

Your life in retirement – A guide for new pensioners



About this guide

This guide is intended for members of the Environment Agency Pension Fund (EAPF) who have retired and are in receipt of their pension. If you are still a contributing or deferred member, you should check out the information at www.eapf.org.uk including the **Member's guide**, the **Guide for deferred members** and **Thinking about retirement** factsheet.

How and when will my pension be paid?

Your pension will be paid directly into your bank account on the last working day of each month for the rest of your life. We will post to you:

- A pensioner payslip when your pension commences and again when your net pension changes by more than £5.00 per month.
- A letter telling you what your new annual pension will be before the April payment each year.
- A P60 each year around early May showing all of your pension and tax details for the previous tax year.

You will also be able to access monthly payslips and your annual P60s via EAPF Online.

Will my pension increase?

From age 55, your pension is revalued in April each year. The increase is generally based on the change in the cost of living to the previous 30 September, as quoted in the annual Pensions Increase (Review) Order. If you have retired due to ill health, your pension may be revalued before you reach age 55 (providing you meet certain ill health conditions). For more details see **Pension revaluation - A guide for pensioner members** at www.eapf.org.uk

What if my circumstances change after retirement?

Address or bank account changes

Please let Capita know immediately if you change address to avoid any problems with your pension payments. If you change your bank account, please inform Capita and keep your old account open until you receive the first payment to your new account to avoid the possibility of delays to your payments.

Marital/civil partnership status changes

Please let Capita know if you get married/divorced or enter/dissolve a civil partnership. You will need to provide the relevant certificates for registration and return.

You may also wish to review your **Expression of wish** form to let us know who you would like to receive any potential death grant lump sum that may become payable.

Moving overseas

You can continue to receive your pension if you move overseas but you will need to contact the Pensions Payroll Section at Capita to arrange this. You may also need to complete an application for exemption from UK income tax. For more details about tax and moving overseas contact your local tax office or go to www.gov.uk/personal-tax/income-tax

Working after retirement

If, after taking your EAPF pension benefits, you get a job with an employer that does not participate in the LGPS, there will be no change to your pension. If you get a job with an employer or council that participates in the LGPS, you must inform Capita, even if you do not join the LGPS in this job. We will check to see whether your pension is affected by your new employment.

What protection does the LGPS offer for my family if I die?

Benefits payable on your death

When you die, your surviving dependants may be entitled to receive LGPS benefits. The benefits may vary depending on the date you left the scheme, but could include:

- A death grant of up to 10 times your pension.
- A pension for your spouse, civil partner or cohabiting partner.
- A pension for your eligible children.

The benefits are explained in more detail below.



Death grant

Death grants are only payable if you are under age 75 at the date of your death and you have been receiving your pension for less than 10 years. If you have completed an Expression of wish form, the EAPF will usually pay any death grant due to your nominated person or persons (but please see 'Expression of wish form', below).

The amount of the death grant payable will depend on the date you left the Scheme. If you left the Scheme with deferred benefits, the amount will depend on the date your benefits were deferred and not the date the benefits came into payment. If you left:

1. On or after 1 April 2014 - the death grant is 10 times your pension (before any commutation for lump sum made at retirement), less any pension you have been paid and any additional lump sum acquired through commutation of pension.
2. Between 1 April 2008 and 31 March 2014 (inclusive) - the death grant is 10 times your pension, less any pension you have been paid.
3. Between 1 April 1998 and 31 March 2008 (inclusive) - the death grant is 5 times your pension, less any pension you have been paid.
4. Before 1 April 1998 - you should contact Capita for details of the death grant that may become payable.

If your pension relates to periods before and after 1 April 2014 then the death grant will be calculated using methods 1 and 2 above for the respective periods.

Expression of wish form

We encourage you to complete an **Expression of wish** form to indicate who you wish to receive any death grant that may be payable in the event of your death. You can nominate any person, persons or organisation, including your favourite charities, and you can split the total amount into whatever percentages you wish for each recipient. If you have not completed an Expression of wish form, any death grant due may result in it being paid to your estate and may be assessed for inheritance tax.

Although not binding on the EAPF, an Expression of wish will make your wishes clear and help decide who should receive the death grant.

If you have not yet sent a completed Expression of wish form to Capita or you wish to change your existing nomination, or even if you cannot remember who you have nominated, please contact Capita for a new form or download one from www.eapf.org.uk. The new form will simply replace any existing details held on our records.

A pension for your spouse, civil partner or cohabiting partner

The EAPF also provides a potential survivor's pension for your spouse, civil partner, or eligible cohabiting partner; however, their entitlement may vary depending on the date you left the Scheme.

A pension for eligible children

An eligible child (or eligible children) may be entitled to a pension subject to meeting qualifying criteria. Children are eligible if, at the date of your death, they are:

- Your natural or legally adopted children, or
- A dependant step-child, or a dependant child accepted by you as a member of the family.



Children's pensions are payable up to age 18, or up to age 23 if the child continues in full time education or training. A child who is physically or mentally impaired, where the impairment is also permanent, may be entitled to a pension for the rest of their life. Eligible children do not include children born 12 months or more after your death.

The child's pension payable will be a proportion of your pension, though the 'proportion' and amount payable is dependent on:

- the date you left the Scheme,
- the number of eligible children, and
- whether a survivor's pension is also payable

For more information on survivors'/children's pensions, please see the [Member's guide](#).

Is there anything else I should think about now that I have retired?

Making a will

If you have not yet made a signed, legally binding will, then you should consider making one as soon as possible. Having a will may save unnecessary delay, expense and financial hardship for those you leave behind at a difficult time, but you should make sure you review it regularly.

If you are married and die without a will, your assets will not automatically pass to your surviving partner. The estate will be divided according to intestacy laws. If you are cohabiting, your partner may not be included in the people entitled to inherit from you.

Making a will is straightforward and may be done by a solicitor or other qualified person. Banks, building societies, and insurance companies also commonly offer will-writing services. Voluntary organisations such as your local Citizens Advice Bureau or Age UK may also be able to help.



Some points you may think about when you make your will:

- Who will you appoint as executor(s) of your will (i.e. the person(s) who will take charge of your affairs when you die)?
- Do you want to make specific gifts to people, such as a favourite piece of jewellery, or cherished possession?

- How will you divide your estate between your chosen beneficiaries?
- If any of your beneficiaries are under 18, when should they receive their inheritance?

So act now, if you have not already done so, and remember to review your will from time to time if your circumstances change.

Nominating someone to look after your affairs during your life

You may worry about ill health in later life preventing you from managing your property and savings, or carrying out day to day activities you currently take for granted.

If you are worried, you may want to think about creating a Lasting Power of Attorney. This is a simple form that allows you to specify who you want to act on your behalf, and under what circumstances. You can restrict the powers you give a person(s), or allow them complete freedom. For example, you can arrange for your spouse or partner to act on your behalf if you become too ill to do so yourself.

The forms are available to download from the Office of the Public Guardian at www.justice.gov.uk/about/opg or you can get in touch with your solicitor or local Citizens Advice Bureau.



Where can I get more information or advice?

State pension and other benefits

The Pensions and Retirement Planning section of the Government's website www.gov.uk/browse/working/state-pension contains a wealth of information about state pensions and various benefits that may be available depending on your personal circumstances. It can help you:

- Check when your state pension is payable
- Check the rules on deferring payment of your pension
- Get a state pension forecast
- Trace previous pension rights
- Find out about other age related or means tested benefits, for example, pension credit or winter fuel payments

Other pension issues

You can also ask The Pensions Advisory Service (TPAS) for help. They are an independent non-profit organisation providing free information, advice and guidance on the whole spectrum of pensions, including state, company, personal and stakeholder schemes. Their website is www.pensionsadvisoryservice.org.uk

Guaranteed minimum pension (GMP)

GMP is the minimum pension that schemes had to provide as a condition of being contracted-out of the State Earnings Related Pension Scheme (SERPS, a type of additional state pension) from 6 April 1978 to 5 April 1997. If your EAPF pension includes a GMP, the pensions increases applied to your pension in April each year may be calculated differently.

More details on increases to your GMP can be found in [Pension revaluation - A guide for pensioner members](#) at www.eapf.org.uk

Between 6 April 1997 and 5 April 2016, GMP was replaced by the Reference Scheme Test, which defines the minimum level of pension benefits that schemes must provide in order to contract out of the additional state pension. On 6 April 2016, the ability to contract out the additional state pension was removed due to the introduction of the new 'Single tier' state pension, which came into effect for all new state pensioners on or after this date, SERPS was replaced by the State Second Pension (S2P, another type of additional state pension) on 6 April 2002, though this ended on 5 April 2016 due to the removal of contracting out for all pension schemes on 6 April 2016.

Income tax

You will have an individual personal allowance that governs the amount of income you can receive before you have to pay tax. Each year you will be given a tax code by HM Revenue & Customs (HMRC) which takes account of your own particular allowance.

Income from most sources – salary, pension, and investment income for example – is paid to you after tax has been deducted. In such cases, tax is said to have been deducted "at source".

Your tax code and allowances may change depending on your age and your total earnings. It is important that you check your tax code each year. If any of the details are wrong, or you believe you should be receiving additional allowances, you should immediately inform your Tax Inspector. Details of your tax office can be found on your latest tax code notification or a recent payslip. Always quote your National Insurance number when contacting the tax office.

HMRC's website www.hmrc.gov.uk has information about tax and personal allowances and other tax charges such as capital gains tax (CGT) and inheritance tax.

Married couple's allowance

If you are married, or are in a civil partnership and either you or your partner were born before 6 April 1935, a separate married couple's allowance will increase your joint allowance and so reduce the amount of income tax you pay as a married couple. For all pensioners born on or after 6 April 1935, the married couple's allowance has been abolished.

Tax planning

Taxation is a complex area. As your circumstances change, your personal tax situation may also change and it is important that you regularly check where tax savings could be made. Such tax planning may involve some of the following:

- Using all your income tax allowances each year.
- Using tax free investments (such as ISAs) if appropriate to your circumstances.
- Transferring assets between you and your spouse to reduce your income tax liability (particularly where one spouse is a higher rate taxpayer).

Financial advice

Good financial planning is important if you are to make the most of your finances in retirement. Tax planning, appropriate choice of investments and budgetary control may all be areas where it is worth considering taking specialist advice.

If you decide to see an independent financial adviser (IFA), there will be a cost for your adviser's service. Your adviser will provide you with full details of the costs involved depending on the service you require. For details of IFAs in your area, please go to www.unbiased.co.uk

For more information to help you decide if you need professional advice it may be worth taking a look at the Money Advice Service - www.moneyadviceservice.org.uk



Is there anything else I need to know?

Mortality checking and fraud prevention

This is for information only – you do not need to take any action.

The EAPF has a range of measures in place to ensure that pensions are paid correctly and fraud is minimised. These include various database comparisons to highlight unreported deaths and the mailing of life certificates to groups of pensioners.

If you receive a life certificate you should not be alarmed, just complete and return it to Capita and your pension will be unaffected.

The EAPF has participated in the Audit Commission's biennial National Fraud Initiative (NFI) since 2004. It is a biennial data matching exercise designed to help public bodies detect erroneous payments from the public purse and compares our non-financial pensioner data with registered deaths to identify pensions that are still being paid after the pensioner's death. Capita and the EAPF investigate the results of these checks, making contact with relatives or representatives of deceased members as necessary.

The NFI protocols were agreed with the Information Commissioner to comply with Data Protection legislation. No financial information is disclosed, and the Audit Commission ensures all submissions are destroyed in a controlled, secure environment at the end of each exercise. With the plans to abolish the Audit Commission it is not clear yet how the exercise will be managed going forward but the EAPF intends to continue to participate in future NFI exercises or whatever replaces them.

We will inform you before any information is used.

Contact details

Capita look after the day to day administration the Scheme and will be your main point of contact for any questions you have about your benefits. You can contact them by:

-  Using the '**contact us**' button on the website at www.eapf.org.uk
-  Emailing info@eapf.org.uk
-  Calling **0800 1216593**
-  Sending your query to: **Capita,
11b Lingfield Point, Darlington
DL1 1AX**

Disclaimer - This guide is not intended to cover every personal circumstance, nor does it confer any contractual or statutory rights and is provided for information purposes only. In the event of any dispute over your pension benefits the appropriate legislation will prevail.

The EAPF is part of the Local Government Pension Scheme (LGPS) which is governed by the LGPS regulations.