

## Hello and welcome

This newsletter provides you with important information about your LGPS deferred benefits, including a reminder that they are protected against inflation, how to avoid pension scams, protection for your loved ones and planning for your retirement.

## Your 2024 Deferred Annual Benefit Statement

Your 2024 statement shows the current value of your benefits and is 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](http://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.

## Keeping Pace with Inflation

Your pension is fully protected against inflation by an annual increase. Each April your deferred benefits are adjusted by Consumer Price Index as at the previous September. For April 2024 the increase is 6.7%. If you became a deferred member after 24 April 2023 your pension has received part of the 6.7% increase.

## Member Self Service

We really encourage you to use Member Self Service (MSS) which is a secure online facility. It is simply the easiest and quickest way to manage your pension. You can do the following online:

- Update your address (every year we lose touch with deferred members because they forget to tell us they have moved address).
- View your annual benefit statements and the guidance notes.
- Calculate your benefits at your chosen retirement date.
- See how much pension you could give up in exchange for extra tax-free cash at retirement.
- 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](http://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 available by either clicking on this link [Member Self Service \(MSS\) Registration Guide](#) or going to Forms and Publications on our website.

# Taking your Deferred Benefits from age 55

Currently you can choose to take payment of your deferred benefits from age 55 (see note below), if you are not still employed in the employment which gave rise to the deferred benefits. If you are still working in the post, but you opted out of the pension scheme, you are not eligible to receive payment of your benefits until you leave this employment.

Your benefits will be reduced if you take payment before your Normal Pension Age (NPA) to reflect that they are being paid for longer. NPA is the age when you can take payment of your benefits in full and is set by the regulations in force when you became a deferred member. If you were a member of the LGPS between 1 April 1998 and 30 November 2006, some or all of your benefits could be paid unreduced if you are protected under the 85-year rule and you retire after age 60. Your annual benefit statement shows the date when your benefits are payable without any reductions.

The Scottish Government recently amended the early retirement reductions. The amended reductions are as follows:

Number of years	Pension reduction	Lump sum reduction (for membership to 31 March 2009)
0	0%	0%
1	5.0%	1.7%
2	9.7%	3.3%
3	14.0%	4.9%
4	18.0%	6.5%
5	21.6%	8.1%
6	25.0%	9.6%
7	28.2%	11.1%
8	31.2%	12.6%
9	34.0%	14.1%
10	36.6%	15.5%
11	40.6%	N/A
12	42.9%	N/A
13	45.1%	N/A

Where the number of years is not exact, the reduction percentages are adjusted accordingly.

You can run benefit calculations on the online calculator in the Pension Benefits section on MSS. Any reductions applicable will be taken into account.

**Note: you may not be able to take your deferred benefits from age 55 in the future. Please refer to the following update on the increase to the normal minimum pension age.**

## Normal Minimum Pension Age Increase

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 must 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 or if you transferred a previous pension into the LGPS (subject to certain conditions). 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.

## Can I take my benefits before age 55?

Your deferred pension can be paid before age 55 if, because of ill health, you are permanently incapable of doing the job you were working in when you left the LGPS. However, if you became a deferred member after 31 March 2009, the Fund's medical practitioner must also certify that it's unlikely that you can undertake gainful employment before your Normal Pension Age (NPA).

## Re-joining the LGPS

If you join an employer who participates in the LGPS, your deferred benefits may be transferred to your active LGPS membership. Re-joining could enable your deferred benefits to be linked to the final pay in your new job.

It is important that you contact us and the fund that you become an active member of if you re-join the LGPS. There are LGPS rules that we must apply to your deferred benefits. If you do not provide us with any instructions, applying these rules may not be to your advantage.

# Can I transfer out my benefits?

Freedom and choice legislation, which 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 benefits 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 making a decision.

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](http://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](http://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:

- A least 12 months before your Normal Pension Age (NPA) in the LGPS.
- 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 from Fife Pension Fund in any 12 months period.

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 require Fife Pension Fund to carry out certain checks before a transfer can proceed. The checks determine whether there are any amber or red flags present. Amber flags include unclear or high charges and red flags include a member being pressurised or given an incentive to transfer. If there are amber flags, we must pause the transfer until the member has received guidance from MoneyHelper. If there are red flags, we must stop the transfer.

## McCloud Remedy

When public service pension schemes changed from final salary schemes to career average schemes in 2014 (England & Wales) and 2015 (Scotland), 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](http://www.scotlgpsmember.org/mccloud-remedy)

If you are affected, you do not need to write to the pension fund or make any decisions. 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.

If you are contacted by a third-party organisation selling a service to help you claim additional pension, you should not engage with them.

If you left the scheme before 1 April 2015 then the changes will not affect your pension.

# Picture your Future

## Retirement Living Standards

The Pensions and Lifetime Savings Association (PSLA) has created The Retirement Living Standards to help people picture their retirement.

You can view these standards at [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)

The standards show you what life in retirement looks like at three different levels – minimum, moderate and comfortable – and what a range of common goods and services would cost for each level.

When thinking about your retirement, you'll need to consider how much money you'll have from your LGPS pension, as well as from the state pension and any other pensions you may have. You can check your state pension at

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

You can track down 'lost' pensions at [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

Remember if you are thinking of whether you can afford to retire early, your LGPS benefits will be reduced if paid before your Normal Pension Age. You can run through projections on the MSS online calculator to help you plan for your retirement.

# Protecting your loved ones

Information relating to death in retirement and survivor benefits are detailed on our website at:

[www.fifepensionfund.org/your-pension/pensioners/death-in-retirement/](http://www.fifepensionfund.org/your-pension/pensioners/death-in-retirement/)

## Lump Sum Death Grant

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The LGPS regulations do not specify who is paid a lump sum death grant. We make the final decision on who to pay the lump sum to. Before we make any decision, we will consider any wishes you have expressed but we are not bound by this.

Your current nomination is shown on your 2024 statement. You can update your nomination online through MSS or completing an expression of wish form available from the forms and publications section on our website.

Please make sure your nominated beneficiaries are up to date and the details are still current.

## Survivor Benefits

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You do not need to nominate your wife, husband, civil partner, or dependent children to receive a pension on your death, but we advise that you make a nomination for the lump sum death grant and keep it up to date.

## Co-Habiting Partners

(Only applies to post 31 March 2009 leavers)

If you ceased to be an active member before 1 April 2009, we do not pay a cohabiting partner's pension.

If you were an active member after 31 March 2009 and 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 2 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

## Are your personal details up to date?

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Please let us know as soon as possible of a change of address, name, or marital status.



# Pension Dashboards

The Pensions Dashboards Programme is progressing and will affect all UK Pension schemes. Once available, the Pensions Dashboard will allow you to view information for all your pensions, including your State Pension, in one place online. The deadline for public sector schemes, including the LGPS, to connect to the pensions dashboards is 31 October 2025.

The Fund has contracted with our software supplier to be our ISP (Internet Service Provider) for connection to the Dashboard. A data cleansing exercise is underway to ensure member data is accurate and up to date.

We will keep you up to date with developments.

## Pension scams and fraud

### How to avoid them

Fife Pension Fund has certified that it meets The Pensions Regulator's pension scams pledge meaning that when required we will ensure we make members aware of the potential of scams, and how to spot them. However, you should also be aware of how to spot a potential scam even if you think it will never happen to you.

Pension scams can take many forms and usually appear to be a legitimate investment opportunity. Pension scammers are clever and know all the tricks to get you to hand over your savings.

There are simple steps you can take to protect yourself against scammers at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

### How to spot a scam

Fraudsters' tactics include

- Contacting you unexpectedly, completely 'out of the blue'
- Claiming to be from legitimate organisations – legitimate organisations will never contact you without your permission first.
- Only providing you with their website address; mobile phone numbers or a PO box address to contact them.
- 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.

# 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.

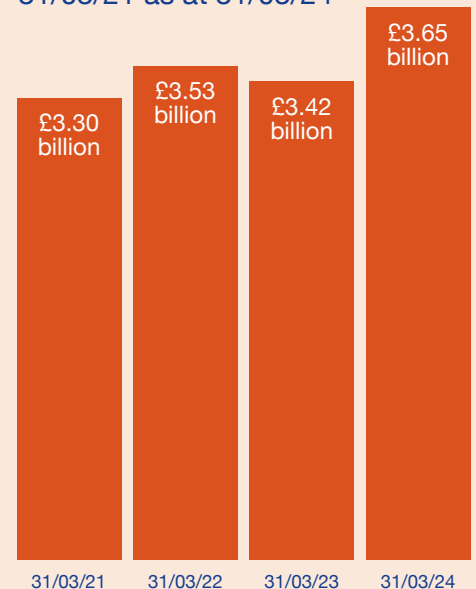
Financial markets have been turbulent in recent years however, despite this, the fund value has increased to £3.65bn as at 31st March 2024.

## 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
<b>Total Members</b>	<b>40,434</b>

## Contacting the Fund

You can visit [www.fifepensionfund.org](http://www.fifepensionfund.org) for updates on our service and news events. You can also register for Member Self Service through this site.

Write to: Pensions Team, Finance Service, Fife Council,  
Fife House, North Street, Glenrothes, Fife, KY7 5LT

Email: [Pensions.section@fife.gov.uk](mailto:Pensions.section@fife.gov.uk)

Telephone: 03451 555555 ext. 849091