

Local Government Pension Scheme (LGPS) Annual Benefit Statement (ABS) – Guidance Notes

SECTION 1) PERSONAL DETAILS

Full name

If you have changed your name, we will need a copy of the relevant document, such as marriage certificate, decree absolute, change of name deed, etc so that we can update your pension record.

Date of birth / partnership status

The date of birth on your record is shown here. If it is not correct, please contact your employer in the first instance. The partnership status on your record is shown here. If it is not correct, please provide a copy of the relevant document.

SECTION 2) EMPLOYMENT DETAILS

Scheme employer

This is your employer at 31 March 2025. If you were paying into the LGPS in more than one employment at this date, you will receive an annual benefit statement for each employment.

Payroll reference

This is the reference number for the pension record that this statement relates to. If you have more than one pension record you will receive more than one statement.

Section of LGPS

Since 1 April 2014, the LGPS has been a Career Average Revalued Earnings (CARE) scheme and there have been two sections to it – the main section and the 50/50 section. The section you were a member of on 31 March 2025 is shown here.

You must check the pensionable pay figures quoted in the statement. If you think they are wrong, contact your employer, not the fund, as the figures quoted have been supplied by your employer.

SECTION 3) PENSIONABLE PAY AS AT 31 MARCH 2025

CARE pensionable pay – main section

From 1 April 2014, your CARE pension is calculated on your CARE pensionable pay during a scheme year, which is provided by your employer.

If you paid into the main section of the LGPS during the year to 31 March 2025, the figure given for 'CARE pensionable pay – main section' is the pensionable pay you received while paying into the main section. If you work part-time, your pensionable pay represents your actual pay and is not a full-time equivalent.

The definition of pensionable pay in the CARE scheme includes any pay received for extra hours worked such as overtime and additional hours. This part of your earnings is not included in the final salary calculation of your pensionable pay unless overtime or additional hours formed part of your contract.

If you are (or have been) off work due to sickness or injury, or during relevant child-related leave, and you received reduced or no pay (nil pay), the pensionable pay figure used to work out your pension for this period is your assumed pensionable pay (APP). APP is worked out as the pay you were receiving before your pay reduced or stopped. This means that you will continue to build up a similar pension as if you had been working normally and receiving pay.

If you have any period of relevant child-related leave (for example, ordinary maternity leave, paternity leave or adoption leave, or paid shared parental leave and any paid additional maternity or adoption leave), the pensionable pay figure used to work out your pension is again your APP.

Any period of unpaid additional maternity or adoption leave will not count for pensionable pay purposes. You can buy pension 'lost' during these periods by choosing to pay additional pension contributions (APCs).

If you are a member of the 50/50 section who goes onto nil pay while on child-related leave or sick leave, you will be put back in the main section from the beginning of the next pay period (if you are still on nil pay at that time).

CARE pensionable pay – 50/50 section

If you paid into the 50/50 section of the LGPS during the year to 31 March 2025, the figure shown here is the pensionable pay you received while paying into the 50/50 section.

The pay in this section is based on the definition of CARE pensionable pay above. If a figure is shown here, it means you have chosen to be in the 50/50 section. Your 50/50 section CARE pensionable pay is split from your main section CARE pensionable pay so that you can check the pension you have built up in each section. If you were a member of both the main section and the 50/50 section of the LGPS at different times during the scheme year, you will have figures shown for both.

Your final salary pensionable pay

If you became a member of the LGPS before 1 April 2014, or have transferred in membership with a final salary link, your final salary pensionable pay shown in this section is your full-time equivalent pay for the year to 31 March 2025. If you joined the LGPS on or after 1 April 2014 and have not transferred in membership with a final salary pensionable pay link, this section will show zero. Your 'pensionable pay' is the pay that your final salary pension is based on.

You may have a small difference between your CARE and final salary pensionable figures and this could be because under the final salary regulations additional payments, like non contractual overtime, were not pensionable.

SECTION 4) TOTAL VALUE OF LGPS BENEFITS AS AT 31 MARCH 2025

Annual pension

This is the total value of your pension at 31 March 2025, including your final salary pension (membership up to 31 March 2014) and CARE pension (for membership from 1 April 2014). This is the unreduced pension which would be paid from your normal pension age (NPA). If you choose to take your pension before your Normal Pension Age it will normally be reduced, as it's being paid earlier. How much your benefits are reduced by depends on how early you take them. You can find more information by visiting the LGPS Members website: <https://www.lgpsmember.org/tol/thinking-leaving-when.php>.

Pension Sharing Order (PSO)

If you have had a PSO applied to your pension, then the annual pension figure has been reduced to take into account the percentage debit applied to your record. The debit has a cost of living adjustment each year so the value of the debit will increase.

Scheme Pays Offset (SPO)

If you have had a SPO applied to your pension, then the annual pension figure has been reduced to take into account the value of the offset applied to your record. The offset value has a cost of living adjustment each year so the value of the offset will increase.

Automatic lump sum

This is the lump sum relating to your membership before 1 April 2008 and is paid when you take your pension benefits.

You can take some of your annual pension as a tax free lump sum, to increase any automatic lump sum you may already have relating to your membership before 1 April 2008. HM Revenue & Customs (HMRC) limits will apply, but every £1 of your annual pension you give up provides a lump sum of £12.

Additional Voluntary Contributions (AVCs)

The pension figures shown in this section do not include any contributions you paid into any “in-house” AVC fund. The Prudential will issue a separate statement showing the value of any AVC fund. You can review your AVC fund account by visiting the Prudential website: <https://login.pru.co.uk/Login/dialog/customer/Login>

SECTION 5) PRE 1 APRIL 2014 FINAL SALARY MEMBERSHIP

If you have pre 2014 membership this section shows the value of your final salary pensionable pay benefits. Although the final salary and CARE pension parts are worked out differently, and are likely to have different NPAs, they form a single benefit, with both parts being linked and taken together.

If you joined the LGPS on or after 1 April 2014 and have not transferred in membership with a final salary link, the final salary pension amount on your statement will be shown as zero. Final salary benefits are worked out as shown below. If you worked part-time before 31 March 2014, your final salary is converted to its full-time equivalent and your membership is then adjusted to the contractual hours you worked (including term-time weeks). The membership used in the final salary calculation includes any pension rights transferred-in from previous pension schemes.

For membership to 31 March 2008

This is the total period of membership up to 31/03/2008, converted to years and days. The 80ths pension is calculated using the final salary pensionable pay in Section 3) above, multiplied by the total membership from this section, and dividing the resulting figure by 80.

For membership from 1 April 2008 to 31 March 2014

This is the total period of membership from 01/04/2008 to 31/03/2014, converted to years and days. The 60ths pension is calculated using the final pensionable pay shown in Section 3) above, multiplied by the total membership in this section, and dividing the resulting figure by 60.

Total final salary pension

This is the total of both 80ths and 60ths pensions added together.

SECTION 6) POST 1 APRIL 2014 CARE MEMBERSHIP

This section shows the value of your CARE pension as at 31 March 2025. Although the final salary and CARE pension parts are worked out differently, and are likely to have different NPAs, they form a single benefit, with both parts being linked and taken together.

Opening balance (previous year's closing balance)

This is your CARE pension balance as at 31 March 2024.

Adjustment for cost of living

This is the amount of the cost of living adjustment added to your pension account on 1 April 2024. Your total CARE pension is adjusted on 1 April each year in line with HM Treasury Revaluation Orders. The adjustment can increase or reduce the value of your CARE pension.

CARE Main Section & 50/50 Section

For membership from 1 April 2014, you will have built up CARE pension. Each scheme year you are a member, your CARE pensionable pay will be divided by either 49 (if you are in the main section) or by 98 (if you are in the 50/50 section). The resulting amount (or amounts) is added to your pension account for that year. This figure is the amount built-up for the year to 31 March 2025.

Additional pension bought and transfers in

Any additional pension that you have bought during the scheme year under an additional pension contribution (APC) will be shown here. Any additional CARE pension credited as a result of you transferring in pension rights from other schemes will be shown in ‘Transfers in’.

If you chose to buy additional service or pension, or if you transferred in other benefits before 1 April 2024, these are not shown in this section but will be included in the calculation of your total pension benefits.

Total CARE closing balance

This is the total value of your CARE pension as at 31 March 2025. This does not include any debits for PSO or SPO. They are however included in the total annual pension shown in Section 4) above.

SECTION 7) PROJECTION TO NORMAL PENSION AGE

The age shown is your current normal pension age (NPA) for your CARE benefits, which is linked to your State Pension age or age 65, whichever comes later. Your normal pension age is the age at which you can take the pension you have built up in full. Your normal pension age may change if your State Pension age changes before your benefits are paid. Your normal pension age only applies to benefits built up in the CARE scheme. The normal pension age for benefits built up in the final salary scheme is 65.

You can take your benefits earlier than your normal pension age, currently from age 55 onwards, although the amount may be reduced if you do. The figures in this statement do not take account of any reductions that would be applied.

You can take your benefits later than your normal pension age, but the benefits must be paid to you before you reach age 75. If you take your benefits after your normal pension age, they will be increased.

If your normal pension age is after age 65 and you have final salary benefits, an increase will apply to these benefits for the period from age 65 to your normal pension age. Any increases are included in this statement.

When you leave the LGPS, your final salary benefits will be based on your final salary pensionable pay. This is generally the contractual pay you received for the 12 months before leaving, or for one of the two years immediately before then, if that amount is higher.

The estimate of your benefits for service after 31 March 2014 is based on your CARE pensionable pay for the scheme year that ended on 31 March 2025.

The estimated CARE benefits include any additional pension contributions (APCs) bought. This includes any deductions that would be due as a result of your decision to have an annual allowance tax charge recovered from your pension benefits or pension sharing orders. The estimate assumes that you stay in the same section of the LGPS that you were in at 31 March 2025.

SECTION 8) VALUE OF DEATH IN SERVICE BENEFITS AS AT 31 MARCH 2025 & SECTION 9) DEATH GRANT EXPRESSION OF WISH DETAILS

Lump sum death grant

If you die while you are an active member of the LGPS, a death grant is paid. The amount of the death grant would be three times your assumed pensionable pay at the date you die. However, if you die while you are an active member and also have any of the following:

- deferred benefits in the LGPS; or
- you are receiving an LGPS member pension (that is, not a survivor's pension); or
- a suspended 'tier 3' ill-health pension (or both);

If any of these apply then the death grant would be:

- the total of all death in service lump sums; or
- the total of all death grants from the deferred pension, pension in payment, or suspended tier 3 ill-health pension records

whichever is the larger.

Who you want to receive the lump sum death grant?

Please check who you have nominated to receive any death grant that may become due if you die. You can check or change the nomination details we have on record for you by logging into your online account using the Member Self-Service (MSS) portal. Go to *Nominations > Death Grant Nomination Details* to review or update the beneficiary details. Alternatively, you can provide details by filling in and returning an *Expression of Wish* form, which you can download from the resources library on our website:

<https://www.isleofwightpensionfund.org/resources/>.

You can nominate whoever you like to receive your lump sum death grant (but, as an 'expression of wish', this is not legally binding). Whilst we will always take into account your wishes please note that the Isle of Wight Council Pension Fund has the final decision who receives any lump sum payment.

Annual survivor's pension

A survivor's pension is paid if, when you die, you are married, have a civil partner or an eligible 'cohabiting partner' (someone you live with who would be entitled to a survivor's pension).

We have used the partnership status we have on our records to decide the survivor's benefit shown on your statement. If we do not know your partnership status, we will assume your status is single. If your partnership status is incorrect, please provide a copy of the relevant document.

- If our records show you are single, no benefit will be shown.
- If our records show a cohabiting partner, the survivor's benefit shown will be based on your membership after 5 April 1988 and any membership before 6 April 1988 bought by an additional survivor benefits contribution (ASBC).
- If your status on our records is married or in a civil partnership, the survivor's benefit shown will be based on all your LGPS membership.
- Survivor's pensions may be paid to eligible children. However, the rates of these pensions are not shown on your annual benefit statement. You can find more information by visiting the LGPS Members website: <https://lgpsmember.org/more/eligible-child.php>

If you have not told us your partnership status, when you die, any eligible survivor's pensions will still be paid as long as we receive the relevant marriage or civil partnership certificate or, in the case of cohabiting partners, evidence that they meet the requirements for receiving a survivor's benefit. You can find more information by visiting the LGPS Members website: <https://lgpsmember.org/more/cohab-partner.php>

Survivor's pensions from members who marry or enter civil partnerships while active members of the LGPS are based on all scheme membership. However, survivor's pensions for cohabiting partners and for those who marry or enter a civil partnership after leaving active LGPS membership may not be worked out on the same basis. For details about how survivors' pensions are worked out, please contact us for further information.

Death grant expression of wish details

Your current nominations are shown in this section. You can change your nomination at any time as previously explained by logging into your MSS account.

McCLOUD REMEDY

Some members are protected by the McCloud remedy. If you are protected, we will check the protected part of your pension when you retire. If you would have built up a bigger pension in the final salary scheme, your pension will be increased. The increase is known as your final guarantee amount. If you are protected, we will show an estimate of this figure on future statements. It is not possible for us to reflect any protections in this year's statement.

For some members, the estimated final guarantee amount is zero. This is because their pension is better than it would have been in the final salary scheme.

You can find out more about this protection by reading the McCloud pages of the national LGPS member website www.lgpsmember.org/mccloud-remedy/.

If our records show that you are not protected, your future statements will show this. However, you may be protected if you were a member of the LGPS or another public service pension scheme before your current membership started. If you think you have any relevant scheme membership that you have not previously advised, then please provide details.

Contact Us

If you would like further information about the LGPS, you can contact us:

**LGPS Admin Team, Isle of Wight Council Pension Fund,
County Hall, Newport, Isle of Wight PO30 1UD**

Email: pensions@iow.gov.uk

MSS online portal: <https://www.iwcpensions.co.uk>

Telephone: 01983 823626

Website: IWPF <https://www.isleofwightpensionfund.org>