

important news about your deferred

pension benefits



Dear

Please take a few minutes to read this bulletin - it contains important information about the benefits you built up with Greater Manchester Pension Fund.

The benefits you built up are called **deferred benefits** and important changes in the Scheme rules affecting these came into effect in April this year.

In the past we told you that if you ever rejoined the Local Government Pension Scheme, it was possible to leave your options open, as you could combine your deferred membership with your new membership at any time. Now a time limit usually applies and so we urge you to read this bulletin carefully to find out more.

You will find our helpline number on the back, but as we are sending out around 25,000 of these, our telephones are going to be very busy! So if you have a question and have access to the Internet, please try our website first - we might have information there that tells you what you need to know. You can also notify us of changes of address via the website too.

I hope you find this helpful.

Ged Dale

Head of Pensions Administration.



New deadline for deferred benefits if back in the LGPS

If you have benefits 'on hold' from an earlier LGPS job, these are known as deferred benefits. If you have since rejoined the Local Government Pension Scheme (LGPS), or you rejoin in future, you have two choices:

1. Keep your current benefits and your deferred benefits completely separate, or
2. Transfer your earlier membership to your new LGPS job

In the past you could leave your options open, because you could transfer your earlier membership at any time. But this has now all changed, and you can only transfer your deferred membership whilst still paying into the Scheme, and before these deadlines:

- 31 March 2005 If you had already rejoined the LGPS by 1 April 2004, or...
- 12 months from rejoining the LGPS if you rejoin after 1 April 2004

Also, if you have more than one set of deferred benefits, you may only be able to transfer your most recent set - more detailed notes are available from our helpline. Your new LGPS employer may allow you more time, but if not, these rules will apply. So please check with them.

Deferred benefits - transfer or keep separate?

When you left, your deferred benefits were worked out on the membership you built up, and your final pay at the time. Inflation proofing has then been added to keep their value up to date. If you keep your deferred benefits separate, you will simply get the 'up to date value' of these benefits.

If you instead transfer this membership to your current LGPS job, you will have one set of benefits based on total membership from both jobs, and final pay in your current job.

So you could assume that as long as your current pay is higher

than your old pay (plus the inflation proofing which has been added) you will benefit from transferring rather than keeping your deferred benefits separate.

This is often the case, but there are several other things to bear in mind, including...

- If there is a big gap between the two jobs, your current benefits may have a later retirement age than your deferred benefits. If you transfer your earlier membership, you might end up with a later retirement age for this too.
- Your decision could improve or reduce any ill health enhancements, because of the way these are worked out
- If you die before you retire, and keep your benefits separate, we will pay out more than one lump sum

To find out more, please visit our website where you will find a ready reckoner showing the effect of inflation on your earlier pay, and more detailed notes to download.

After reading all this, if you decide to keep your deferred benefits separate, you don't need to do anything further.



Ben left the Scheme at 40. He had fifteen years' membership, and his pay back then was £10,000. Ben rejoined the Scheme at 45, and chose to leave his deferred benefits separate. He's now in his fifties - and like you - is wondering what to do for the best...

The pay factor

Ben's pay when he left was £10,000 - nowhere near as good as his pay now of £20,000. But remember his deferred benefits have been increased in line with inflation - in this case 60%. So that's equivalent to having them based on a pay of £16,000.

Based on this, Ben decides to transfer his membership and have it all 'in one pot'. Here's how the figures compare for both options based on today's pay, and his projected membership to age 65.

Current value of separate deferred benefits

PENSION: £3,000
LUMP SUM: £9,000

Current job: benefits at 65 based on today's pay

PENSION: £5,000
LUMP SUM: £15,000

TOTAL IF HE KEEPS THEM SEPARATE

PENSION: £8,000
LUMP SUM: £24,000

TOTAL IF HE TRANSFERS

PENSION: £8,750
LUMP SUM: £26,250

Example

New complaints system



If you disagree with a decision which has been made about your pension you can complain. For some time, we have had a two stage complaints system in place, but recent changes in the rules affect who handles your case, for any complaints made on or after 1 June 2004,

This is how it will work:

Stage 1: Your first stage is to write to whoever made the decision you disagree with - either your employer or ourselves. You should do this within six months.

Stage 2: If you disagree with the Stage One Referee's decision, you can appeal to the Stage Two Referee. This will be one of two people appointed by ourselves, no matter who your complaint is against.

All other aspects of the complaints system remain the same - for example your right to go to OPAS or the Pensions Ombudsman. Details are in the Members' Guide.

Please note:

If you had already made a complaint before 1 June 2004, the previous arrangements will remain unchanged until your case has been finalised.

Stage 1: Put your complaint in writing to whoever made the decision you disagree with...

Complaints against employer

Your employer's Pensions Officer will be able to tell you who to write to.

Complaints against this Fund

Director of Pensions
Council Offices
Wellington Rd
Ashton under Lyne
OL6 6DL.

Stage 2: If you are unhappy with the Stage One decision, (or you haven't had a reply within three months) you can appeal to one of the Stage Two Referees: .

All Stage Two Complaints:

The Pensions Referee
Room 2.48
Council Offices
Wellington Rd
Ashton under Lyne
OL6 6DL.

How much are you worth?

It's often said that your pension benefits package may well be one of your most valuable assets. So to help you keep track of any deferred pension benefits in this Fund, we will soon be sending out benefit illustrations.

The first ones should go out in February 2005, and then once a year after that. Remember, if you also have separate LGPS benefits from a current job, you will get a separate illustration covering these.



Change in rules on ill health retirements

If you become permanently too ill to do the job you used to do when you were paying into the Scheme, you may be able to draw your benefits early on ill health.

Your previous employer asks a specially qualified doctor to form an opinion as to whether you are unable to do the job in question right up to age 65.

A change in the wording of the regulations mean that the doctor should consider whether this more likely than not applies to you.



How we can help you, and how you can help us....

Happy to help

Pensions Helpline
0161 301 7000

Please have your National Insurance number handy when calling

If you move house...



Please help us to keep in touch with you by letting us know if you move house, or if we haven't got your correct address. You can do this through our website, or simply ring the helpline and we will change your records there and then.

 www.gmpf.org.uk

 mail@gmpf.org.uk