



# Your Pension - Issue 2

Summer 2009

## **New Pensions Committee Chairman**

After almost seven years on the Pensions Committee, with five of those years as Chairman, John Edmonds retired from the Committee on 31 May 2009. He is succeeded by Larry Whitty who has been a Board Member nominee on the Committee for the last three years and who took over as Chairman on 1 June 2009.

## **Your new benefit statement**

This year's annual benefit statement is the first to be issued since the introduction of the new look Local Government Pension Scheme (LGPS) on 1 April 2008, which brought improvements to your pension benefits and increased flexibility around how you take your benefits at retirement. If you have service before 1 April 2008 you will notice that we have split the retirement benefits quoted on the statement to show those built up prior to and after 1 April 2008 separately. We have done this because the rate that your benefits build up each year has changed. Your pension benefits will be based on your total period of membership in the scheme and, normally, the pensionable pay you receive in your final year of service.

- For LGPS membership you have built up to 31 March 2008 you will usually receive an annual pension based on 1/80th of your final pay and an automatic tax-free lump sum of 3 times your annual pension. You can also exchange part of your pre April 2008 annual pension for extra lump sum as described below.
- For LGPS membership you build up after 31 March 2008 you will receive an annual pension based on 1/60th of your final year's pensionable pay. There is no automatic tax free cash lump sum so you will have more choice about the way you take your pension.
- When you retire you will be able to exchange part of your annual pension for a one off tax-free lump sum. You can take up to 25% of the capital value of your pension benefits as a lump sum and you will receive £12 lump sum for each £1 of pension given up.
- Please remember that if you are part-time, your period of membership is adjusted to reflect your part-time hours when working out your pension and your final pay is increased to what you would have received had you been full-time.

We hope you like the new A3 format for your annual benefit statement and find it easy to understand. We moved to the larger size to allow us to add 'Your benefits at a glance' and a more comprehensive notes and definitions section. If you have any questions about the content please contact Capita Hartshead, contact details are on the back of your benefit statement.

## **Award winning pension fund**

We are pleased to report that in December 2008 the Environment Agency Pension Fund won the Member Facing Function Award in the Pensions and Investment UK Scheme Communications Awards 2008. We won this award for the communication of the introduction of the new LGPS to all our members. Although the Fund has won a number of awards for its high standards in corporate governance and socially responsible investment, this is our first for communications. The judges were impressed by our use of a wide variety of media together with positive feedback and the very low level of queries from our members.