

Spring 2021

## An update for Members of the Local Government Pension Scheme (LGPS)

We are pleased to publish the latest edition of our newsletter; produced to keep you updated on any changes to the Local Government Pension Scheme (LGPS) which may affect you. Inside you'll also find useful information about your pension and other areas of interest.

## An Announcement

As you may be aware, **with effect from 1 April 2021 the provision of our pension administration is migrating back from Orbis to the sovereign authority East Sussex County Council.**

As a result, going forwards all communication received from us will feature 'East Sussex Pension Fund' and 'East Sussex County Council' branding. We will also be replacing the Orbis logo on all forms with the East Sussex logo's— this will not change the validity of any existing forms or in-progress enquiries.

Rest assured, there will be no changes to the quality or type of pensions service you receive from us. However **please note that as part of the transition from Orbis to East Sussex the internal pensions admin system will need to be migrated, resulting in a blackout period between 26 March to 7 April 2021.** There may be a slight delay on queries and calculations due to this downtime but we will work hard to reduce any backlogs so that we can remain dedicated to providing all our members with the same reliable service as before.

Part of the migration back to the sovereign authority will mean there is a new helpdesk phone number and e-mail address. Please can you use the following contact details when communicating with the pension Fund.

E-mail - [Pensions@eastsussex.gov.uk](mailto:Pensions@eastsussex.gov.uk)

Phone Number: **0300 200 1022**

## 'My Pension' Portal

The '[My Pension' Portal](#)' allows you to view and update your personal details, update nomination beneficiaries and view your membership details.

Most importantly, you are able to view your Annual Benefit Statements and use the benefit projector tool to calculate your retirement benefits and options. [East Sussex's Member Self Service Portal](#) is live from **7 April 2021**.

### What do I need to do?

If you haven't done so, register by:

- 1) Going to **[Member Self-Service \(eastsussex.gov.uk\)](#)**
- 2) If you haven't got a username or password please click on '**[Request One.](#)**'

If you have used the old Orbis MSS site then previous log in details are still correct and can be used on the new site.

### Got a question about the portal?

[Guidance Notes](#) available on the East Sussex Pension Fund site.

# The McCloud Judgement

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When the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced, this is known as the underpin.

Similar protections were provided in other public pension schemes.

The Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them.

The government has decided that the general principles established will apply to all public sector pension schemes and, therefore, it has consulted on amending the LGPS.

## What does this mean?

The proposed changes would mean that a revised underpin will apply to all members, regardless of their age, who:

- Were active on 31 March 2012.
- Build up benefits in the 2014 Scheme
- Do not have a disqualifying break of more than 5 years.

If the members benefits would be better, the underpin will be automatically applied.

## What is the current underpin?

Currently within the LGPS, the underpin applies for member's who were both active members of the scheme on 31 March 2012 and on 1 April 2012 were 10 years or less from their normal pension age.

The test is done by comparing the benefits accrued under the current 2014 Regulations compared to what would have been paid if the member had remained in the final salary scheme and accrued pension at a rate of 1/60ths of their final pay to the underpin date. If the underpin is higher, the benefits are increased by the difference.

## What do I have to do?

Nothing. When the new Regulations come into force, if a member meets the above criteria and their benefits would be better at the point of payment, the underpin would be automatically applied.

We will be working alongside employers to gather relevant data needed to action any changes. Please note this project may take a year or two to complete.

**Remember : You do not need to apply for the underpin.**

## LTA Update

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The Chancellor announced a 5 year freeze on increases to Lifetime Allowance (LTA) in the budget. The current limit is £1,073,100 and will remain at this level until April 2026.

The LTA is the total value of all pension benefits that you can receive without triggering an excess benefits tax charge on retirement.

The current value of your LTA, for your LGPS benefits only, can be found on your Annual Benefit Statement. For further information on LTA, please refer to the LGPS member site at: <https://lgpsmember.org/ats/about-tax.php>



## CARE Increase

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On the 1 April each year, the CARE portion of your pension (pension built up since 1 April 2014) is revalued with a cost of living adjustment.

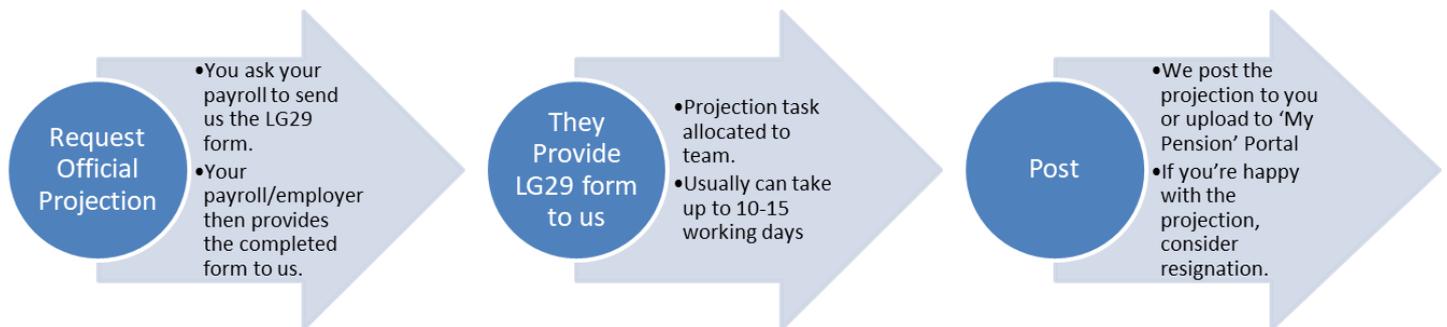
This year, CARE pension will increase by 0.5% on the 1 April 2021.

# How to Retire & Start Claiming your Pension

It pays to be prepared as retirement nears. Around two years before you want to stop working is a good time to start thinking about your retirement options and the choices you'll need to make. Consider getting impartial financial advice before making your decision.

You can use the ['My Pension' portal's](#) benefit projectors to help you plan your retirement. More information on the portal can be found on page 1. When you are within 6 months of your intended retirement date, you can request an official quotation and forms from the pensions team.

## Once you have decided you would like to retire:



1. Provide your Employer with your resignation, **making sure to specify that you are retiring.** Your Employer will then begin the process by notifying HR & Pension Services.
2. Complete the pension claim form that will be sent to you via post and provide the required documents (not originals).
3. A confirmation letter will be sent to you by post/secure email. This letter explains how much you will get paid and when you will receive your pension benefits - this includes annual pension and lump sum.
4. Your first pension payment will be paid after your retirement date in line with East Sussex Pension Fund payroll date. Any lump sum is payable separately and will be paid as soon as possible (but can take up to 4 weeks). *Please note that we will not be able to pay any monies until we have received the Pension Claim form for you and the Final Pay information from your employer which may take up to 2 months. Your pension will then be paid in the next available payroll including any arrears due.*

## Retirement Planning



The Pensions and Lifetime Savings Association have launched the Retirement Living Standards to help you plan your retirement. The standards show you what life in retirement looks like at three different levels, as well as what a range of common goods and services would cost for each level.

Please visit the link below to view the guidance:

[www.retirementlivingstandards.org.uk/](http://www.retirementlivingstandards.org.uk/)

# The £95K Cap

The Government's [£95k Exit Payment Cap legislation](#) came into force on 4 November 2020 and was later rescinded on the 12 February 2021.

All Redundancy and Interest of Efficiency retirements effective from 12 February 2021 onwards will be paid in accordance with the existing Regulations:

- For staff aged 54 or under, the pension benefits will be deferred, and the redundancy payment will be paid.
- For staff aged 55 or over, the full unreduced pension will be paid together with the redundancy payment.

For further details please refer to the [LGPS Member website](#)



# New Contribution Rate

As a member of the LGPS, the contribution rate that you pay depends upon your annual pensionable salary. Every year, the contribution bands are increased by Consumer Price Index. This year, the increase is 0.5%. The following table shows the contribution bands for the 2021/22 financial year.

Contribution table 2021/22			
If your actual pensionable pay is:		You pay a contribution rate of:	
		main scheme	50/50 section
Up to	£ 14,600.00	5.50%	2.75%
£ 14,601.00	£ 22,900.00	5.80%	2.90%
£ 22,901.00	£ 37,200.00	6.50%	3.25%
£ 37,201.00	£ 47,100.00	6.80%	3.40%
£ 47,101.00	£ 65,900.00	8.50%	4.25%
£ 65,901.00	£ 93,400.00	9.90%	4.95%
£ 93,401.00	£ 110,000.00	10.50%	5.25%
£ 110,001.00	£ 165,000.00	11.40%	5.70%
£ 165,001.00	or more	12.50%	6.25%

# Active Member Survey Report 2020

In 2020, Orbis Pensions service sent out a survey to our Active members in order to get feedback on the services we offer, as well as enabling us to better plan for the future.

Thank you to everyone who took the time to complete the survey.

The results of the survey are published on the East Sussex Pension Fund site [here](#).

## Beware Scammers

Scams remain a huge problem within the pensions industry, with people often losing vast sums of money.

Scammers are approaching members, promising attractive offers to get them to transfer their pension pot or to release funds from it. If you are contacted about releasing your LGPS pension benefits, then remember to take financial advice before releasing any funds.

### For further information:

Please visit the Financial Conduct Authority or the Pensions Regulator websites:

[fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

[thepensionsregulator.gov.uk](https://www.thepensionsregulator.gov.uk)

## Want to Transfer-in your Pension?

Remember, **you only have 12 months** from your start date to transfer-in your pension across from a previous provider.

**If you would like to transfer a pension into the LGPS from another provider**, complete Form LG8

which can be found at [Pension Fund](#) Site:

[www.eastsussexpensionfund.org](http://www.eastsussexpensionfund.org) > Forms and

Publications. This form should be sent to your

previous pension provider to complete and

forward to the pensions admin team:

[pensions@eastsussex.gov.uk](mailto:pensions@eastsussex.gov.uk)

**If you have previous LGPS benefits**, please complete Form LG7 and send this to the pensions admin team.



Members can view their pension online:  
[Member Self-Service \(eastsussex.gov.uk\)](#)

Problem accessing the 'My Pension' portal?

 0300 200 1022

Or [Guidance notes](#) available on the East Sussex Pension Fund site at

[www.eastsussexpensionfund.org](http://www.eastsussexpensionfund.org)

Contact The Pensions Admin Team

 0300 200 1022

[pensions@eastsussex.gov.uk](mailto:pensions@eastsussex.gov.uk)

[www.eastsussexpensionfund.org](http://www.eastsussexpensionfund.org)

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