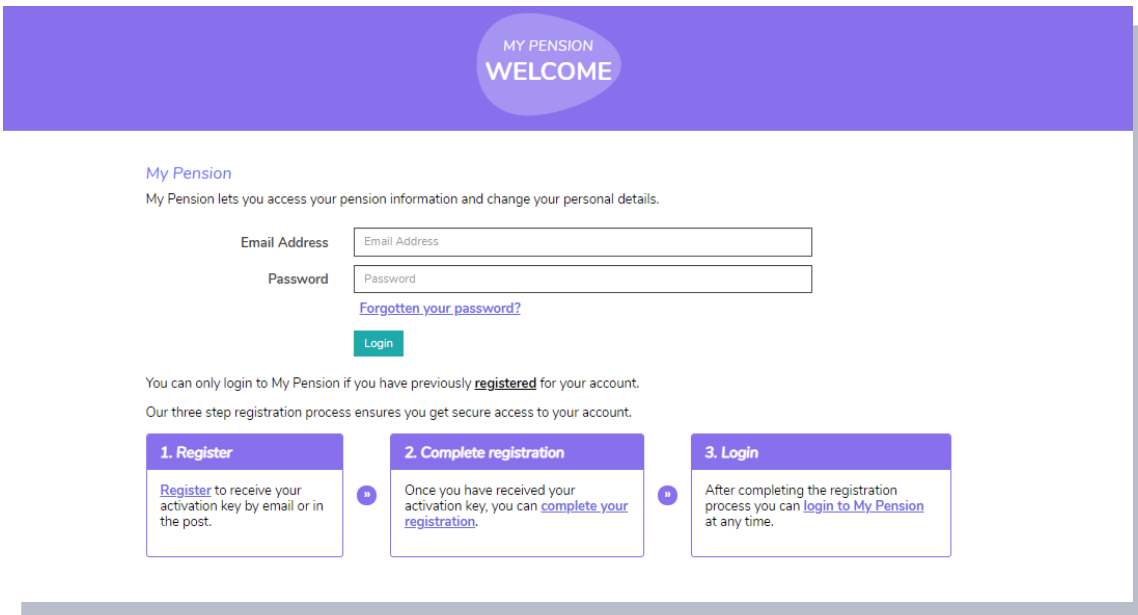


GMPF – Pension Overview presentation



Greater Manchester
Pension Fund





The screenshot shows the 'My Pension' login and registration interface. At the top, a purple banner reads 'MY PENSION WELCOME'. Below this, the 'My Pension' heading is followed by the text 'My Pension lets you access your pension information and change your personal details.' The login section includes fields for 'Email Address' and 'Password', a 'Forgotten your password?' link, and a green 'Login' button. A note states: 'You can only login to My Pension if you have previously **registered** for your account. Our three step registration process ensures you get secure access to your account.' Below this, a three-step registration process is outlined in purple boxes: 1. Register (link to register), 2. Complete registration (link to complete registration), and 3. Login (link to login to My Pension).

MY PENSION
WELCOME

My Pension
My Pension lets you access your pension information and change your personal details.

Email Address

Password

[Forgotten your password?](#)

Login

You can only login to My Pension if you have previously **registered** for your account.
Our three step registration process ensures you get secure access to your account.

1. Register
[Register](#) to receive your activation key by email or in the post.

2. Complete registration
Once you have received your activation key, you can [complete your registration](#).

3. Login
After completing the registration process you can [login to My Pension](#) at any time.

- Instant access to your pension information
- Check current value of your benefits
- Run your own forecast
- Update death grant expression of wish
- Change basic details
- Upload documents when prompted

Your Local Government Pension – it's guaranteed



How pensions work video by GMPF

This can be viewed at [Educational videos – GMPF](#)



Your Local Government Pension – it's guaranteed

Defined Contribution Scheme	Defined Benefit Scheme
You decide where to invest and how much risk to take	GMPF in house investment team invest contributions from you and your employer
Value of benefits may go up or down depending upon investment performance	Your pension is calculated using a set calculation
Number of choices when accessing your pot	Annual income payable for life

Defined Benefit Scheme



Calculating your Local Government Scheme Pension – Final salary



Pre April 2008:

$\text{Years membership} * \text{final salary} / 80$	Yearly Pension
$\text{Years membership} * \text{final salary} / 80 * 3$	Automatic tax free lump sum

April 2008 to March 2014:

$\text{Years membership} * \text{final salary} / 60$	Yearly pension
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The LGPS provides a guaranteed income paid for life when you retire. You have benefits in both the final salary scheme and the Career Average Revalued Earnings scheme.

Membership in the final salary scheme is based on your full time equivalent salary when you leave.

Calculating your Local Government Scheme Pension – CARE scheme



On 1 April 2014 the LGPS moved to Career Average Revalued Earnings scheme. Anyone paying into the scheme on or after that date will have some of their benefits worked out under this scheme.

In this example, the member has paid in £6,656 in contributions over five years. If they then retire at their normal pension age, they will receive £2612 every year for the rest of their life.

Year	Annual salary	Pension earnt (Worked out using 1/49 of pensionable salary)	Carried forward to next year	Increase in line with price rises	Yearly amount paid by the member inc 20% tax relief
1	£24,000	£489.80	£489.80	0%	£1,248
2	£26,000	£530.61	£1,020.41	0%	£1,352
3	£26,000	£530.61	£1,551.02	0%	£1,352
4	£26,000	£530.61	£2,081.63	0%	£1,352
5	£26,000	£530.61	£2,612.24	0%	£1,352
Total	-	-	£2,612.24	-	£6,656

What is my retirement date?



In 2014 the Normal Pension Age (NPA) changed:

SPA

Benefits built after April 2014 –
NPA is linked to your State Pension Age

65

Benefits built
before 2014 – NPA is age 65

You must normally access
all your benefits at the
same time

Calculating your Local Government Scheme Pension



	Final Salary		Career average revalued earnings
	Up to 31 March 2008	1 April 2008 – 31 March 2014	From 1 April 2014
	1/80	1/60	1/49
Contribution	6 per cent	From 5.5 per cent – 7.5 per cent	From 5.5 per cent – 12.5 per cent
NPA	65	65	The higher of age 65 or SPA
Pension calculation	Final salary / 80 x membership = total annual pension plus automatic lump sum	Final salary / 60 x membership = total annual pension	Each year Salary / 49 is added to your pension account total pension pot = total annual pension
Automatic tax free lump sum	Yes	No	No

Early retirement



- **You can access your pension from age 55**

However you must leave the job you are in to do this

- **Voluntarily retiring before your Normal Pension Age means reductions are applied to your benefits**

This is because you are being paid for longer

- **Some of your pension could be protected if you meet the 85 years rule**

To meet this you must have been a member of the Scheme before 6 October 2006

Years early	Pension reductions	Lump sum reductions
0	0%	0%
1	4.9%	1.7%
2	9.3%	3.3%
3	13.5%	4.9%
4	17.4%	6.5%
5	20.9%	8.1%
6	24.3%	9.6%
7	27.4%	11.1%
8	30.3%	12.6%
9	33.0%	14.1%
10	35.6%	15.5%
11	39.5%	N/A
12	41.8%	N/A
13	43.9%	N/A

Benefits example



Diane's pension break down

$\text{£}27,612 / 80 * 6 \text{ years} =$

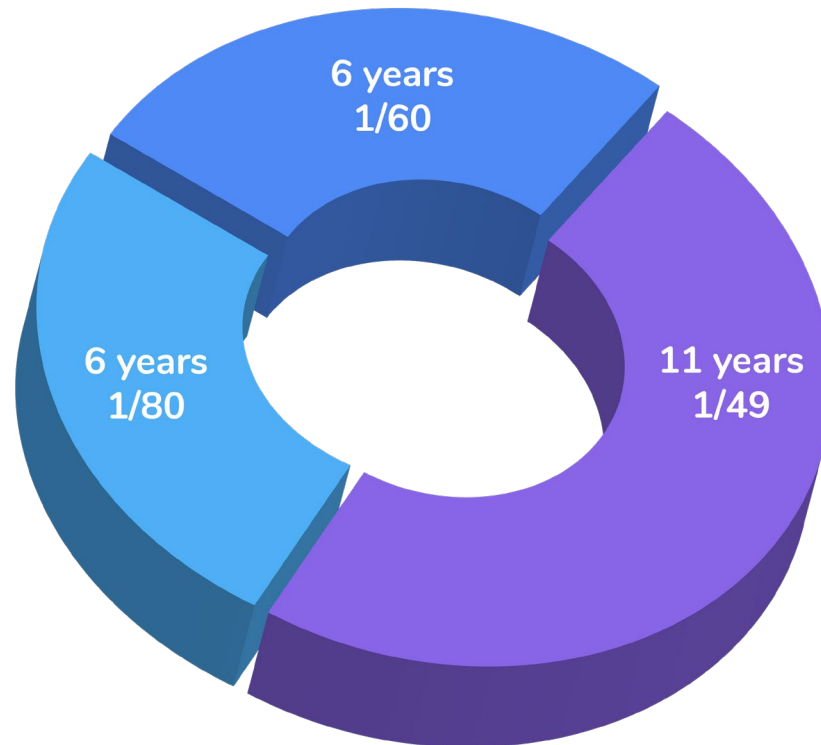
Annual pension £2070 +
Lump sum £6210

$\text{£}27,612 / 60 * 6 \text{ years} =$

Annual pension £2761

Yearly salary / 49 for 11 years =

Annual pension £6645



***Up to 25% of pension can be taken as a lump sum tax free. Conversion rate is £1 pension - £12 lump sum**

Diane has two options:

Option 1	Option 2
Annual pension £11,476 Tax free lump sum £6,210	Annual pension £7,711 Tax free lump sum £51,400*

When should you retire?



When you retire voluntarily before your normal pension age (66-68) your pension is reduced. This is because your pension will be paid for a longer period.

In the example below you can compare the value of this members annual pension together with the total amount they will be paid depending on life expectancy.

Retirement age	Annual pension	Annual pension after 20% tax	Lump sum	Total amount received by age 70 (ex tax)	Total amount received by age 75 (ex tax)	Total amount received by age 80 (ex tax)	Total amount at 80 inc 20% tax
68	£24,816	£22,366	£0	£49,632	£173,712	£297,792	£268,392
60	£13,714	£13,485	£0	£137,140	£205,710	£274,280	£269,700
55	£9,142	£9,142	£0	£137,130	£182,840	£228,550	£228,550

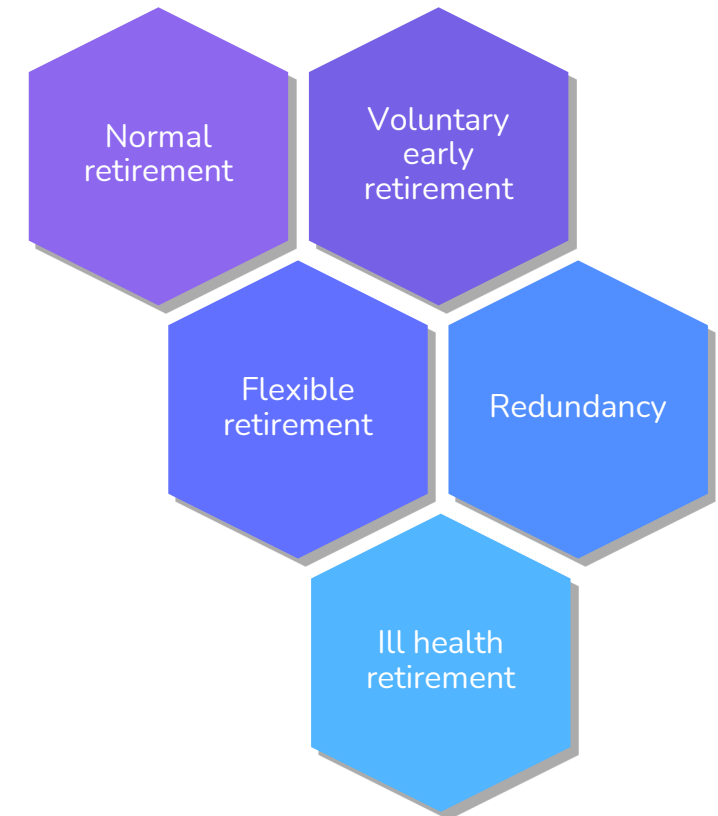
PLEASE NOTE - The information above does not constitute financial advice. Please speak to an independent financial advisor for advice regarding your retirement plans and finances.

Types of retirement



Providing you have met a two year qualifying period:

Type of retirement	Minimum age for retirement	Employers permission needed?	Are reductions applicable?	Do I need to leave employment?
Normal retirement	State Pension Age	No	No	Yes
Voluntary early retirement	55	No	Yes	Yes
Flexible	55	Yes	Yes	No
Redundancy	55	Yes	No	Yes
Ill Health*	Any	Yes	No	Yes



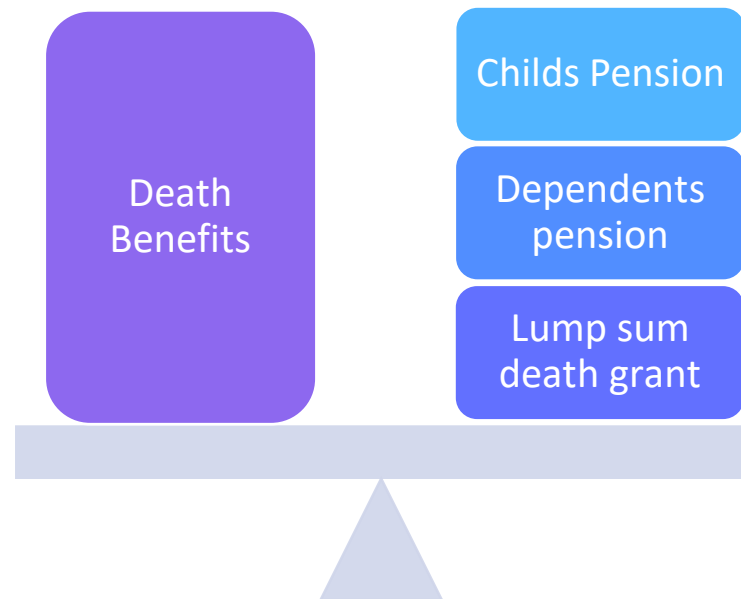
* Must have met the two year vesting period and meet the criteria. Three tiers of ill health depending on the severity of the condition.

Death benefits



As a member of the LGPS you have:

- Life cover
- Financial protection for your family



Childs Pension

Paid to your children until they reach 18. If they are in full time education this could be raised to 23.

Dependents Pension

Regular payment to a dependant. For example, spouse, civil partner or cohabiting partner.

Lump sum death grant

Equal to three times annual salary. Usually paid to your nominated person.



Make your lump sum nomination on



Topping up your benefits - APCs



	Additional Pension Contributions (APC)
Management	By GMPF
What am I purchasing?	Extra fixed amount of GMPF pension, some of which can be converted to a lump sum
Maximum contributions	Up to £7,352 of extra annual pension*
Can I change my contract at any point?	No
How do I pay?	By lump sum or by regular contributions via your payroll
Flexible contributions?	No
Can I transfer my contract out of the scheme?	No - unless you are also able to transfer your main scheme benefits
If I pass away during the contract will it be paid?	No
Amounts included in Annual Benefit Statement?	Yes

Overview

- Reductions applicable
- Contributions not flexible
- Maximum of £7,352 of extra annual pension
- Not available in the 50/50 section

- ✓ Cancel at any time
- ✓ Tax relief for tax payers

* There are HMRC Pension Limits on the amount of pension you can build up before incurring a tax charge. These are called the [Annual Allowance](#) and the [Lifetime Allowance](#). APCs and AVCs are both subject to these limits.

Topping up your benefits - AVCs



Overview

- Contributions are flexible
- Purchase up to 100% of your salary
- Subject to HMRC Limits
- Take up to 100% as tax free cash*

- ✓ Cancel at any time
- ✓ Tax relief for tax payers

* There are HMRC Pension Limits on the amount of pension you can build up before incurring a tax charge. These are called the [Annual Allowance](#) and the [Lifetime Allowance](#). APCs and AVCs are both subject to these limits. The maximum lump sum that can be taken as tax free cash is subject to the HMRC 25% limit.

	Additional Voluntary Contributions (AVC)
Management	By Prudential
What am I purchasing?	A pension pot which can be accessed in a number of ways
Maximum contributions	Up to 100 per cent of your salary*
Can I change my contract at any point?	Yes
How do I pay?	Regular contributions via your payroll
Flexible contributions?	Yes
Can I transfer my contract out of the scheme?	Yes** - to an approved HMRC scheme
If I pass away during the contract will it be paid?	Yes
Amounts included in Annual Benefit Statement?	No

Points to consider



- Saving into any pension attracts tax relief.
- Your employer pays an average of around 20% of your salary into your GMPF pension – This is to meet the guarantees the scheme provides.
- Your pension in the LGPS is not a 'pot' of money. It's a guaranteed income payable every year for the rest of your life. The scheme also provides valuable life cover for those close to you.
- Deciding when and how to access your pension is a personal choice. The best retirement date is typically the date that works best for you and your plans in retirement.
- To start the retirement process, first generate figures using the pension calculator. Then, let your employer know.

Thank you

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