

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
- Access to an online portal to view your benefits at any time



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

Band	Main Section contribution rate 1/49th accrual	50:50 Section contribution rate 1/98th accrual*	Pensionable pay range from 1 April 2019 based on the assessed pensionable pay you receive
Band 1	5.5%	2.75%	Up to £14,400
Band 2	5.8%	2.9%	£14,401 to £22,500
Band 3	6.5%	3.25%	£22,501 to £36,500
Band 4	6.8%	3.4%	£36,501 to £46,200
Band 5	8.5%	4.25%	£46,201 to £64,600
Band 6	9.9%	4.95%	£64,601 to £91,500
Band 7	10.5%	5.25%	£91,501 to £107,700
Band 8	11.4%	5.7%	£107,700 to £161,500
Band 9	12.5%	6.25%	£161,501 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	£191.60 (tax)
	£153.72 (NI)
Take home pay = £1,654.68	

Main Section – 6.5%	
Monthly pay	Deductions
£2,000	£130 (pension)
	£165.60 (tax)
	£153.72 (NI)
Take home pay = £1,550.68 (-£104)	

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



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**

*NPA = normal pension age (same as state pension age)

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 or you can complete one by logging into [EAPF Online](#)

Environment Agency
Pension Fund

Local Government Pension Scheme Regulations 2013

Expression of Wish form

Employer / Former employer name: _____

Please read the 'Important notes' on page 2 before completing the form.
 Please complete the form in black capital with black ink.
 Existing Environment Agency employees: You will need to complete Form EP1, and a Service Record (SR) (SR-20) with the correct EAPF Pension Administrator, and complete the Member Administration Form. Staff of new duties or employees who don't have access to EA systems should use the completed form to inform employer's HR and request's system prior to filing.
 If you're a partner or defined member please send your form back to CASHA (see page 2).

Title: Dr/Ms/Ms/Ms/Ms Name: _____
 Former name(s): _____
 Date of birth: _____ No Member:
 Employee number: _____
 Member type (please tick boxes)
 Contributing member Defined member Pensioner member
 Former credit member Pensioner member with defined benefits

When the EAPF is deciding who should receive any lump sum death grant which may become available from the fund it will consider income and/or other pension benefits, employment, and you will be asked that wish it to be paid to the following person(s) / organisation(s) in the order(s) below.

Full name and address: _____ Relationship to you (if any): _____
 Full name and address: _____ Relationship to you (if any): _____
 Full name and address: _____ Relationship to you (if any): _____
 Full name and address: _____ Relationship to you (if any): _____

If you wish the death grant to be divided between more than three persons, you should provide that detail on a separate sheet of paper attached to the form.

Understand and accept that:

1. You read and understand the General Data Protection Regulation notice displayed in point 1 of the attached member completion.
2. You can cancel or change the Expression of Wish form at any time by completing and forwarding a new form to the pension administrator.
3. A completed Expression of Wish form is not binding on the EAPF.

I agree _____ Date: _____
Form is part of Part 2 Health Pension which is currently suspended.
 Issue Number 1 - May 2014 Email: epaf@eapf.org.uk Page 1 of 2

Remember, you don't pay an extra premium for this – it's included in the contribution you already pay!

Paying in more or less

Pay in more = get more out!

	AVC	APC (extra)	APC (lost)
What you'll get	Value of contributions paid & investments	Guaranteed pension	Guaranteed pension
What are the good points?	<ul style="list-style-type: none"> • Flexible contributions • Different ways of using it (inc. 100% tax free cash) 	<ul style="list-style-type: none"> • Additional pension • Inflation proofed • Ill health cover 	<ul style="list-style-type: none"> • ER contributes 2/3rds • Additional pension • Inflation proofed • Ill health cover
What are the bad points?	<ul style="list-style-type: none"> • Few guarantees 	<ul style="list-style-type: none"> • Can be expensive • Once started, not flexible • Reduced if taken early 	<ul style="list-style-type: none"> • Once started, not flexible • Reduced if taken early
Limits on what you can you buy/pay?	100% gross pay	£7,026 extra pension	Amount of lost pension (falls within £7,026 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 1st 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	£191.60 (tax)
	£153.72 (NI)
Take home pay = £1,654.68	

Main Section – 6.5%

Monthly pay	Deductions
£2,000	£130 (pension)
	£165.60 (tax)
	£153.72 (NI)
Take home pay = £1,550.68 (-£104)	

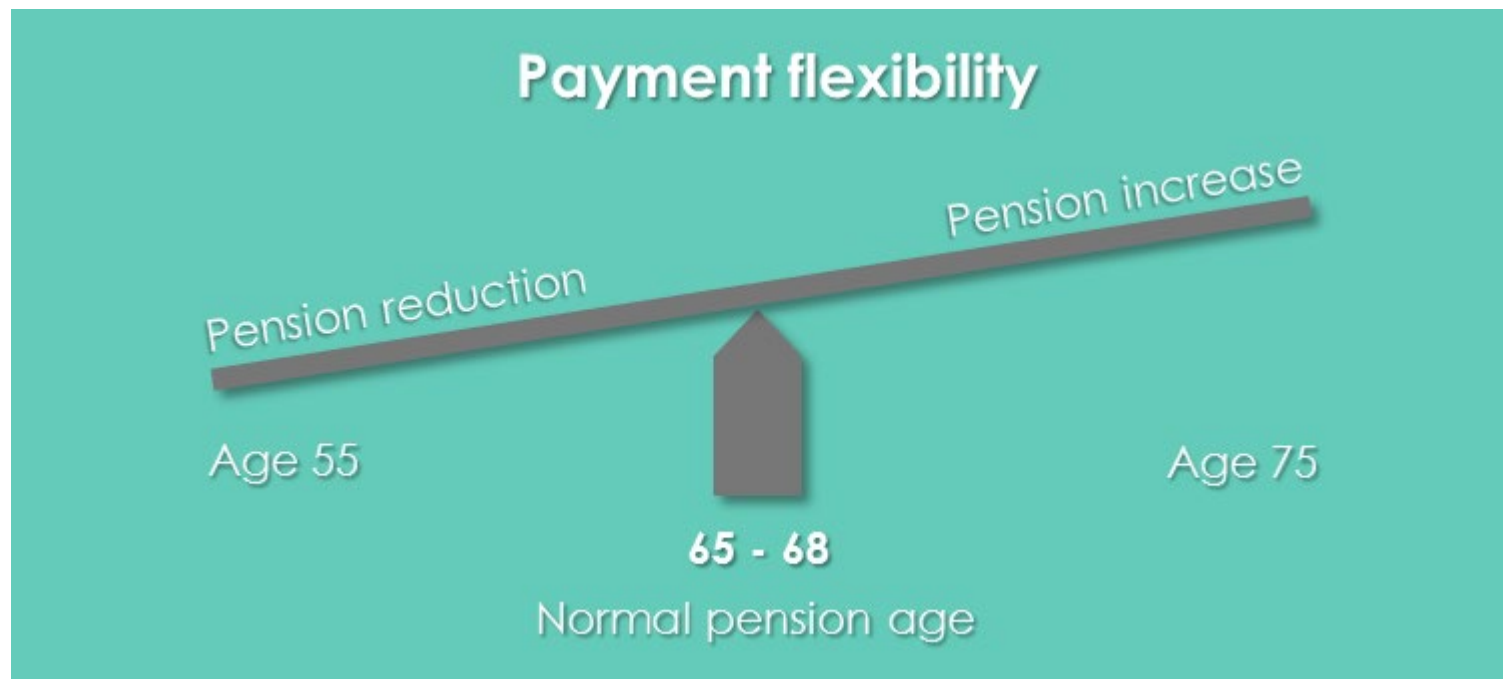
50:50 Section – 3.25%

Monthly pay	Deductions
£2,000	£65 (pension)
	£178.60 (tax)
	£153.72 (NI)
Take home pay = £1,602.68 (-£52)	

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)

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.

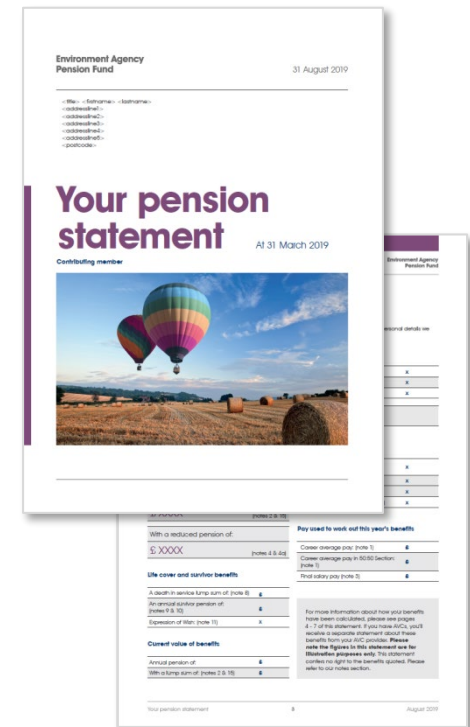
It tells you:

- 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:

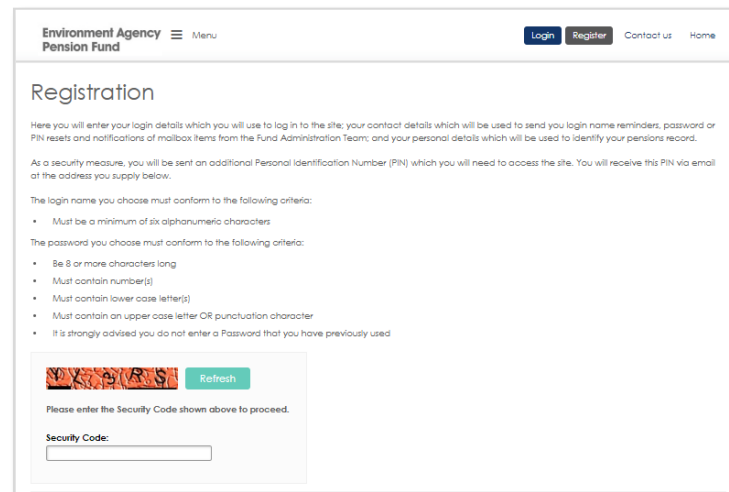
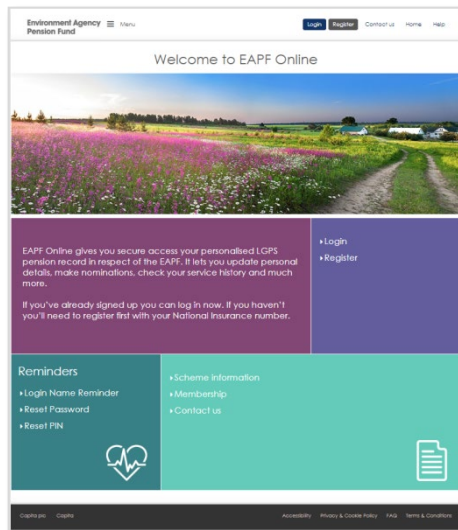
- Pay
- Who you've nominated for benefits

You can also register online to view your statements at www.eapf.org.uk



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!

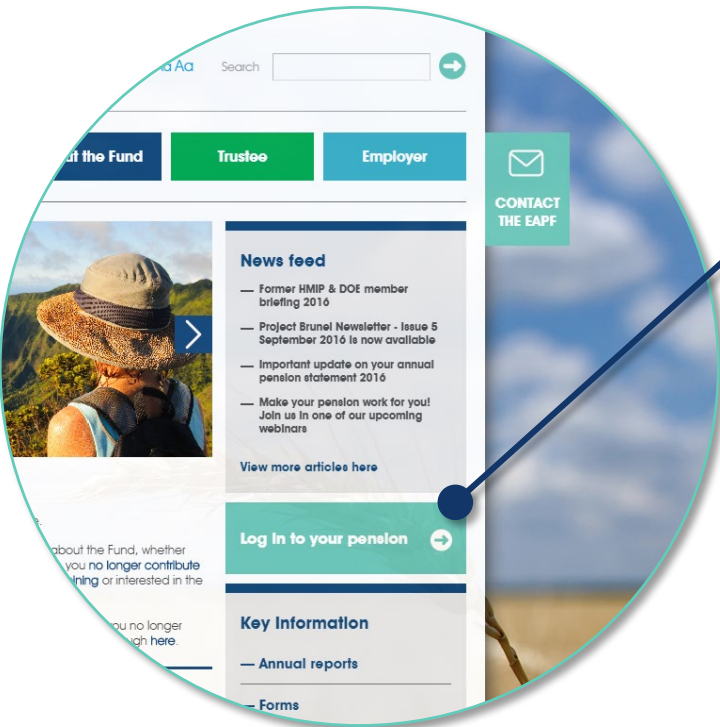
Registering for EAPF Online

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

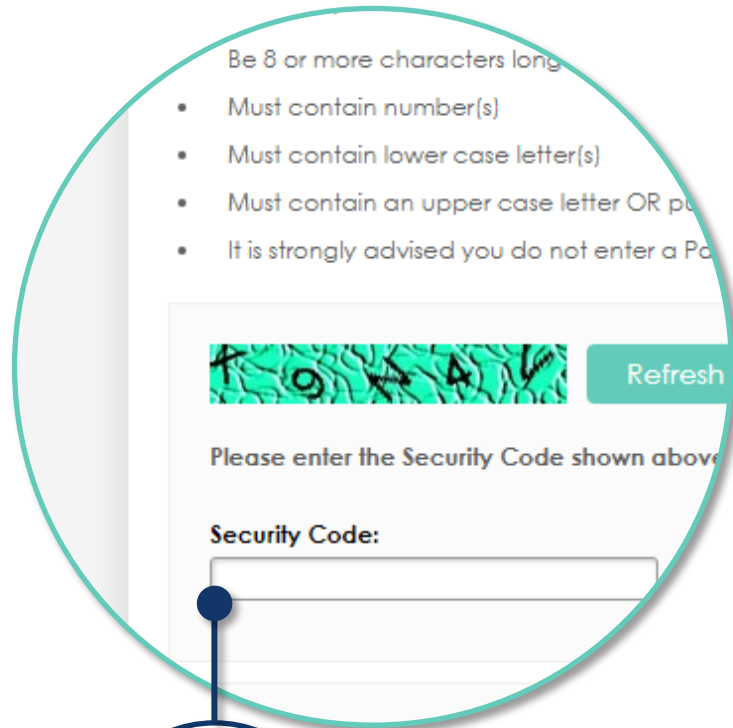
All you need to do is go to our pension website at www.eapf.org.uk

Click
Register

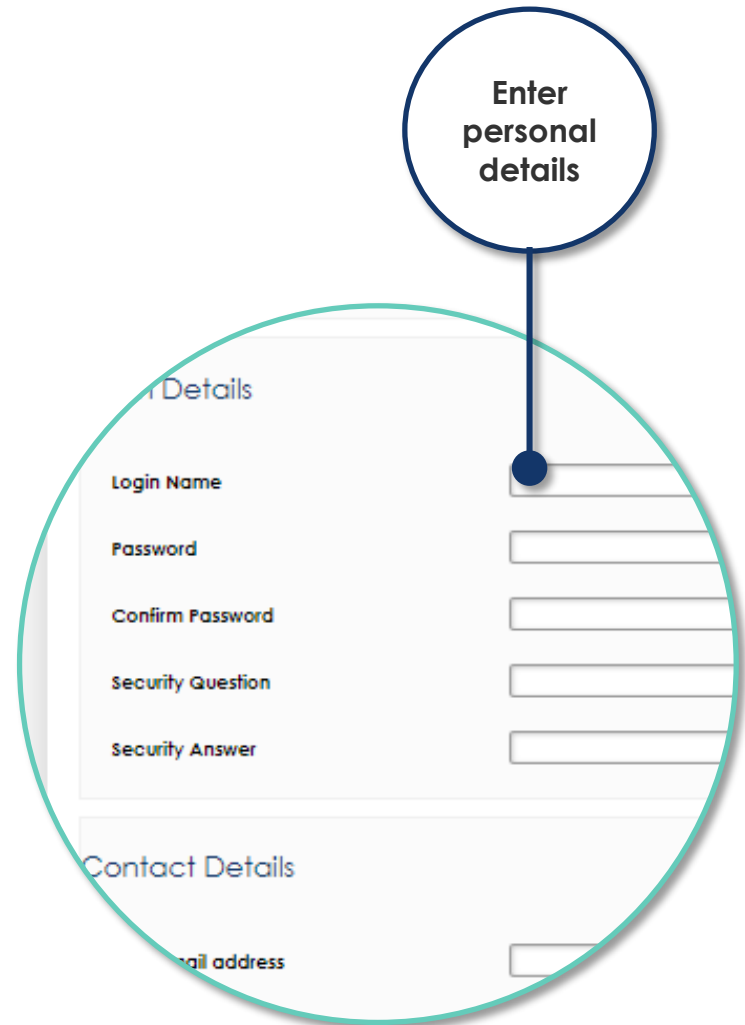
Click
'Log in
to your
pension'



Registering for EAPF Online



Repeat security code here



Resources to find out more

- Visit 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
- Emailing 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 text box asking 'Are you protected under the 95 year rule?'. To the right of the banner is a 'News feed' section with several article titles. Below the banner is a 'Retiring early? See if you're protected...' section with a 'Use our 95 year rule checker tool' button. On the right side of the page, there is a sidebar menu with sections for 'Publications' (containing links to 'Scheme Guide for members', 'A brief guide to the Local Government Pension Scheme (LGPS)', and 'A brief guide to the Local Government Pension Scheme (LGPS) - Welsh version'), 'Scheme Guides' (containing 'A guide for members who joined from 2014'), and 'Contributing member factsheets' (containing 'A guide to transferring benefits into the EAPF' and '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 14 October 2019.
- HMRC policy, practice, and legislation may change in the future.

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