

# Pension

## NEWSLETTER

SPRING/SUMMER 2021 • ACTIVE MEMBERS

## CARE pensions up 0.5% in 2021

The adjustment to your CARE pension for 2021 is an increase of 0.5%. But you'll see on your pension statement (under 'cost of living adjustment') that your CARE pension account was increased by 1.7% on 1 April 2020.

### Why isn't the 0.5% increase on my 2021 statement?

The reason is that the statement shows your pension up to **31 March 2021** – the day before the 0.5% increase was applied to your pension on 1 April 2021. You'll see the 0.5% increase on your 2022 statement instead.

### About the adjustment

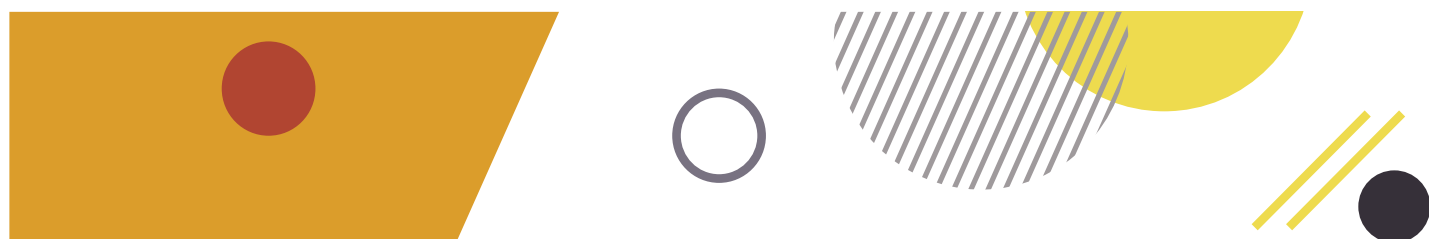
We adjust the pension you've built up so far every April in line with the Treasury Department's Revaluation Order, currently set by the Consumer Price Index (CPI) for the September before the increase date. The adjustment only applies to the CARE part of your pension. If you also have final-salary pension 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 2021/22

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 0.5%.

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.wywf.org.uk/5050](http://www.wywf.org.uk/5050)) if you opted to pay half contributions.

Yearly pay	Contribution rate	
	Main	50/50
Up to £14,600	5.5%	2.75%
£14,601 to £22,900	5.8%	2.9%
£22,901 to £37,200	6.5%	3.25%
£37,201 to £47,100	6.8%	3.4%
£47,101 to £65,900	8.5%	4.25%
£65,901 to £93,400	9.9%	4.95%
£93,401 to £110,000	10.5%	5.25%
£110,001 to £165,000	11.4%	5.7%
£165,001 or more	12.5%	6.25%



# 2021 Retirement workshops

Our free online workshops are designed to raise awareness of the key issues you need to consider as you approach retirement and look at some of the decisions you will need to make. They're especially useful if you're thinking of retiring in the next couple of years, but also if you're not yet sure when you want to retire.

## What's covered?

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

## Workshop dates

18 May 2021	1.00pm – 3.00pm
4 June 2021	1.00pm – 3.00pm
29 June 2021	10.00am – 12.00pm
15 July 2021	1.00pm – 3.00pm
12 August 2021	10.00am – 12.00pm
14 September 2021	10.00am – 12.00pm
15 October 2021	10.00am – 12.00pm
9 November 2021	1.00pm – 3.00pm
14 December 2021	1.00pm – 3.00pm

Places are limited so be quick to grab yours.

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

Please note, the workshops provide information only and will not include or constitute financial advice.

Book online at [www.wypf.org.uk/active-events](http://www.wypf.org.uk/active-events)

## Serious ill health

### Helping 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.

## 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. Find out more at [www.wypf.org.uk](http://www.wypf.org.uk)

### AVCs

With additional voluntary contributions from our provider **Prudential** 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](http://www.wypf.org.uk/payingextra)

## 2021/22 HMRC tax allowances

**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](http://www.wypf.org.uk/allowances)

## Protections extended for some younger members

The government has decided 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.

These changes won't come in before April 2022 and 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.

Read more about this [here](#).

## Your pension is protected against stock market falls

LGPS defined benefit pensions are not linked to stock market performance and are set out in statute by the government. 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.

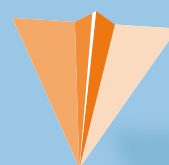
## Exit cap withdrawn

In February 2021 the government withdrew the 'exit cap' legislation that restricted the size of payments made to employees leaving employment. It's been suggested that new legislation may be brought in towards the end of 2021 but currently we have no further information. HM Treasury is undertaking a data-gathering exercise to better understand how a cap could be implemented.

If legislation is announced we'll update your employer and report it on our website.

## 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](http://www.wypf.org.uk/deathgrant)



# 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](http://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 as soon as you can. Please also tell your employer you've moved, and if you're paying AVCs, 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](https://pensions-scams.com) or [fca.org.uk/scamsmart](https://fca.org.uk/scamsmart)

## Contact us

**Phone** 01274 434999  
Monday to Friday  
8.45am to 4.30pm

**Email** [pensions@wypf.org.uk](mailto:pensions@wypf.org.uk)

**Postal Address** WYPF  
PO Box 67  
Bradford BD1 1UP

## 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

**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 your pensionable pay

**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 2021 by West Yorkshire Pension Fund. The information in this newsletter relates to BPF 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.