



# PENSION PROJECTIONS

A guide to calculating your own pension  
projections using the “My Pension” online facility

For members of the  
Local Government Pension Scheme

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## Introduction

The purpose of this guide is to explain how you can estimate your projected pension benefits using the *My Pension* online facility. The guide assumes that you have successfully completed the registration process and have been able to reach the home page of the *My Pension* facility. The system should be used for illustration purposes only and, whilst every effort is made to ensure the online facility is accurate, the pension fund does not guarantee to pay any benefits projected by the *My Pension* facility. Your actual benefits will be calculated by the Pension Services team at your date of retirement. Please note that this online facility is for voluntary retirement only and not retirement which requires employer approval (flexible retirement, ill-health retirement, redundancy or business efficiency led retirement).

## About Your Retirement Date

You can voluntarily retire and draw your pension benefits at any age on or after age 55 and before age 75, provided you have at least 2 years membership of the scheme.

However, your benefits are only payable in **full** if you voluntarily retire and draw your benefits from your Normal Pension Age (NPA). The NPA is the same as the State Pension Age with a minimum of age 65.

If you choose to voluntarily retire before your Normal Pension Age (NPA) your benefits will normally be reduced to take into account that the benefits will be paid for a longer period of time.

As a general guide, the current percentage reductions for retirements up to 13 years early are shown in the table on page 4 (Image 1). Where the number of years early is not exact, the reduction percentages are adjusted accordingly.

If you have membership of the LGPS before 1 April 2014 some of your benefits may be protected at an earlier NPA and these protections will be included in the calculation of your benefits when you use the projector.

| No. of years paid early | Pension reduction Men | Pension reduction Women | Lump Sum (for membership to 31 March 2008) |
|-------------------------|-----------------------|-------------------------|--|
| 0                       | 0.0%                  | 0.0%                    | 0%   |
| 1                       | 5.6%                  | 5.2%                    | 2.9%                                       |
| 2                       | 10.8%                 | 10.1%                   | 5.7%                                       |
| 3                       | 15.5%                 | 14.6%                   | 8.5%                                       |
| 4                       | 20.0%                 | 18.8%                   | 11.2%                                      |
| 5                       | 24.0%                 | 22.7%                   | 13.7%                                      |
| 6                       | 27.8%                 | 26.4%                   | 16.3%                                      |
| 7                       | 31.4%                 | 29.8%                   | 18.7%                                      |
| 8                       | 34.7%                 | 33.0%                   | 21.1%                                      |
| 9                       | 37.7%                 | 36.1%                   | 23.4%                                      |
| 10                      | 40.6%                 | 38.9%                   | 25.6%                                      |
| 11                      | 44.2%                 | 42.2%                   | N/A *                                      |
| 12                      | 47.6%                 | 45.5%                   | N/A *                                      |
| 13                      | 50.9%                 | 48.6%                   | N/A *                                      |

**Image 1:** Early Retirement Reduction Table

### Checking Your Pension Record

Before using the Benefit Projector we recommend you check that your pension record is up to date and reflects the membership you hold in the LGPS. You can do this by selecting 'Membership Details' from the menu. If you think any of your membership details are not correct, please contact the My Helpdesk Pensions team – contact details can be found on page 9 of this guide.

### Using the Benefit Projector

If you are thinking of voluntarily retiring before, at or after your NPA you may want to use this facility as a guide to the benefits that may be payable. The voluntary retirement calculation is initially performed with the retirement date set to the earliest date on which you can retire without a reduction (your NPA).

To calculate your own projections, you should first select **Pension Benefits** from the main dashboard, **Benefit Projectors** and click **Voluntary Retirement** (see image 2).

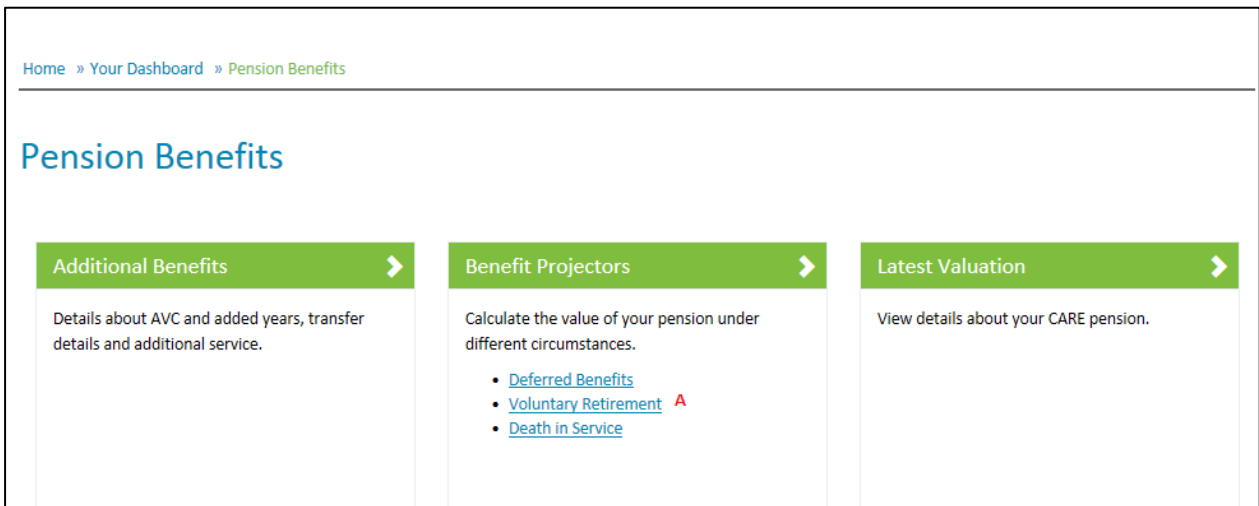


Image 2. Pension Benefits screen

There are several sections to complete and these are detailed below (see Image 2)

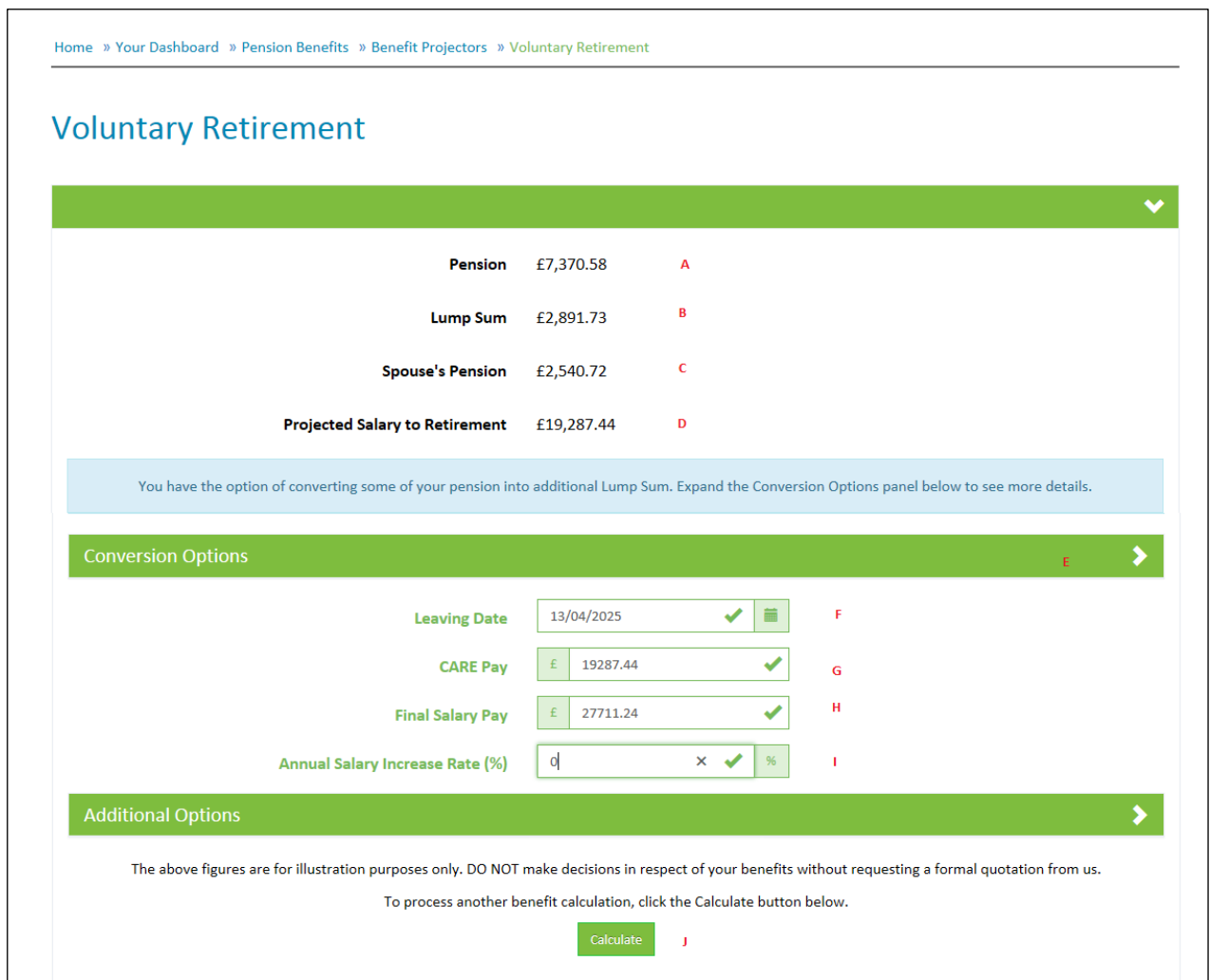


Image 3. Voluntary Retirement screen

The following fields (marked by an asterisk) are mandatory:

- A. **Pension** this is the total estimated value of your yearly pension at date of leaving, including both your final salary pension (membership up to 31 March 2014) and CARE pension (for membership from 1 April 2014), which will be paid from your date of leaving employment.
- B. **Lump Sum** this is the one off lump sum payment relating to any membership before 1 April 2008 and is based on your date of leaving employment. If this section appears as zero it normally means you have no LGPS service prior to 1 April 2008. See the 'Converting Pension to Lump Sum' section below for details of how to increase your lump sum.
- C. **Spouse's Pension** is an estimate of the amount that would be payable to a surviving partner (subject to eligibility criteria) in the event of your death. This is based on the partnership status we hold on our records and is shown in the 'Personal Details' section of the online facility. If the partnership status we hold is incorrect you can contact the My Helpdesk Pensions team who can update this for you (see contact details on page 9). The Spouse's Pension does not take account of any deductions relating to a pension sharing order following divorce.
- D. **Projected Salary to Retirement** is the actual CARE pay that was used for the purpose of the benefit projection. The system assumes that your pay will stay at the current rate until your retirement date unless sections **Annual Salary Increase Rate** and **Inflation** have been completed.
- E. You will have an option to convert some of your annual pension into a tax-free lump sum. See [www.lgpsmember.org/more/lump-sum-calculator](http://www.lgpsmember.org/more/lump-sum-calculator)
- F. **Leaving Date** is the date you are considering retiring (please note that this date cannot be prior to your 55th birthday).
- G. **CARE Pay** this pay is also known as your Cumulative Pensionable Pay. Your CARE (or Cumulative Pensionable) Pay is the actual pay that you expect to receive in a Scheme (financial) Year (for example from 1 April 2017 to 31 March 2018). The benefit projector will assume that you will continue to receive this level of pay in future years. For more information on CARE Pay see [www.lgpsmember.org](http://www.lgpsmember.org) If you think you are unable to estimate your yearly CARE Pay for the benefit projector you can ask your employer to provide you with this information. If you want them to provide this estimated figure you can ask them to complete the enclosed Form LG30.

- H. **Final Salary Pay** is determined by the Local Government Pension Scheme (LGPS) Regulations 2008. Unlike CARE Pay above, which is your actual yearly pay regardless of how many hours you work each week, this figure is always the Full-Time Equivalent Pay figure for a 12 month period (e.g. if you work 18/36 hours per week and receive £ 10,000 a year, the Full-Time Equivalent would be £ 20,000). The Final Salary Pay is used to calculate any benefits you built up in the Final Salary scheme up to 31 March 2014 and will generally exclude overtime or additional hours (as these were not pensionable until April 2014). For more information about Final Salary Pay under the LGPS Regulations 2008 you can check the LGPS glossary at [www.lgpsmember.org](http://www.lgpsmember.org) If you think you are unable to estimate your Final Salary Pay for the benefit projector you can ask your employer to provide you with this information. If you want them to provide this estimated figure, you can ask them to complete the Form LG30.
- I. **Annual Salary Increase Rate (%)** is an assumed pay increase. This is to help illustrate how possible future pay increases might impact on your pension in the LGPS. This is an optional field and we suggest you leave it as zero to ensure the estimated benefits will reflect their value in today's terms.
- J. To process the benefit calculation click **Calculate**.

If you are considering taking your benefits before your normal pension age (NPA) you will also receive a message about the reductions that have been applied to your pension and any lump sum. These are shown for information only as the figures in (A) and (B) above are the amounts after these reductions. You can read more about your NPA in the section called 'About Your Retirement Date' on page 3 of this guide.

### Converting some of your Pension into Lump Sum

Once you decide to retire you will have the option to convert some of your pension into a tax-free lump sum. If you wish to find out more about the conversion options, for more details see:

[www.lgpsmember.org/more/lump-sum-calculator.php](http://www.lgpsmember.org/more/lump-sum-calculator.php).

The benefit projector allows you to estimate the amounts you can convert by clicking in the area marked as E in Image 4 above which will bring up the graph shown in Image 5 below. You can then change the overall pension and lump sum amounts by dragging the circle on the line within the graph.



**Image 4.** Summary of Conversion Options

- K. **Annual Pension** is the amount of pension that will be paid on a yearly basis.
- L. **Pension Converted to Lump Sum** is the amount of pension that was exchanged for tax-free lump sum.
- M. **Total Lump Sum** is the sum of automatic tax-free lump sum, if you were a member of the LGPS before 1 April 2008, and any additional tax-free lump sum that you have given up a part of your annual pension for.
- N. **Additional Lump Sum** is the additional tax-free lump sum that you would receive (included in C above) based on the amount of annual pension given up.

The maximum conversion figures must keep within HMRC limits, and the Fund will calculate them when you retire. These figures do not include any in-house AVC (additional voluntary contribution) fund you may have which will affect the maximum amount you can convert.

The benefit projector will estimate benefits on the basis of your current section. If you are currently considering moving from the full section to the 50/50 section or vice versa you can complete the **Date of Change** field. This allows you to see the impact of switching from one section to another in the future.

An example of completed Benefit Projection input for voluntary retirement is shown in Image 5.



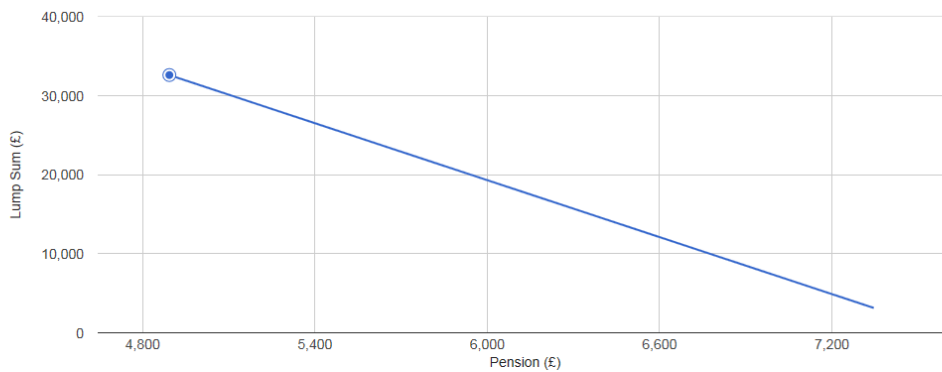
## Voluntary Retirement

|                                       |            |          |
|---------------------------------------|------------|----------|
| <b>Pension</b>                        | £7,370.58  | <b>A</b> |
| <b>Lump Sum</b>                       | £2,891.73  | <b>B</b> |
| <b>Spouse's Pension</b>               | £2,540.72  | <b>C</b> |
| <b>Projected Salary to Retirement</b> | £19,287.44 | <b>D</b> |

You have the option of converting some of your pension into additional Lump Sum. Expand the Conversion Options panel below to see more details.

### Conversion Options

Click on the line within the graph to see the effects of converting your pension to lump sum:



|                                      |           |          |                            |            |          |
|--------------------------------------|-----------|----------|----------------------------|------------|----------|
| <b>Annual Pension</b>                | £4,893.15 | <b>F</b> | <b>Total Lump Sum</b>      | £32,620.89 | <b>H</b> |
| <b>Pension converted to Lump Sum</b> | £2,477.43 | <b>G</b> | <b>Additional Lump Sum</b> | £29,729.16 | <b>I</b> |

|  |            |          |
|--|------------|----------|
| <b>Leaving Date</b>                    | 13/04/2025 | <b>J</b> |
| <b>CARE Pay</b>                        | £ 19287.44 | <b>K</b> |
| <b>Final Salary Pay</b>                | £ 27711.24 | <b>L</b> |
| <b>Annual Salary Increase Rate (%)</b> | 0          | <b>M</b> |

### Additional Options

**Inflation (%)**  % **O**

**Current Benefit** MAIN

If you want to perform a calculation based on switching your benefit type, please enter the date of change below.

**Date of Change**

**New Benefit** 50/50

If you wish to change back at a future date, please enter the timespan after which the benefit will revert back to its current type.

**Years**  **Months**

The above figures are for illustration purposes only. DO NOT make decisions in respect of your benefits without requesting a formal quotation from us.

To process another benefit calculation, click the Calculate button below.

**P**

Image 5. Example of completed Benefit Projection input for voluntary retirement

N. Additional options

O. Inflation (%): This is an optional field and we suggest you leave it as zero to ensure the estimated benefits will reflect their value in today's terms.

Once the benefit calculation has been processed all relevant information will be summarised as shown in Image 5.

### **Any Questions?**

We hope that you find the Benefit Projector helpful in your retirement planning. If you require any further assistance please contact the My Helpdesk Pensions team. Our contact details are as follows:-

#### **My Helpdesk Pensions Business Operations | Orbis**

Office: 0300 200 1031 | Fax: 020 8541 9219

Email: [myhelpdeskpensions@surreycc.gov.uk](mailto:myhelpdeskpensions@surreycc.gov.uk)

Address: Room 218, County Hall, Penrhyn Road, Kingston-Upon-Thames. KT1 2DN