

ACTIVE
MEMBER



West Midlands Pension Fund

pensionSMART

For more information, visit the national Local Government Pension Scheme member's website: www.lgpsmember.org



Welcome to your 2024 Active Member PensionSmart newsletter for members paying into the West Midlands Pension Fund.

This newsletter has been produced jointly with other LGPS funds. However, should you have any queries or require further information, please contact West Midlands Pension Fund direct.

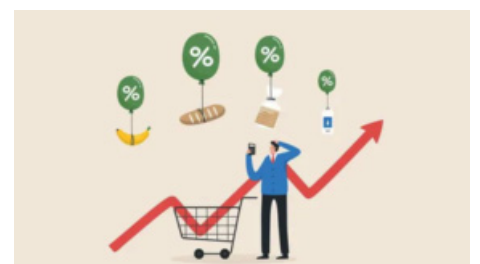
Since 1 April 2014, the LGPS has been a career average revalued earnings (CARE) pension scheme.

A proportion of your pensionable pay is added to your pension account each year. Your pension account is adjusted in line with the cost of living, and the revalued amount is added to your total pension pot. A cost-of-living adjustment is applied each April to your pension benefits. For April 2023, this was an increase of 10.1%. You'll see this increase on

your annual benefit statement. This adjustment is in line with the Consumer Price Index (CPI).

Please check that all the information in your statement is correct. Most importantly, check the 2023/2024 CARE pensionable pay figures shown on your statement, as these are the figures that affect how your pension builds up. Your employer gives us information about your pay, so if this is wrong, you should contact them.

The increase for April 2024 has been confirmed as 6.7%, but this will be included on your 2025 annual benefit statement because your statement is produced on 31 March.



New code for pension schemes

The Pensions Regulator (TPR) has published a new code of practice for pension schemes. The new General Code of Practice ('the code') replaces Code of Practice 14 for public service pension schemes and brings together ten previous TPR codes into one code.

TPR's research on governance and administration shows that the LGPS already has high standards of governance in place. The new code gives an opportunity for funds to look at their current working practices and make sure that they meet the standards of the new code.

The code sets out a 'single set of clear, consistent expectations on scheme governance and administration' to give guidance to governing bodies such as pension committees and pension boards.

The new code came into force on 28 March 2024.



Update on pensions dashboards

Last year we gave you an update about LGPS funds taking part in a new initiative called pensions dashboards.

Pensions dashboards will allow people to access information about their pensions online, through a secure website. This means you will be able to see details about all your pension benefits, from all your pension providers, in one place. This will help you with planning your retirement.

Pension providers must connect to the new dashboard by 31 October 2026.

LGPS funds are putting plans in place and are working with specialist companies to connect with the dashboard. We will keep you updated on our progress.



Keep your pension safe

The number of pension scams continues to rise. It's more important than ever to understand how to protect your funds and the signs to look out for if you think you might be dealing with a scam.

Scammers often claim to be from genuine pension providers. They may contact you unexpectedly, through methods such as email, text message, social media or illegal cold-calling. They may offer you a 'free review' to discuss your finances. Their aim is to persuade you to transfer your pension savings to them, by promising access to high-earning, low-risk benefits.

If you want to find out more about how you can protect yourself against scams, visit the Financial Conduct Authority's (FCA) website at www.fca.org.uk

You can find more advice at www.moneyhelper.org.uk

If you receive a phone call or email which you think may be from us but you're not sure, don't give out your details. Please contact us to find out if the call or email is genuine.



McCloud update

The LGPS rules changed from 1 October 2023. The changes made are called the 'McCloud remedy' and remove age discrimination which was highlighted in the McCloud court case.

Here is a brief overview of the McCloud case and what it could mean for members.

Background

In December 2018, the Court of Appeal ruled that younger members of the judicial and firefighters' pension schemes had been unlawfully discriminated against because pension protections (or 'underpin') that had been put in place for older scheme members did not apply to them.

This ruling is called the 'McCloud judgment', after a member of the Judicial Pension Scheme involved in the case. Because of the ruling, there are now changes to all public service pension schemes that provided protections, including the LGPS.

The changes are intended to remove the age discrimination found in the McCloud court case.



What does the McCloud remedy mean?

The McCloud remedy means two main changes for LGPS members.

1. Qualifying younger members are now protected by the underpin too. This removes the discrimination found in the McCloud judgment.
2. The new underpin rules are much more detailed. This means that the underpin works fairly and consistently for all protected members.

How will the remedy affect me?

The new underpin rules are very complex and we expect only a small number of scheme members will have an increase to their pension benefits. We will check all members' records to work out if they are due an increase as a result of the McCloud remedy.

How do I get more information?

For more information, please visit the McCloud remedy web page on the LGPS member website at The McCloud Remedy : LGPS (lgpsmember.org)

Do I need to do anything?

We will look at your pension record to find out if you are protected by the underpin. You do not need to contact us. Your 2025 benefit statement will include information about how you are affected by the changes.

Standards of retirement

The Pensions and Lifetime Savings Association (PLSA) have published the latest study on the Retirement Living Standards.

Based on independent research by Loughborough University, the standards aim to remove uncertainty around planning for retirement and explain what retirement could be like at three different standards, as follows. The figures below are the yearly amounts you'd need to achieve a certain lifestyle.

- **Minimum**
Single: £14,400
Couple: £22,400
Covers all your needs, with some left over.
- **Moderate**
Single: £31,300
Couple: £43,100
More financial security and flexibility.
- **Comfortable**
Single: £43,100
Couple: £59,000
More financial freedom and some luxuries.

Now in its fifth year, this research has become a benchmark for the pensions industry and the Government. Focus groups made up of UK residents from different backgrounds took part in the research. They talked about their expectations for retirement, and the opportunities and choices they need to take part in society, not just survive.

Spending costs were worked out for each of the three standards, in line with the Consumer Price Index (CPI), in the following categories.

- House
- Food
- Transport
- Holidays and leisure
- Clothing and personal
- Helping others

The research suggests that retired people value doing things more than having things. Being able to help others (family or charities, for

example) has become more important, not just for the expensive items but for little things such as:

- helping with everyday costs;
- treating loved ones to a meal; and
- helping pay for activities and treats (especially for grandchildren).

For more information, visit www.retirementlivingstandards.org.uk



Are your nominated beneficiaries up to date?

You are covered for death in service from day one of paying pension contributions. If you die in service before the age of 75, and you are still paying contributions into the LGPS, an amount equal to three times your as-assumed pensionable pay can be paid as a death grant to someone you nominate.

Assumed pensionable pay is an estimated figure used to make sure your pension is not affected if your pensionable pay reduces when you are away from work, for example due to sickness.

If you also have deferred benefits or are receiving a pension (or both) from a previous period of membership of the LGPS, the lump sum death grant we pay will be:

- the total of any lump sum death grants payable from the deferred benefits or pension; or
- three times your assumed pensionable pay at the date of your death (the death-in-service grant);

whichever is higher.



You can let us know who you would like the death grant to be paid to. Log on to the Pension Portal by visiting www.wmpfonline.com/pension-portal

Responsible investment

Did you know that we use the money we invest to secure and pay your pension whilst benefitting society too?

Last year we sent out a survey about 'responsible investment' (RI). We were pleased to get so many responses – thank you if you took part. The survey showed us that:

- A quarter of respondents didn't know what we mean by RI
- Half of respondents hadn't seen any of our RI content
- Almost eight out of ten respondents (79%) want us to consider the environment, climate change and other factors like how the organisations we invest in operate when investing their money.

Creating RI content for our members

As these issues are so important to you – and the Fund – we want to showcase them. Last year we created an introductory member guide to ['Responsible Investment at WMPF'](#).

In September we published the highlights from our 2024 [Annual Stewardship Report](#) which has been created specifically with our members in mind. The report contains examples of our stewardship in action to bring our approach to life. [Take a look here.](#)

Ahead of the 29th United Nations Climate Change Conference (COP 29) in Azerbaijan, this month we published a summary of our climate journey to date. The article sets out the progress we have made against our climate goals, how we manage climate risks in our investments and what we plan to do next with our climate strategy. You can read more [here](#).

Engaging our members

Over the past few months members of the RI team attended four district and university roadshow events. We were able to speak to 40 Fund members and explain our investment approach and how we manage our investments. We had open conversations around what our members want to see in terms of our RI content and output. Thank you to those members who took the time to answer our questions, your input and time is valued.



We also participated in Pension Awareness Week in September, hosting the Fund's first dedicated RI webinar for members. The RI team provided an overview of how and why we invest for members' futures, how our RI approach works in practice, and how we hold our investee companies to account through engagement and voting. Thank you to the members that attended. We look forward to hosting similar events in the future.

If you would like to speak to us about our responsible investment approach you can contact us at responsibleinvestment@wolverhampton.gov.uk



Thinking of retiring early

If you choose to retire before your normal pension age (NPA), your benefits will normally be reduced to take into account that your pension will be paid for longer.

How much your benefits are reduced by depends on how early you take them. The minimum age that you can take your pension is currently 55.

The reduction for taking your pension early is based on the length of time (in years and days) that you retire early before NPA. The earlier you retire, the bigger the reduction. The current percentage reductions for retirements up to 13 years early are shown in the table here.

Where the number of years is not exact, we adjust the percentages. Benefits built up before 1 April 2014 have a different NPA, which for most people is age 65. If they choose to, your employer can agree to ignore any reduction that should be applied to your benefits. This is at their discretion, as it usually involves a cost. You can ask them what their policy is on this. You can reduce or avoid any reductions by delaying payment until a later date.

Your benefits will not be reduced if they are paid at your NPA, but you can delay payment until after that age and, at that point, they will be increased for late payment.

However, you must begin to take your pension before your 75th birthday.

Number of years	Pension reduction	Lump sum reduction (for membership to 31 March 2008)
0	0.0%	0.0%
1	4.9%	1.70%
2	9.3%	3.30%
3	13.5%	4.90%
4	17.4%	6.50%
5	20.9%	8.10%
6	24.3%	9.60%
7	27.4%	11.10%
8	30.3%	12.60%
9	33.0%	14.10%
10	35.6%	15.50%
11	39.5%	Does not apply
12	41.8%	Does not apply
13	43.9%	Does not apply

Are you registered for the Pension Portal?

You can use the portal to:

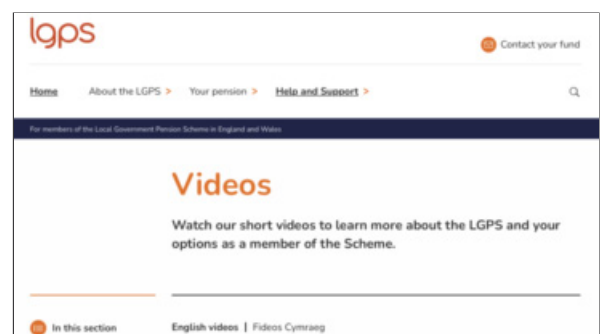
- View your annual benefit statement
- Keep us up to date by amending your personal information
- Get peace of mind by viewing documents and your expression of wish form
- Plan for your retirement by calculating pension estimates
- And much more

[Click here](#) to register today all you need is your Personal Identification Code (PIC code). If you don't have your PIC code or you have misplaced your registration letter, please [contact us](#).



Pensions made simple

If you want to find out more about your LGPS pension and your options as a scheme member and you're short on time, take a look at the Pensions Made Simple videos. These nine short videos will give you quick introductions to topics such as 'How your pension works', 'Transferring your pension', 'Protection for you and your family' and 'Life after work'. Watch the videos now on www.lgpsmember.org/help-and-support/



Useful contacts



www.moneyhelper.org.uk/en
0800 144 8943



www.unbiased.co.uk
0800 023 6868



www.citizensadvice.org.uk
0345 404 0506



www.retirementlivingstandards.org.uk



HM Revenue
& Customs

[www.gov.uk/government/
organisations/hm-revenue-customs](http://www.gov.uk/government/organisations/hm-revenue-customs)



[www.gov.uk/browse/
working/state-pension](http://www.gov.uk/browse/working/state-pension)

If You Need to Contact Us, We Are Here to Help...



www.wmpfonline.com/pension-portal



www.wmpfonline.com/contactus



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0300 111 1665

Be Pension Smart!

and take control of your pension today