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# New starters - A guide to your pension

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# Today's session

What we'll be covering:

- Benefits of joining
- Protection for you & your family
- Things to consider
- Communications



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# Benefits of joining

- A secure pension
- Exchange part of your pension for a tax free lump sum when you retire
- Your employer also pays into the Scheme
- Life cover and pensions for your dependants
- Ill health cover
- Pay less tax



# How much does it cost?

- Pensionable earnings determine your 'band' & the % you pay
  - Bandings revalued each year in line with inflation (CPI)
  - The % you pay **may** change over time
- Your employer pays into the Scheme, too

<b>Band</b>	<b>Main Section contribution rate 1/49th accrual</b>	<b>50:50 Section contribution rate 1/98th accrual*</b>	<b>Pensionable pay range from 1 April 2018 based on the assessed pensionable pay you receive</b>
<b>Band 1</b>	5.5%	2.75%	Up to £14,100
<b>Band 2</b>	5.8%	2.9%	£14,101 to £22,000
<b>Band 3</b>	6.5%	3.25%	£22,001 to £35,700
<b>Band 4</b>	6.8%	3.4%	£35,701 to £45,200
<b>Band 5</b>	8.5%	4.25%	£45,201 to £63,100
<b>Band 6</b>	9.9%	4.95%	£63,101 to £89,400
<b>Band 7</b>	10.5%	5.25%	£89,401 to £105,200
<b>Band 8</b>	11.4%	5.7%	£105,201 to £157,800
<b>Band 9</b>	12.5%	6.25%	£157,801 or more

\*50:50 Section contribution rates only apply if you've chosen to be in the 50:50 section instead of the Main Section.

# Contributing vs. not contributing

## Example

- Holly earns £24,000 pa (£2,000 pm)
- Normal cont. rate for Holly = 6.5%

Not contributing	
Monthly pay	Deductions
£2,000	£202.50 (tax)
	£155.76 (NI)
Take home pay = <b>£1,641.74</b>	

Main Section – 6.5%	
Monthly pay	Deductions
£2,000	£130 (pension)
	£176.50 (tax)
	£155.76 (NI)
Take home pay = <b>£1,537.74 (-£104)</b>	

If you don't contribute...  
 ...your employer doesn't either

# How is my pension worked out?

Pensionable Pay for Scheme Year 1 / 49 = Annual Pension

Pensionable Pay	Divided by	Annual pension	Total in account @ end of year 1
£30,000	49	£612	£612

Pensionable Pay for Scheme Year 2 / 49 = Annual Pension

**Plus,** Revalued Annual Pension for Year 1

Pensionable Pay	Divided by	Annual pension	Revalue previous year(s)	Previous year(s) revalued pension	Total in account @ end of year 2
£30,300	49	£618			
			£612 + 3% =	£630	£1,248

- This continues to retirement
- Revalued in line with inflation



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# Protection for you

- Benefits can be paid from **any** age on ill health grounds
  - Benefits paid on ill health are unreduced (and may be enhanced, depending on how severe your condition is)
  - 3 levels of ill health that **could** be awarded:
    - Tier 1 - Pension built to date + 100% of prospective pension to NPA
    - Tier 2 - Pension built to date + 25% of prospective pension to NPA
    - Tier 3 - Pension built to date – Temporary pension (up to 3 years), no enhancement
-

# Protection for your family

The Scheme covers your loved ones in the event of your death, with pensions for your dependants and a life cover lump sum.

**Dependants' pensions are payable to:**

## Partners

- Spouse (including same sex marriages)
- Civil Partners
- Cohabiting Partners

## Children

- Up to age 23, if in full time education or vocational training
- Any age, if unable to work due to permanent incapacity or impairment





# Protection for your family

## Life Cover (death grant lump sum)

- 3 times your 'assumed' pay
- Complete an 'Expression of Wish' form & nominate someone to receive a lump sum in the event of your death
- You can choose to share the amount between more than one person or even an organisation
- Your nomination isn't legally binding and the EAPF reserves the right to use its discretion, though they'll take your wishes into account.
- Forms are available at [www.eapf.org.uk/forms](http://www.eapf.org.uk/forms)

Environment Agency Pension Fund	
Local Government Pension Scheme Regulations 2008	
Expression of Wish form	
Employer / former employer name: _____	
<p><b>• Please read the 'Important notes' on page 2 before completing the form.</b></p> <p><b>• Please complete the form in black capital letters with black ink.</b></p> <p><b>• Filling in an Expression of Wish form does not affect your pension rights or entitlement to any other benefits from the Pension Fund.</b></p> <p><b>• If you are a pensioner or deferred member, please refer to your form book to check page 2.</b></p>	
<p><b>Title:</b> Mr/Ms/Ms/Ms/Ms</p> <p><b>Name:</b> _____</p>	<p><b>Former name(s):</b> _____</p>
<p><b>Date of birth:</b> _____</p> <p><b>IN Number:</b> _____</p>	<p><b>Employee number:</b> _____</p>
<p><b>Member type (please tick below):</b></p> <p>Contributing member <input type="checkbox"/> Deferred member <input type="checkbox"/> Pensioner member <input type="checkbox"/></p> <p>Pension Credit member <input type="checkbox"/> Pensioner member with deferred benefits <input type="checkbox"/></p>	
<p>Please tick the box to decide who should receive the lump sum death grant which may become payable from the Pension Fund in the event of your death (or your widow's or dependent's death, or your estate) if you are unable to do so in the event of your death.</p>	
<p><b>Full name and address:</b> _____</p> <p><b>Post code:</b> _____</p>	<p>Relationship to you (if any): _____</p>
<p><b>Full name and address:</b> _____</p> <p><b>Post code:</b> _____</p>	<p>Relationship to you (if any): _____</p>
<p><b>Full name and address:</b> _____</p> <p><b>Post code:</b> _____</p>	<p>Relationship to you (if any): _____</p>
<p>If you wish the death grant to be shared between more than one person or an organisation, please provide the details on separate sheet of paper attached to this form.</p>	
<p><b>Read and accept this:</b></p> <p>I, the named and undersigned the General Data Protection Regulation notice displayed in point 1 of the instructions for completion.</p> <p>I, the named and undersigned, the Expression of Wish form at any time by completing and forwarding it to the Pension Fund.</p> <p>I, the named and undersigned, do not intend to rely on this form.</p>	
<p><b>Signature:</b> _____</p>	<p><b>Date:</b> _____</p>
<p><small>* Former recipients of the 3 month pension which are currently suspended.</small></p>	
<p>Form number: EAPF-2018-01   Email: <a href="mailto:enquiries@eapf.org.uk">enquiries@eapf.org.uk</a>   T: 01753 633333   Page 1 of 2</p>	

# Paying in more or less

Pay in more = get more out!

	AVC	APC (extra)	APC (lost)
<b>What you'll get</b>	Value of contributions paid & investments	Guaranteed pension	Guaranteed pension
<b>What are the good points?</b>	<ul style="list-style-type: none"> <li>• Flexible contributions</li> <li>• Different ways of using it (inc. 100% tax free cash)</li> </ul>	<ul style="list-style-type: none"> <li>• Additional pension</li> <li>• Inflation proofed</li> <li>• Ill health cover</li> </ul>	<ul style="list-style-type: none"> <li>• ER contributes 2/3rds</li> <li>• Additional pension</li> <li>• Inflation proofed</li> <li>• Ill health cover</li> </ul>
<b>What are the bad points?</b>	<ul style="list-style-type: none"> <li>• Few guarantees</li> </ul>	<ul style="list-style-type: none"> <li>• Can be expensive</li> <li>• Once started, not flexible</li> <li>• Reduced if taken early</li> </ul>	<ul style="list-style-type: none"> <li>• Once started, not flexible</li> <li>• Reduced if taken early</li> </ul>
<b>Limits on what you can you buy/pay?</b>	100% gross pay	£6,822 extra pension	Amount of lost pension (falls within £6,822 limit)

# Paying in more or less

## Pay in less: the 50:50 option

- You can **choose** to pay  $\frac{1}{2}$  your contribution rate to get  $\frac{1}{2}$  the benefit (Life cover & ill health benefits aren't affected)
- You can **choose** to go back into the Main section from the 1<sup>st</sup> of the next month

However, you'll be put back into the Main Section **automatically** if:

- You pass your employer's re-enrolment date
  - You're on sick or child related leave, and your pay is reduced to nil
-

# Main Section vs 50:50 Section

## Example – coming back to Holly...

- Holly earns £24,000 pa (£2,000 pm)
- Normal cont. rate for Holly = 6.5%

## Not contributing

Monthly pay	Deductions
£2,000	£202.50 (tax)
	£155.76 (NI)
Take home pay = <b>£1,641.74</b>	

## Main Section – 6.5%

Monthly pay	Deductions
£2,000	£130 (pension)
	£176.50 (tax)
	£155.76 (NI)
Take home pay = <b>£1,537.74 (-£104)</b>	

## 50:50 Section – 3.25%

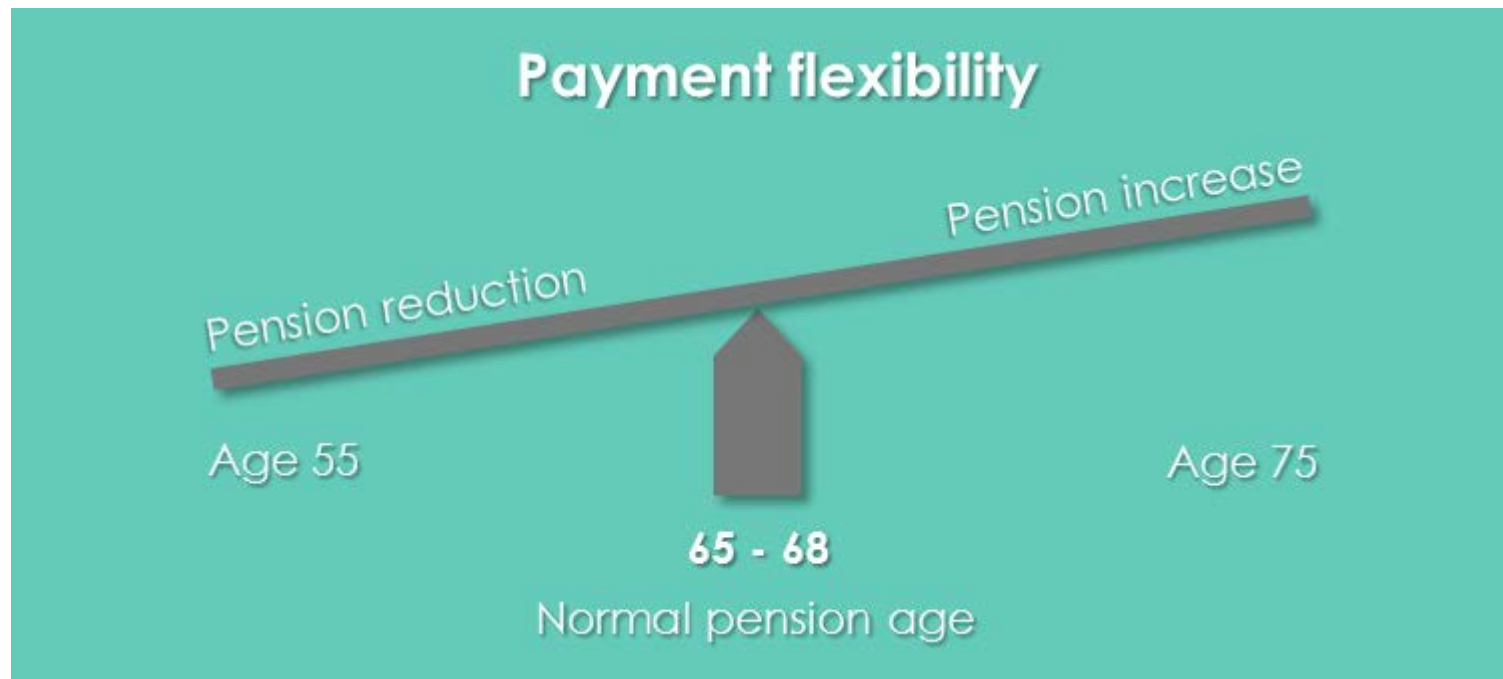
Monthly pay	Deductions
£2,000	£65 (pension)
	£189.50 (tax)
	£155.76 (NI)
Take home pay = <b>£1,589.74 (-£52)</b>	

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# Combining your pensions

- Ability to transfer other pension rights into the LGPS
    - **Must** decide within 12 months of the first joining EAPF
  - Transferring in private sector pension rights
    - Fixed amount of pension, revalued each year in line with inflation
  - Transferring in other public service pension rights
    - Benefits transferred on a similar basis
  - Transferring from another/the same LGPS fund
    - Previous final salary membership will generally transfer on a day for day basis
    - Previous career average pension will generally transfer on a £ for £ basis
-

# When can I take my pension?



Normal pension age = Later of 65 or state pension age ([www.gov.uk/new-state-pension](http://www.gov.uk/new-state-pension))

# Keeping you informed

## Annual Pension Statements

To help you keep track of how much you've built in the Scheme, we'll send you an annual pension statement every year.

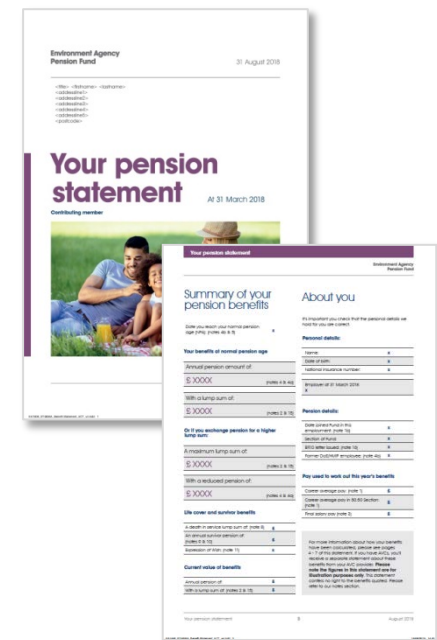
It tells you:

- Your current pension at 31 March each year
- An estimate of your potential benefits up to your NPA
- An estimate of death and survivor benefits

Check:

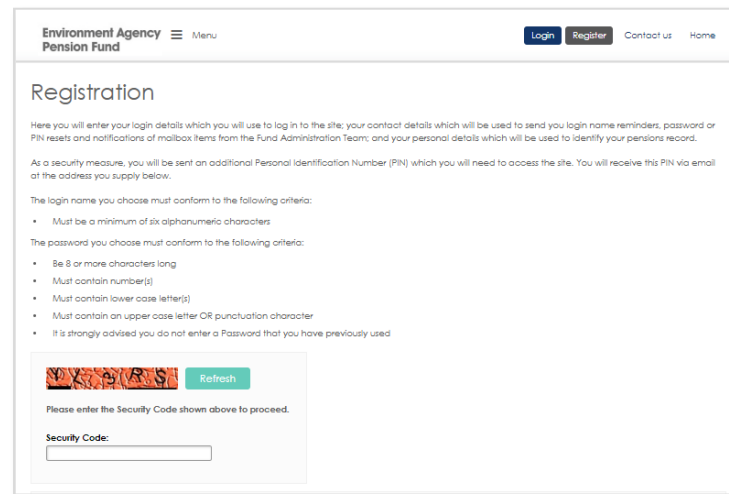
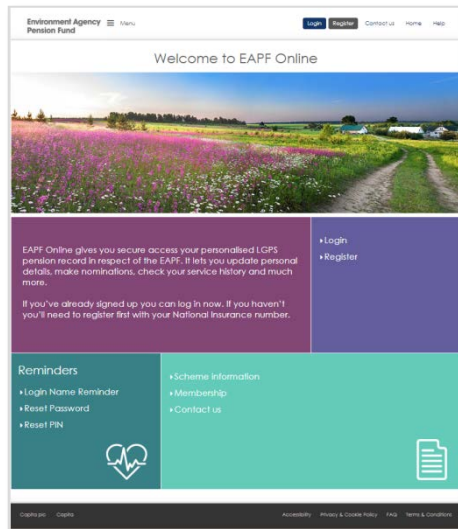
- Pay
- Who you've nominated for benefits

You can also register online to view your statements at [www.eapf.org.uk](http://www.eapf.org.uk)



# What do you need to do now?

- Register to EAPF Online and keep up to date with your pension



- Check your annual pension statements are accurate
- Most importantly....start saving for your future!



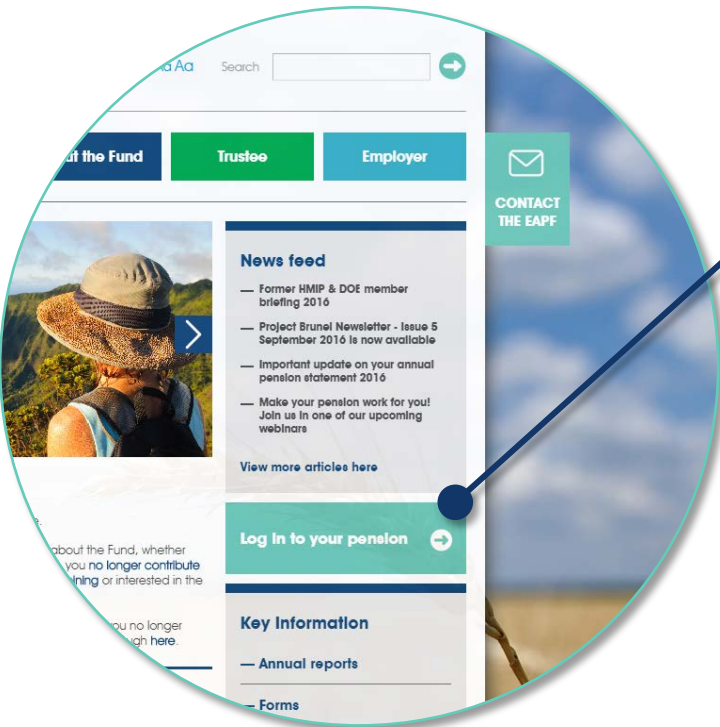
# Registering for EAPF Online

If you haven't registered for EAPF Online, don't worry it's easy!

All you need to do is go to our pension website at [www.eapf.org.uk](http://www.eapf.org.uk)

Click  
Register


Click  
'Log in  
to your  
pension'



# Registering for EAPF Online

Be 8 or more characters long

- Must contain number(s)
- Must contain lower case letter(s)
- Must contain an upper case letter OR punctuation
- It is strongly advised you do not enter a Password that is the same as your email address

 Refresh

Please enter the Security Code shown above

Security Code:

Repeat security code here

Enter personal details

Personal Details

Login Name

Password

Confirm Password

Security Question

Security Answer

Contact Details

Email address

# Resources to find out more

- Visit [www.eapf.org.uk](http://www.eapf.org.uk) to check out our helpful tools and [videos](#)
- [Publications](#) you can download online:
  - Scheme guides
  - How is my pension worked out?
  - New starters guide
  - Topping up my LGPS pension

**Contact details**

If you have any questions regarding your pension entitlement you can contact our pension administrator, Capita, by:

- Using the **Contact the EAPF** button on the website at [www.eapf.org.uk](http://www.eapf.org.uk)
- Emailing [info@eapf.org.uk](mailto:info@eapf.org.uk)
- Following on twitter [@EAPensionFund](https://twitter.com/EAPensionFund)
- Calling **0800 121 6593**
- Sending your query to **Capita**  
**11b Lingfield Point**  
**Darlington, DL1 1AX**

The screenshot shows the Environment Agency Pension Fund website. At the top, there are navigation tabs for 'Member', 'Investment', 'About the Fund', and 'Trustees'. Below this is a main banner area with a large image of a family and a 'News feed' section. A sidebar on the right contains a 'Publications' section with the following items:

- Scheme Guide for members**
- A brief guide to the Local Government Pension Scheme (LGPS)**
- A brief guide to the Local Government Pension Scheme (LGPS) - Welsh version**
- A guide for members who joined from 2014**
- Contributing member factsheets**
  - A guide to transferring benefits into the EAPF**
  - Investing my additional voluntary**

# Thank you

## Regulatory Statement

- The information contained within this presentation does not constitute financial advice.
- The information provided is based on Capita's understanding of current law and LGPS Regulations, as at 1 October 2018.
- HMRC policy, practice, and legislation may change in the future.

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