



## North Yorkshire Pension Fund (NYPF) Annual Benefit Statement Explanatory Notes

**This document is for illustration purposes only. Please refer to your own annual benefit statement for your own personal pension benefit values.**

It is important that you read the notes below carefully so that you understand how your pension benefits have been calculated.

The Local Government Pension Scheme (LGPS) changed from a Final Salary pension scheme to a Career Average Revalued Earnings (CARE) scheme on 1 April 2014. If you were a member of the Scheme on 31 March 2014 you automatically joined the new CARE scheme on 1 April 2014. You will continue to build up benefits in the LGPS for as long as you continue to contribute. Please note you require two years' Scheme membership to qualify for a pension in the LGPS, if you leave with less than two years' membership, you will not qualify for benefits and will generally be able to opt for a refund of contributions.

Visit the LGPS members' website [here](#) for more information including how your pension builds up each year and when you can take your pension.

These guidance notes explain the figures and information provided in your annual benefit statement, you will need to refer to your own statement for your own personal pension values. It is important to note that only those sections relevant to you will be shown on your statement.

If you wish to know more about the Scheme please view the Scheme Guides located [here](#).

### Summary of Total Benefits at 31 March 2020

This section shows your benefits as at 31 March 2020. CARE pension and Final Salary pension benefits (if you were a member of the scheme prior to 1 April 2014) have been added together. A breakdown of each type of benefit is shown later in these guidance notes.

#### Annual Pension accrued at 31 March 2020:

This is the value of your total estimated pension benefits as at 31 March 2020. It includes both Final Salary & CARE if applicable.

#### Automatic Tax Free Lump Sum accrued at 31 March 2020:

This is an estimate of the automatic Final Salary lump sum. It is based on service up to 31 March 2008 and your current pay. This will not be shown if you joined the Scheme after 31 March 2008.

#### Death in Service Lump Sum payable on your death:

This is an estimate of the lump sum due if you die in service. The lump sum is three times your CARE pay (see section "Pay Figures used to calculate your benefits at 31 March 2020" to check your CARE pay).

If you die and you have other benefits in the LGPS (such as a deferred pension or a pension in payment) these will be taken into account when working out the death in service lump sum. The higher of the death lump sums may be payable rather than two payments.

The figure provided does not take account of any benefits you may have elsewhere.

**Annual Survivor's Pension payable on your death:**

This is an estimate of the pension payable to your survivor if you remain contributing to the scheme until your NPA. A survivor can be your spouse, registered civil partner or, subject to certain qualifying conditions, an eligible cohabiting partner. If you are not married or we don't know whether you have a spouse or partner this figure will be nil. No survivor pension (other than to an eligible child) will be paid if you are single and are not survived by an eligible cohabiting partner.

This pension is payable immediately after your death and will increase each year in line with the cost of living.

## Projections if you remain contributing to the Scheme until your Normal Pension Age (NPA)

This is the total estimated value of your Career Average pension benefits earned up to NPA plus any Final Salary benefits that you accrued up to 31 March 2014 assuming your pensionable pay stays the same.

**Pension at NPA:**

This shows the level of pension you may receive if you remain in the same section (main or 50/50) of the Scheme and contribute until your NPA. This is an estimate using current pay.

**Automatic Tax Free Lump Sum at NPA:**

This is an estimate of the automatic Final Salary lump sum. It is based on service up to 31 March 2008 and your current pay. This will not be shown if you joined the Scheme after 31 March 2008.

**Annual Survivor's Pension at NPA:**

This is an estimate of the pension payable to your survivor if you remain contributing to the scheme until your NPA. A survivor can be your spouse, registered civil partner or, subject to certain qualifying conditions, an eligible cohabiting partner. If you are not married or we don't know whether you have a spouse or partner this figure will be nil. No survivor pension (other than to an eligible child) will be paid if you are single and are not survived by an eligible cohabiting partner.

This pension is payable immediately after your death and will increase each year in line with the cost of living.

## Pay figures used to calculate your benefits at 31 March 2020

This section shows the pay figures provided by your employer:

**Career Average Pay for year ending 31 March 2020 (used to calculate Career Average pension built up in 2019/2020): £**

**Final Salary Pay for year ending 31 March 2020 (used to calculate Final Salary pension benefits accrued to 31 March 2014): £**

**You should contact your employer immediately if you think either of your pay figures is wrong**

## Career Average Pension Benefits as at 31 March 2020

This is the total value of just your Career Average benefits as at 31 March 2020.

**Pensionable Pay for year ending 31 March 2020 in Main Section:**

This is the actual pay that you received in the Main Section for this year as provided by your employer. You should contact your employer immediately if you think this figure is wrong.

**Pensionable Pay for year ending 31 March 2020 in 50/50 Section:**

This is the actual pay that you received in the 50/50 Section for this year as provided by your employer. You should contact your employer immediately if you think this figure is wrong.

**Amount of pension built up in 2019/2020:**

Main Section Pay / 49:

Your Main Section pay divided by a factor of 49.

50/50 Section Pay / 98:

Your 50/50 Section pay divided by a factor of 98.

Additional Pension bought:

Pension bought through an Additional Pension Contract.

Transfers in:

CARE pension purchased as a result of a transfer into the NYPF during 2019/2020.

**Total Career Average Pension built up in 2019/2020 =**

Total CARE pension built up in the Scheme between 1 April 2019 and 31 March 2020. This is the sum of the above figures.

**Total Career Average Pension at 31 March 2020:**

Career Average Pension built up from 1 April 2014 to 31 March 2019:

This is the total pension you have built up in the CARE part of the Scheme up to 31 March 2019.

Adjustment for the cost of living (applied on 1 April 2019):

The total CARE pension you built up to 31 March 2019 had a cost of living adjustment applied on 1 April 2019 in line with the Consumer Price Index (CPI). The adjustment was 2.4%

Total Career Average Pension built up in 2019/2020:

Total CARE pension built up in the Scheme this year as calculated above.

**Total value of your Career Average Pension as at 31 March 2020:**

This is the sum of the values in the three boxes above.

Please note member and survivor CARE benefits include revaluation up to the previous 1 April only. If you were on reduced contractual pay or no pay due to sickness or relevant child related leave for any part of the year ending 31 March 2020, Assumed Pensionable Pay will be included in the pensionable pay figure for that period.

## Final Salary Pension Benefits as at 31 March 2020

**This section will only be shown on your statement if it is appropriate to you.**

The Final Salary section ceased on 31 March 2014.

This is the total value of just your Final Salary benefits as at 31 March 2020.

These benefits are payable from your NPA.

<b>Final Salary Pay:</b>	This is the pay that you received in the year as provided by your employer. If you are part time this figure has been uprated to a full time equivalent. You should contact your employer immediately if you think this figure is wrong.
<b>Annual Pension (for pre 1 April 2014 membership):</b>	This is the estimated Final Salary pension that you have built up in the Scheme which is based on your membership up to 31 March 2014. This figure was calculated using your current Final Salary pay figure.
<b>Automatic Tax Free Lump Sum:</b>	This is the estimated automatic Final Salary lump sum that you have built up in the Scheme to 31 March 2020 and is based on your current Final Salary pay figure.

Please note member and survivor final salary benefits quoted are based on current pay and no pay inflation has been assumed. Actual final salary benefits will be based on final pay on leaving the Scheme, and could be higher or lower than those quoted. Final salary benefits will only be shown for a member who joined the Scheme before 1 April 2014, or has completed a transfer from a Club scheme and all or part of the transfer value bought final salary membership in the LGPS.

## A breakdown of your projected benefits if you remain contributing to the Scheme until your NPA

<b>Pension at NPA (Sum of two boxes below):</b>	This shows the level of pension you may receive if you remain in the same section (Main or 50/50) of the Scheme and contribute until your NPA. This is an estimate using current pay as provided by your employer.
Includes projected Career Average Pension to NPA of:	This is the amount of CARE pension included in the projection above.
Includes projected Final Salary Pension to NPA of:	This is the amount of Final Salary pension earned up to 31 March 2014 using a current pay figure provided by your employer.

Annual Survivor's Pension at NPA (Sum of two boxes below):	This shows the estimated pension for a spouse or eligible partner (if you remain contributing in the scheme until NPA and then die). If you are not married or we don't know whether you have a spouse or partner this figure will be nil.
Includes projected Career Average Annual Survivor's Pension to NPA of:	This is the amount of CARE pension included in the projection above.
Includes projected Final Salary Annual Survivor's Pension to NPA of:	This is the amount of Final Salary pension included in the projection above.

Please note the projection shown has been based on pensionable pay for the year ending 31 March 2020 (or an estimated annual rate for mid-year joiners). The projection is based on the section of the scheme you were in on 31 March and the assumption that your pay will remain constant to your NPA. No account has been taken of future wage inflation or future Treasury Revaluation Orders.

## Current Nomination for Lump Sum Death Benefit

This is the person or persons that you have nominated to receive your lump sum death benefit in the event of your death, along with the percentage of the benefit that you would like them to receive. This must add up to 100%

If this is blank on your statement you have not made a nomination.

By completing a nomination form your lump sum death benefit is usually excluded from any calculation of Inheritance Tax. If you die while you are still employed and paying into the pension scheme we will pay a death grant of three times your (assumed) pensionable pay. This may be different however if you also have a deferred benefit and/or pension in payment with the Local Government Pension Scheme. Further information can be found [here](#). If you die within 10 years of retirement, a smaller lump sum death benefit is payable.

**Please note that the scheme retains absolute discretion as to whom any death grant is paid.**

To make or amend your current nominations, please download a form from the NYPF [website](#) or contact the Pensions Section.

## Annual Allowance & life Time Allowance at 31 March 2020

The Annual Allowance is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge. The pension savings year runs from 6 April to 5 April and is called the Pension Input Period. The Annual Allowance is currently capped at £40,000 but you may have a reduced limit known as the 'Tapered Annual Allowance' if your 'adjusted annual income' is above £150,000.

You will be contacted separately if your savings with the NYPF have exceeded the standard Annual Allowance limit in 2019/20. If your taxable income is over £110,000 then you will need to assess whether you have a tax liability. Please see <https://www.gov.uk/tax-on-your-private-pension/annual-allowance> for more information.

Please note that the lifetime allowance (LTA) figures are estimated only, if you require further information please refer to our [website](#) for more information.

## Additional Information

Further information can be found on our website [www.nypf.org.uk](http://www.nypf.org.uk)

Here you can find information regarding:

[Employer Contribution Rates](#)

[Increasing Your Benefits](#)

[The scheme](#)

## Frequently Asked Questions

- **I have more than one post in the scheme, how can I identify which post the statement is for?**  
Section one of your Annual Benefit Statement gives details of the Payroll Reference Number, Post Number & date joined scheme of the employment concerned.
- **What section of the Scheme has my projections been based on?**  
There are two sections of the Scheme – the main and 50/50, the projections show in section 3 are based on the section of the Scheme you were in at 31 March 2020.
- **What is Normal Pension Age (NPA)?**  
The Normal Pension Age (NPA) is linked to your State Pension Age (SPA). Any future changes to SPA will mean that NPA for pension built up from April 2014 will mirror changes in SPA if the Government changes this.

You can take your benefits any time between age 55 and 75, an actuarial adjustment will apply if your benefits are taken before or after your NPA.

- **There is an error with my personal details/salary information, what do I do?**  
You should contact your employer immediately if any of your personal details are incorrect or you think either of your pay figures are wrong. They can advise us on the correct details and we can correct your pension records accordingly.
- **Are my transferred in pension rights reflected in the figures quoted?**  
A transfer of previous pension rights will be reflected in the figures only if it was completed by 31 March 2020. A transfer completed after that date will be included in the statement issued in the next year.
- **I have an added years contract or have bought additional pension under an Additional Pension Contribution (APC) or Additional Regular Contribution (ARC) contract, are these reflected in the figures quoted?**  
Yes, the figures provided include any extra pension bought. If any contract is ongoing, the figures projected to NPA are based on the assumption that the ongoing contract is completed.
- **Who is eligible for a survivor's pension?**  
A pension is payable to your husband, wife, civil partner and if eligible your cohabiting partner. You don't have to provide us with details of your cohabiting partner but we recommend that you do using the [Co-habiting partners](#) form. The form provides further information on the criteria for payment of a cohabiting partner's pension.  
The survivor's pension is payable immediately after your death for the rest of their life and will be adjusted every year in line with the cost of living.

A child's pension is also due to any eligible child/children. The amount of pension depends on the number of eligible children and whether a survivor's pension is being paid to a spouse, civil partner or eligible cohabiting partner. Where a pension is payable to two or more children the pension will be shared equally.

Further information on how survivor and children's benefits are calculated can be found [here](#).