



PENSION PROJECTIONS

**A guide to calculating your own pension
projections using the “My Pension” online facility**

**For members of the
Local Government Pension Scheme**

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Introduction

The purpose of this guide is to explain how you can estimate your projected pension benefits in the Local Government Pension Scheme (LGPS) using the *My Pension* online facility. The guide assumes that you have successfully completed the registration process and have been able to reach the home page of the *My Pension* facility. The system should be used for illustration purposes only and, whilst every effort is made to ensure the online facility is accurate, the pension fund does not guarantee to pay any benefits projected by the *My Pension* facility. Your actual benefits will be calculated by the Pensions team at your date of retirement. Please note that this online facility is for voluntary retirement only and not retirement which requires employer approval (such as flexible retirement, ill-health retirement, redundancy or business efficiency retirement).

About Your Retirement Date

You can voluntarily retire and draw your pension benefits at any age between 55 and 75, provided you have at least 2 years membership of the scheme.

However, your benefits are only payable in **full** if you voluntarily retire and draw your benefits from your Normal Pension Age (NPA). Your NPA is linked to your State Pension Age with a minimum of age 65 and more information about your NPA can be found [here](#).

If you choose to retire voluntarily before your NPA your benefits will normally be reduced to reflect that the benefits will be paid for a longer period of time.

As a general guide, the current percentage reductions for early retirement are shown in the table on page 4 (Image 1). The reduction percentages are adjusted to reflect the precise number of years and days before NPA that the benefits are paid.

If you have membership of the LGPS before 1 April 2014, some of your benefits may be payable without reduction at an earlier date. These 'protections' from the full early payment reductions that would otherwise apply will be reflected in the calculation of your benefits when you use the projector.

No. of years paid early	Pension reduction Men	Pension reduction Women	Lump Sum reduction (for membership to 31 March 2008)
0	0.0%	0.0%	0%
1	5.6%	5.2%	2.9%
2	10.8%	10.1%	5.7%
3	15.5%	14.6%	8.5%
4	20.0%	18.8%	11.2%
5	24.0%	22.7%	13.7%
6	27.8%	26.4%	16.3%
7	31.4%	29.8%	18.7%
8	34.7%	33.0%	21.1%
9	37.7%	36.1%	23.4%
10	40.6%	38.9%	25.6%
11	44.2%	42.2%	N/A *
12	47.6%	45.5%	N/A *
13	50.9%	48.6%	N/A *

Image 1: Early Retirement Reduction Table

Checking Your Pension Record

Before using the Benefit Projector we recommend that you check your pension record is up to date and reflects the membership you hold in the LGPS. If you have worked part time for some or all of your period of LGPS membership, or if you have completed a transfer of pension rights from another LGPS fund then details of your previous membership can be found by selecting 'Membership Details' from the 'Employment Details' section.

Important: Changes in hours are only recorded up to 31 March 2014. The LGPS changed from a Final Salary scheme to a Career Average Re-Valued Earnings (CARE) Scheme from 1 April 2014. Hours changes are not required to work out your LGPS benefits from 1 April 2014 onwards. If you think any of your membership details BEFORE 1 April 2014 are not correct, please contact the My Helpdesk Pensions team – contact details can be found on page 10 of this guide.

If you have completed a transfer of previous pension rights that 'bought' final salary service in the LGPS, details of this transferred service will also be visible in the 'Membership Details' area.

If you have completed a transfer that purchased additional pension in the CARE scheme, then confirmation of the transfer payment can be found by selecting 'Additional Benefits' from the 'Pension Benefits' Section of the main dashboard. The 'Additional Benefits' section will also confirm details of any contract to purchase additional pension or added years.

Using the Benefit Projector

If you are thinking of retiring voluntarily before, at or after your NPA you may want to use this facility as a guide to the benefits that may be payable. The voluntary retirement calculation is initially performed with the retirement date set to the earliest date on which you can retire without a reduction (your NPA).

If you have already reached your NPA, then the voluntary retirement calculation is initially performed based on a Leaving Date of the date that you run the projection.

To calculate your own projections, you should first select **Pension Benefits** from the main dashboard, **Benefit Projectors** and click **Voluntary Retirement** (see Image 2).

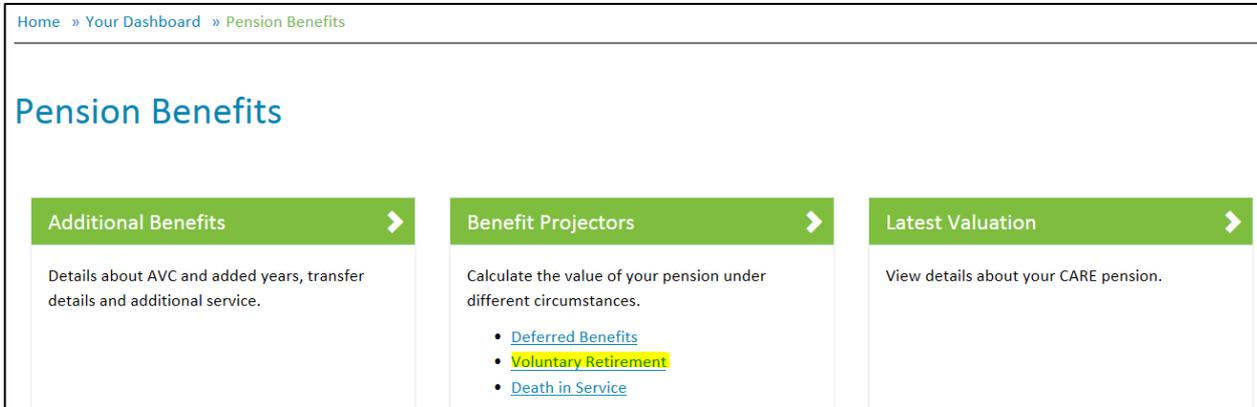


Image 2. Pension Benefits screen

There are several sections to complete and these are detailed below (see Image 3)

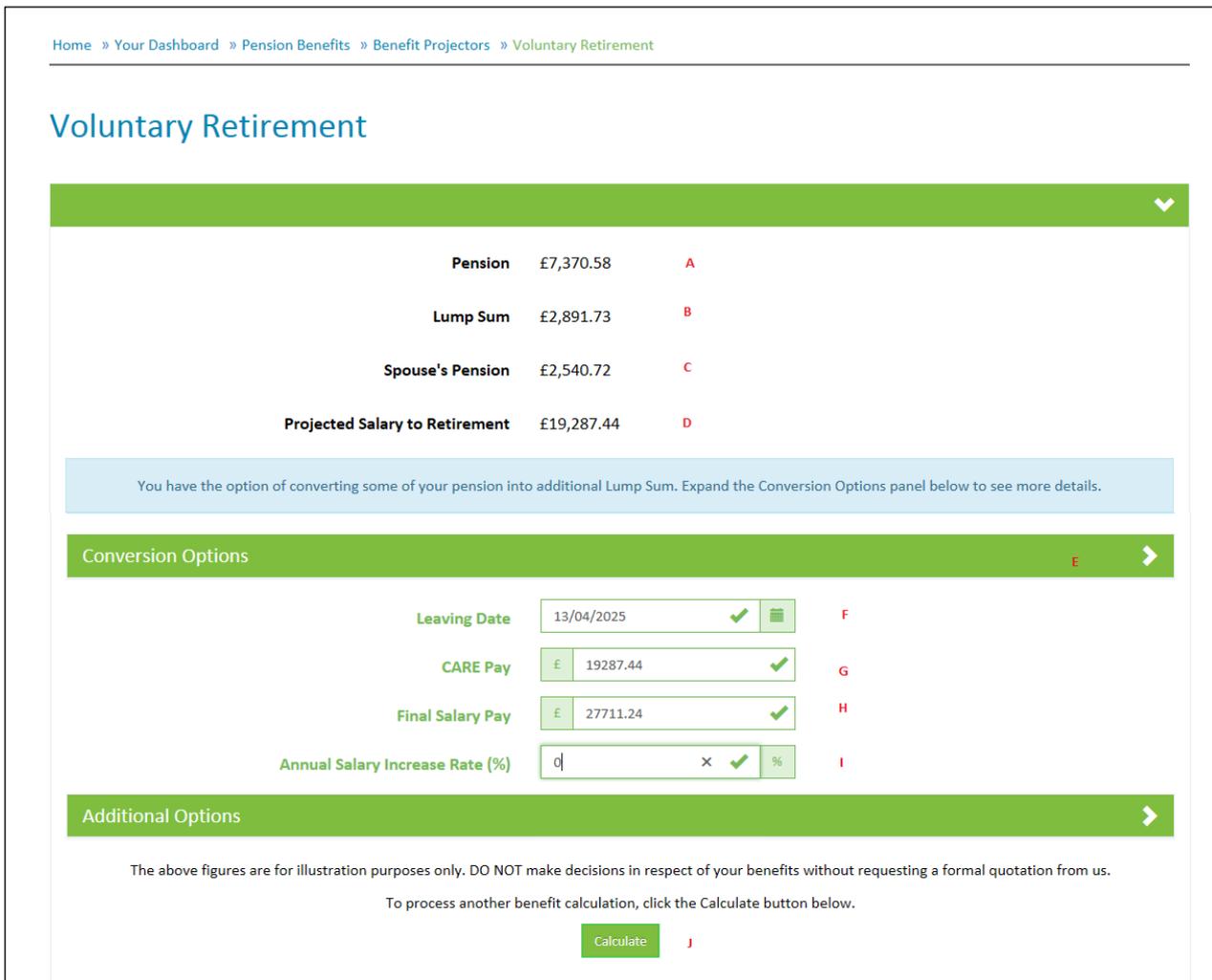


Image 3. Voluntary Retirement screen

More information about the fields marked A to J in Image 3 follows:

- A. **Pension** this is the total estimated value of your yearly pension, including both your final salary pension (membership up to 31 March 2014) and CARE pension (for membership from 1 April 2014), which would be paid from the day after your Leaving Date (F).
- B. **Lump Sum** this is the estimated one off lump sum payment relating to any membership before 1 April 2008 that would be payable if you left on Leaving Date (F). If this figure is zero, this normally means you have no LGPS service before 1 April 2008. See the 'Converting Pension to Lump Sum' section which starts on Page 7 for details of how to increase your lump sum.
- C. **Spouse's Pension** is an estimate of the amount that would be payable to a surviving partner (subject to eligibility criteria) in the event of your death. The partnership status we hold on our records for you is shown in the 'Your Details' section of the online facility.

If the Marital Status shown is: Married, Civil Partnership or Declared Partnership,
Then the Spouse's Pension (C) is based on the partnership status shown.

If the Marital Status shown is: Divorced, Single, Widowed/Widowed or Unknown
Then the Spouse's Pension (C) is based on the assumption that you are married on the Leaving Date (F).

If the partnership status we hold is incorrect you can contact the My Helpdesk Pensions team who can update this for you (see contact details on page 10).

IMPORTANT: The Pension, Lump Sum and Spouse's Pension figures DO NOT take account of any deductions relating to a pension sharing order following divorce.

- D. **Projected Salary to Retirement** is the actual CARE pay that was used for the purpose of the benefit projection. The system assumes that your pay will stay at the current rate until your retirement date unless the **Annual Salary Increase Rate (%)** field has been completed.
- E. You will have the option on retirement to convert some of your annual pension into a tax-free lump sum. To find out more about this option select the arrow next to 'Conversion Options' (E in Image 3).
- F. **Leaving Date** is the date you are considering retiring (please note that this date cannot be before your 55th birthday).

- G. **CARE Pay** this pay is also known as your Cumulative Pensionable Pay. Your CARE Pay (or Cumulative Pensionable Pay) is the actual pay that you expect to receive in a 'Scheme Year'. The Scheme Year runs from 1 April to 31 March. The benefit projector will assume that you will continue to receive the same level of pay in future years, but you can amend this figure if you are expecting or considering changes to your yearly CARE pay – if you might change your working hours or move to a post on a different grade for example. For more information on CARE Pay click [here](#). If you think you are unable to estimate your yearly CARE Pay for the benefit projector you can ask your employer to provide you with this information. If you want them to provide this estimated figure you can ask them to complete the Form LG30. Form LG30 can be found by selecting 'Documents' from the Main dashboard and then 'Scheme Documents'.
- H. **Final Salary Pay** is determined by the LGPS Regulations 2008. Unlike CARE Pay above, which is your actual yearly pay regardless of how many hours you work each week, Final Salary Pay is always the Full-Time Equivalent Pay figure for a 12 month period (e.g. if you work 18/36 hours per week and receive £ 10,000 a year, the Full-Time Equivalent would be £ 20,000). The Final Salary Pay is used to calculate any benefits you built up in the Final Salary scheme up to 31 March 2014 and will generally exclude overtime or additional hours (as these were not pensionable under the 2008 regulations). For more information about Final Salary Pay under the LGPS Regulations 2008 you can check the LGPS glossary [here](#). If you think you are unable to estimate your Final Salary Pay for the benefit projector you can ask your employer to provide you with this information. If you want them to provide this estimated figure, you can ask them to complete the Form LG30. Form LG30 can be found by selecting 'Documents' from the Main dashboard and then 'Scheme Documents'.
- I. **Annual Salary Increase Rate (%)** is an assumed pay increase. This is to help illustrate how possible future pay increases would impact on the value of your LGPS pension. This is an optional field and we suggest you leave it as zero to ensure the estimated benefits will reflect their value in today's terms.
- J. To process the benefit calculation click **Calculate**.

If you are considering taking your benefits before your normal pension age (NPA) you will also receive a message about the reductions that have been applied to your pension and any lump sum. These are shown for information only as the figures in (A) and (B) above are the amounts after these reductions. You can read more about your NPA in the section called 'About Your Retirement Date' on page 3 of this guide.

Converting some of your Pension into Lump Sum

Once you decide to retire you will have the option to convert some of your pension into a tax-free lump sum. If you wish to find out more about the conversion options please click [here](#) for more details.

The benefit projector allows you to estimate the amount you can convert by clicking the arrow next to 'Conversion Options' (marked E in Image 3 above) which will bring up the graph shown in Image 4 below. You can then change the overall pension and lump sum amounts by dragging the circle on the line within the graph.



Image 4. Summary of Conversion Options

- K. **Annual Pension** is the estimated pension that would be paid on a yearly basis.
- L. **Total Lump Sum** is the sum of automatic tax-free lump sum (if you were a member of the LGPS before 1 April 2008) and any additional tax-free lump sum that you have given up a part of your yearly pension for.
- M. **Pension Converted to Lump Sum** is the amount of yearly pension that was exchanged for tax-free lump sum.
- N. **Additional Lump Sum** is the additional tax-free lump sum that you would receive (included in L above) based on the amount of yearly pension given up.

The maximum conversion figures must keep within HMRC limits, and the Fund will calculate them when you retire. These figures do not include any in-house additional voluntary contribution fund you may have which will affect the maximum amount you can convert.

Your lump sum will be paid tax-free as long as you have not exceeded the Lifetime Allowance. You can read more about the Lifetime Allowance [here](#).

The benefit projector will estimate benefits on the basis of your current section (Main or 50/50). If you are considering moving from the Main section to the 50/50 section or vice versa you can complete the **Date of Change** field. This allows you to see the impact of switching from one section to another in the future. You can access the Date of Change field by clicking the arrow next to 'Additional Options'.

An example of the Benefit Projection output for voluntary retirement is shown in Image 5.

Voluntary Retirement

Pension	£7,370.58	A
Lump Sum	£2,891.73	B
Spouse's Pension	£2,540.72	C
Projected Salary to Retirement	£19,287.44	D

You have the option of converting some of your pension into additional Lump Sum. Expand the Conversion Options panel below to see more details.

Conversion Options E

Click on the line within the graph to see the effects of converting your pension to lump sum:

Annual Pension	<input type="text" value="£4,893.15"/>	F	Total Lump Sum	£32,620.89	H
Pension converted to Lump Sum	£2,477.43	G	Additional Lump Sum	£29,729.16	I

Leaving Date	<input type="text" value="13/04/2025"/>	✓		J
CARE Pay	£ 19287.44	✓		K
Final Salary Pay	£ 27711.24	✓		L
Annual Salary Increase Rate (%)	<input type="text" value="0"/>	✓	%	M

Additional Options N

Inflation (%)	<input type="text" value="0"/>	%	O
Current Benefit	MAIN		
If you want to perform a calculation based on switching your benefit type, please enter the date of change below.			
Date of Change	<input type="text"/>		
New Benefit	50/50		
If you wish to change back at a future date, please enter the timespan after which the benefit will revert back to its current type.			
Years	<input type="text"/>	Months	<input type="text"/>

The above figures are for illustration purposes only. DO NOT make decisions in respect of your benefits without requesting a formal quotation from us.

To process another benefit calculation, click the Calculate button below.

P

Image 5. Example of completed Benefit Projection output for voluntary retirement

N. **Additional options**

- O. **Inflation (%)**: This is an optional field and we suggest you leave it as zero to ensure the estimated benefits will reflect their value in today's terms.

Once the benefit calculation has been processed all relevant information will be summarised as shown in Image 5.

Any Questions?

We hope that you find the Benefit Projector helpful in your retirement planning. If you require any further assistance please contact the My Helpdesk Pensions team. Our contact details are as follows:-

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