUGH OF HOUNSLOW MEMBERS

CARE pensions up 3.1% in 2022

The adjustment to the 'career average' (CARE) part of your pension for 2022 is an increase of 3.1%. This figure comes from the rate of inflation for September 2021, as measured by the Consumer Prices Index.

When is the increase added to my pension?

This year's 3.1% increase was applied to your pension on 1 April 2022. If you're wondering why your 2022 pension statement doesn't show it, that's because the 2022 statement can only show your pension up to **the day before** we added this year's increase. It will be your 2023 statement that shows the effect of applying the 3.1% increase.

About the adjustment

We adjust the pension you've built up so far every April in line with the Treasury Department's Revaluation Order. The adjustment only applies to the CARE part of your pension. If you also have final salary pension benefits from membership before April 2014 they're worked out differently and the increase doesn't apply to them until you retire.

New contribution bands for 2022/23

The contribution rate you pay for your LGPS pension depends on which 'pay band' your pay falls into, and the bands usually change in April. The government adjusts the bands according to the Consumer Price Index for the previous September, so this year they went up by 3.1%.

The table below shows the new pay bands and your contribution rate for the main section of the scheme and the 50/50 section (find out more about that at www.wypf.org.uk/5050) if you opted to pay half your usual contributions.

Yearly pay	Contribution rate	
	Main	50/50
Up to £15,000	5.5%	2.75%
£15,001 to £23,600	5.8%	2.9%
£23,601 to £38,300	6.5%	3.25%
£38,301 to £48,500	6.8%	3.4%
£48,501 to £67,900	8.5%	4.25%
£67,901 to £96,200	9.9%	4.95%
£96,201 to £113,400	10.5%	5.25%
£113,401 to £170,100	11.4%	5.7%
£170,101 or more	12.5%	6.25%



It's time –
– to go online

RETIREMENT COURSES

2022

If you're considering retirement soon, why not join Affinity Connect, our pre-retirement partner, for an informative **online retirement planning** session. Keeping your retirement plans on track is really important, it's always best to start planning early! This course is perfect for you if you are within three years of retirement and require more information about how to maximise retirement savings.

What's covered?

Estate planning • Managing change • Income in retirement • State pension and other benefits • Personal taxation and tax tips • Money management • Budgeting in retirement • Making your money last • Wellbeing • Lifestyle

Workshop dates

17 June 2022	9:30am to 12:00pm
23 June 2022	9:30am to 12:00pm
05 July 2022	1:00pm to 3:30pm
18 July 2022	9:30am to 12:00pm
04 August 2022	9:30am to 12:00pm
09 August 2022	1:00pm to 3:30pm
05 September 2022	9:30am to 12:00pm
30 September 2022	1:00pm to 3:30pm
20 October 2022	9:30am to 12:00pm
25 October 2022	1:00pm to 3:30pm
07 November 2022	1:00pm to 3:30pm
22 November 2022	9:30am to 12:00pm
02 December 2022	9:30am to 12:00pm
08 December 2022	1:00pm to 3:30pm
14 December 2022	9.30pm to 12.00pm

Places are limited so be quick to grab yours.

[Click here for more information and to book](#)

These workshops provide information only and will not include or constitute financial advice.

Book online at www.wypf.org.uk/active-events

LIVING STANDARDS

Research reveals the lifestyle we can expect in retirement

The **Retirement Living Standards** website, based on independent research by Loughborough University, was developed to help you to picture what kind of lifestyle you can expect in retirement, based on three different levels of income.

This is a useful resource, along with your annual pension statement, to help you make the right decisions about your retirement. Check it out on

www.retirementlivingstandards.org.uk

How to get a bigger pension

We have two ways you can get a bigger pension.

APCs

Buy up to £7,316 of guaranteed extra yearly pension in the LGPS with **additional pension contributions**. Pay monthly or by lump sum. The pension you buy is inflation-proofed, both before and after retirement.

AVCs

With **additional voluntary contributions** from our provider Standard Life you can buy extra pension and lump sum at retirement. You pay a percentage of your salary or a set amount. AVCs are flexible – you can change your payments, take a break, or stop paying at any time.

• Read more at www.wypf.org.uk/payingextra

2022/23 HMRC tax allowances

No change for 2022/23

Annual allowance £40,000 but with a tapered reduction to a minimum of £4,000 depending on earnings.
Lifetime allowance £1,073,100

Find out more at www.wypf.org.uk/allowances

Protections extended for some younger members

The government decided in 2021 that so-called 'underpin' protections already in place for older scheme members in the 2014 pension reforms should be extended to younger members following a successful age-discrimination legal challenge. Most pension scheme members are, however, unlikely to see an increase, and even if your pension does go up, it's likely to be by a very small amount. This is because most members build up a bigger pension in the new career average (CARE) pension scheme than they would have done in the old final salary scheme.

The changes (read more [here](#)) will now come into effect in 2023 but you don't need to take any action. Members who qualify for protection don't need to claim it – if the changes apply to you, your pension will be adjusted automatically.

Your pension is protected against stock market falls

Local Government Pension Scheme (LGPS) defined benefit pensions are set out in statute by the government and are not linked to stock market performance. LGPS scheme members can therefore be assured that both their contributions and their pension, whether in payment now or built up to date, will be unaffected.

Although short term investment values may vary, the LGPS as a long-term investor is securely managed to address any longer-term impacts.

Serious ill health

Helping ill members with a short life expectancy

When seriously ill members have a life expectancy of just a few weeks, an employer should contact us to make sure of the best financial outcome for members and their families. The type of benefits awarded can mean a considerable financial difference. If you find yourself in this difficult situation, talk to your employer and make sure they ask us urgently to set out how best to help you and your dependants.

Your death grant

If you die while you're paying into the scheme, we pay a death grant of at least three times your pay (the actual amount may be different if you have other pensions in the LGPS). You can choose who gets this money. If you haven't nominated anyone yet you can download a form at www.wypf.org.uk/deathgrant

Register today!



It's time to go online

Our online **myPENSION** service is the new way to view your pension record and your pension statements with more features coming soon

Have you tried it yet?

Register today at
www.wypf.org.uk/register

Moving house?



If you move house we need to know your new address, not only to keep your records up to date but to make sure personal or sensitive information doesn't go to your old address putting you at risk of identity fraud.

So when you move, please let us know about it (you can do this in our online **MyPension** service) as soon as you can. Please also tell your employer you've moved. If you're paying AVCs, also tell your AVC provider.

Transfer time limits

If you're thinking about leaving the pension scheme and transferring your LGPS pension to another provider, please remember that to be entitled to transfer your pension you must leave this scheme and choose to transfer your pension at least one year before your normal pension age (NPA).

Beware of pension scams: falling foul of a scam could mean you lose some or all of your money. See pensions-scams.com or fca.org.uk/scamsmart

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YOUR PENSION SCHEME AT A GLANCE

Build up rate of 1/49th of your pay a year

Revalued yearly by Treasury order

Build up rate for survivor benefits 1/160th

Pensions in payment inflation protected

What pay counts towards my pension? Actual pay including overtime, and additional hours if you're part time

Can I reduce my contributions? You can temporarily pay 50% contributions to get 50% pension

What's my normal pension age? Your state pension age with a minimum of age 65

Can I trade pension for lump sum? Yes – get £12 lump sum for every £1 pension you trade

What death grant is paid if I die 'in service'? A lump sum of at least three times pensionable pay – limits apply

How is my pension enhanced if I retire because of ill health? Depends if it's tier 1, 2 or 3...
1 ... enhancement to normal pension age
2 ... 25% enhancement to normal pension age
3 ... temporary payment of pension for up to three years

How long do I have to pay in to be entitled to a pension? Two years

How long can I pay into the pension scheme? Up to age 75

Published spring/summer 2022 by West Yorkshire Pension Fund. The information in this newsletter relates to HPF active members only and can't be treated as a statement of the law.

Available in large type, Braille or in audio format on request

If you don't have access to the internet or prefer not to use our online services, we can send important pension information by post on request.