

aboutMyPension

Fife Pension Fund

aboutMyPension is for information. Any decision made in regards to your benefits is made in accordance with the overriding LGPS (Scotland) Regulations as amended.

2024

Welcome to the 2024 About My Pension newsletter which includes information about your pension benefits and the Fife Pension Fund.

Your 2024 Annual Benefit Statement

Your 2024 annual benefit statement is now available to view by logging into your MSS (Member Self Service) account. You can access your MSS account by going to our website at www.fifepensionfund.org and clicking on the link to Member Self Service at the top of our website's home page.

You will find your 2024 statement in the Documents section of the site under My Documents.

Your statement shows your benefits built up to 31 March 2024 and projected to Normal Pension Age, which for most people is State Pension Age. If you take your pension before Normal Pension Age, it will be reduced to reflect it is being paid early. To help you with your retirement planning, you can run projections at different dates using the online calculator on MSS.

If you joined the LGPS after 31 March 2024, you will not receive an annual benefit statement until next year.

Planned increase to normal minimum pension age

The UK Government has announced that the earliest age you can take your pension will increase from age 55 to 57 with effect from 6 April 2028. This does not apply if you have to take your pension early due to ill health.

You could be protected from this increase if you joined the LGPS in Scotland before 4 November 2021. You could also be protected if you transferred a previous pension into the LGPS if certain conditions are met. However, you will only be able to use this protection when you take your LGPS pension if the LGPS rules allow you to take your pension before age 57.

The Scottish Government makes the LGPS rules. It has not yet confirmed if it will allow members who qualify for protection to take their LGPS pension before age 57, from 6 April 2028.

We will keep you updated on our website and in newsletters.

Member Self Service (MSS)

We really encourage you to use our MSS offering, which is a secure online facility. It is simply the easiest and quickest way to manage your pension.

Once registered you can:

- View your annual benefit statements and guidance notes
- Calculate your benefits at dates of your choice
- Make/update your nomination
- Securely upload/view documents
- Raise queries

If you have not yet registered, you can do so now by going to www.fifepensionfund.org clicking on the Member Self Service link at the top of the home page and following the registration instructions. If you have any problems registering with MSS, there's a registration guide on the forms and publications page of the website.

Visit www.fifepensionfund.org for Fife Pension Fund member self-service, guides, forms, policies, and reports.

You can also find information about the LGPS at www.scotlgpsmember.org

Key features of the LGPS

The LGPS is an important part of your employment package and provides an excellent range of benefits for you and your dependants. Highlights of the LGPS are:

A secure pension

You get a secure pension for life that increases in line with the cost of living (currently in line with the Consumer Price Index (CPI)). You can also take part of your benefit as tax free cash. For every £1 of pension you give up you get £12 tax free cash.

Your employer contributes to the cost of providing your LGPS benefits.

Flexibility to pay more, or less, contributions

You can boost your pension by paying more contributions. This can be done by paying Additional Voluntary Contributions (AVCs) or Additional Pension Contributions (APCs). Information on these options can be found on the Increasing Benefits page and in our recently published Increasing Your Pension Guide at www.fifepensionfund.org.

Our AVC providers are Prudential and Standard Life.

You also have the option in the LGPS to pay half your normal contributions in return for half your normal pension. This is known as the 50/50 section of the scheme and is designed to help members stay in the scheme when times are financially tough.

Remember pension contributions are tax free.

Peace of Mind

Your family enjoys financial security, with immediate life cover and a pension for your spouse, civil partner or eligible cohabiting partner and eligible children in the event of your death in service. The scheme also provides an ill health pension from any age if you have two years' service and have to leave due to permanent ill health.

Freedom to choose when to take your pension.

You can now choose to retire and draw your pension any time between age 55 and 75. If you retire before your Normal Pension Age (NPA) reductions will normally apply. NPA is simply the age you can retire and take payment of your benefits in full. If you are thinking of retiring early, please in the first instance run through pension estimates online using MSS retirement calculator. The estimates will take into account reductions that would apply at your proposed retirement date. The earlier you retire, the greater the reductions.

If you retire after your NPA then benefits attract an increase.

Redundancy and efficiency retirement

If you are made redundant or retired in the interests of business efficiency when you are 55 or over (or, in some cases, 50 or over), you will receive immediate payment of the pension you have built up – providing you have met the two year vesting period. Any additional pension you have bought would be reduced if you are under your Normal Pension Age when you retire.

Flexible Retirement

Flexible retirement helps you ease into retirement. If you reduce your working hours or move to a less senior position, you may be able to take some or all of the benefits you have built up.

You must be 55 and over, have met the two year vesting period and your employer must agree to a flexible retirement application.

Your benefits may be reduced for early payment if you retire flexibly before your Normal Pension Age.

Can I transfer out my benefits?

Freedom and choice legislation, which currently lets you take all or some of your pension as cash from age 55, does not apply to the LGPS because it is a defined benefit pension scheme. However, LGPS regulations currently allow payment of your pension from age 55 with the option of giving up part of your pension to increase your tax-free lump sum. You cannot access your lump sum separately from your pension.

If you are considering transferring your benefits to a scheme that allows freedom and choice flexibilities, investigate the company you are thinking of transferring to and don't be rushed into making a decision. Take your time to make all the checks you need and ask all the questions you need to ask. A transfer out of the LGPS is a major financial decision and it is important that you get guidance or advice before deciding.

The Pensions Advisory Service, Pension Wise and Money Advice Service have been replaced by Money Helper. Money Helper is a government backed service which provides you with free and impartial help at:

www.moneyhelper.org.uk

Pension Wise continues as a named service under the Money Helper umbrella.

You should also visit the FCA's ScamSmart website at www.fca.org.uk/scamsmart to find out if what you are being offered is a known scam or has the signs of being a scam.

An election to transfer must be made at least 12 months before your Normal Pension Age (NPA) in the LGPS. Also

- You cannot transfer your deferred benefits if you are also an active member of the scheme or if you have already drawn benefits from the LGPS (either in your current employment or an earlier employment).
- You must transfer all your deferred pension benefits held in the Scottish LGPS.
- If the transfer value of your benefits is £30,000 or more, you are legally obliged to take independent financial advice at your own cost.
- You are only entitled to one guaranteed CETV (Cash Equivalent Transfer Value) statement of entitlement in any 12 months period.

You must opt out of active LGPS membership before a transfer request can be processed.

Fife Pension Fund will only pay a transfer after carrying out due diligence on the receiving scheme in line with guidance from The Pensions Regulator, the FCA (Financial Conduct Authority) and The Pension Scams Industry Group.

The Occupational and Personal Pension Schemes (Conditions for Transfers) 2021 Regulations came into force on 30 November 2021 with the aim of combatting pension scams. The regulations set out conditions that must be met before a transfer can be made.

Beware of Pension Scams

Fife Pension Fund has self-certified that it meets the conditions of The Pensions Regulator's Pledge to combat pension scams.

However, you should also be aware of potential scams. Pension scams can take many forms and usually appear to be a legitimate investment opportunity. But pension scammers are clever and know all the tricks to get you to hand over your savings.

How to spot a scam

Fraudsters' tactics include:

- Contacting you out of the blue
- Claiming to be from legitimate organisations – legitimate organisations will never contact you without your permission first
- Where contact details you're given, or on their website, are only mobile phone numbers or a PO box address
- Not allowing you to call them back
- Promises of high/guaranteed returns
- Free pension reviews
- Access to your pension before age 55 without telling you will be hit with a large tax bill
- Pressured to make a quick decision

There are simple steps you can take to protect yourself against scammers at

www.fca.org.uk/scamsmart

Changes to pension taxation

The contributions you pay to the LGPS are tax-free up to certain limits. You may have to pay tax if your pension savings are more than those limits. The Government has recently made changes to these limits:

- the annual allowance has increased from £40,000 to £60,000 from 6 April 2023. Most people are not impacted by the annual allowance because their pension savings don't increase by more than £60,000 in a year.
- no-one will pay a lifetime allowance charge from 6 April 2023. Two lump sum limits were introduced from April 2024. The lump sum allowance (LSA) limits the amount of tax-free cash you can take from your pension. The lump sum allowance is £268,275. The lump sum and death benefit allowance is £1,073,100.

You can find out more about the annual allowance and lump sum limits at www.scotlgpsmember.org/your-pension/the-essentials/tax/

You can also find an Annual Allowance factsheet on our website.

Pension Dashboards

Once available, Pensions Dashboards will allow you to view, online, and in one place, information about your pensions, including your State Pension.

The deadline for public sector schemes, including the LGPS, to connect to the pensions dashboards is 31 October 2025.

An agreement is in place with Fund's software supplier for the Fund's connection to the dashboards. A data cleansing exercise is also underway to ensure member data is accurate and up to date.

We will keep you up to date with developments.

Pension Team News

Following a review of the management of the pension service, it was determined that it would be more effective and work more efficiently if there was a manager overseeing the full pension function. A new role, Pension Services Manager, has been created and the successful applicant for the post is Laura Robertson.

The Pension Services Manager role will see Laura overseeing pension fund Investments, Administration, Governance and technology as well as working with our fund stakeholders.

The McCloud Remedy

When public service pension schemes changed from final salary schemes to career average schemes in 2014 and 2015, older members were protected from the changes. In 2018, the Courts found that younger members had been discriminated against because the protection did not apply to them. Changes made to the LGPS from 1 October 2023 removes the discrimination found in the court case. These changes are called the McCloud remedy.

Not all LGPS members are affected by the changes.

You can find more information on the national LGPS website, including a short video.

Visit: www.scotlgpsmember.org/mccloud-remedy

If you are affected, you do not need to write into the pension fund or make any decisions. If you are contacted by a third-party organisation selling a service to help you claim additional pension, you should not engage with them.

As a member of the LGPS, you do not need to take any action to claim your protection under the McCloud remedy. If you qualify, the pension fund will automatically apply the protection when you take your LGPS pension.

Fund News

Fife Pension Fund continues to make progress implementing its agreed investment strategy by undertaking relevant investment and disinvestment activities over the last few years. The strategic asset allocation is demonstrated in the following chart.

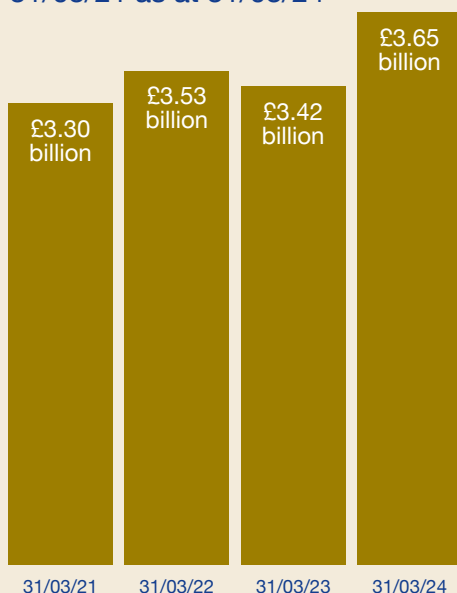
Financial markets have been turbulent in recent years however, despite this, the fund value has increased to £3.65bn as at 31st March 2024.

Asset Allocation as at 31st March 2024

Equities	49%
LDI (formerly gifts)	14%
Non Gilt debt	13%
Other real assets	22%
Cash	2%

Change in Market Value of Assets

Change in Market Value of Assets under management since 31/03/21 as at 31/03/24



Scheme Membership as at 31st March 2024

Active Members	16,163
Deferred Members	8,308
Pensioners / Dependant Members	15,963
Total Members	40,434

Protecting your loved ones

Lump sum Death Grant

If you die in service, a lump sum equivalent to three times your pensionable pay is paid out.

If you have other LGPS membership(s) the actual amount payable would be determined after considering your other LGPS membership(s). This means that if you are also in receipt of an LGPS pension or also hold LGPS deferred benefits, only one death grant will be paid: either a death in service lump sum or pensioner/deferred lump sum, whichever is the greater.

The LGPS regulations do not specify who the death grant is paid to. Fife Pension Fund has absolute discretion in deciding to whom a death grant is paid but by completing a nomination form you can help ensure quick and accurate payment of the death grant to the person or persons you would like it paid to.

The easiest way of keeping your nomination details up to date is by updating the information through Member Self Service (MSS).

Alternatively, you can download, complete, and return an 'Expression of Wish Form' available from the forms and publication section at www.fifepensionfund.org

Even if you have already completed one, please do remember to keep it up to date – this is especially important should your circumstances change. However, if you do not complete one, we will still pay out the lump sum death grant, but we will use our discretion to decide who to pay it to – normally a spouse, partner and so on. But it is far better to let us know your wishes.

Survivor/Children's Pensions

You do not need to nominate your wife, husband, civil partner, or dependent children to receive a pension on your death.

Co-Habiting Partner's Pension

If you are living with someone you are not married to, we may pay a cohabiting partner's pension.

At the date of your death, you and your partner must have been free to marry or form a civil partnership.

Also, your partner must provide evidence to show that for at least two years before your death

- You were living together as a married couple/civil partners
- Your partner was financially dependent on you, or you were financially interdependent

Contacting The Fund

Visit www.fifepensionfund.org for updates on our service and news events, as well as registering for Member Self Service.

 www.fifepensionfund.org

 pensions.section@fife.gov.uk

 03451 555555 ext 849091

or write to us at:

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