



Greater Manchester Pension Fund

LGPS – Pre Retirement Session





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
- Check your monthly pensioner payslips
- View current and historic P60's

Your Local Government Pension – its guaranteed



How pensions work video by GMPF

This can be viewed at <https://www.gmpf.org.uk/about/educational-videos>.

Your Local Government Pension – its guaranteed

Defined Benefit Scheme

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 worked out using a set calculation
Number of choices when accessing your pot	Annual income payable for life



Calculating your Local Government Scheme Pension

Up to three different calculations:

CARE

(April 2014 onwards)

Each year Salary / 49 is added to your pension account

total pension account = **total annual pension**

Final Salary

(April 2008 – March 2014)

Final salary / 60 x membership =
total annual pension

Final Salary

(Pre April 2008)

Final salary / 80 x membership =
total annual pension
plus **automatic lump sum**



What is my retirement date?

In 2014 the Normal Pension Age (NPA) changed:

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

SPA

Benefits built
before 2014 – NPA is age 65

65

All benefits must generally be taken at the same time

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	5.1%	2.3%
2	9.9%	4.6%
3	14.3%	6.9%
4	18.4%	9.1%
5	22.2%	11.2%
6	25.7%	13.3%
7	29.0%	15.3%
8	32.1%	17.3%
9	35.0%	19.2%
10	37.7%	21.1%
11	41.6%	N/A
12	44.0%	N/A
13	46.3%	N/A

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

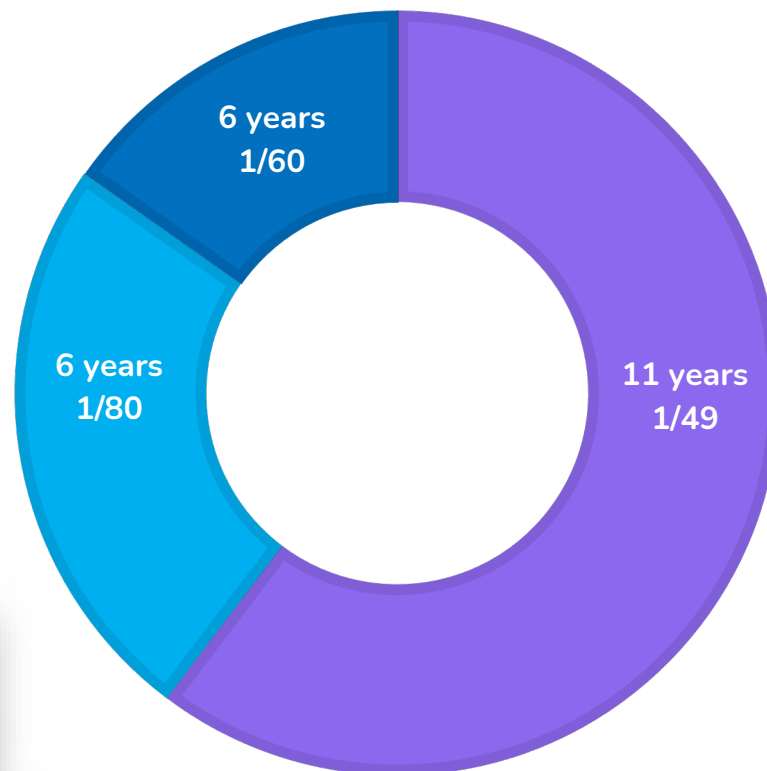
PLEASE NOTE - The information above does not constitute financial advice. Please speak to an independent financial advisor for advice regarding your retirement plans and finances.

Benefits Example



Diane

Retires at 67
Final Salary - £27,612
Joined GMPF – 2002



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

Standard
Benefits

Annual pension
£11,476
Tax free Lump
Sum £6,210

Maximum
lump sum
option*

Annual pension
£7,711
Tax free lump
sum £51,400

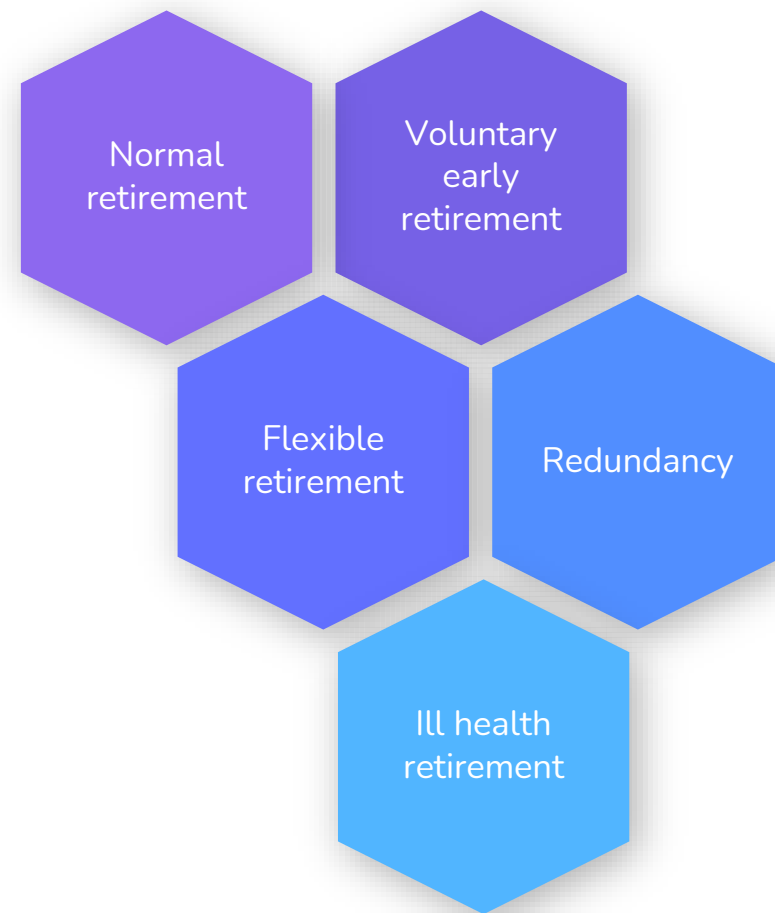
*Up to 25% of pension can be taken as a lump sum tax free. Conversion rate is £1 pension - £12 lump sum

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. 3 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

Death Benefits

Dependant's 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
- Death grant also applicable once pension is in payment – different rules apply here



Make your lump sum nomination on



Topping up your benefits

	Additional Pension Contributions (APC)	Additional Voluntary Contributions (AVC)
Management	By GMPF	By Prudential
Can I change my contract at any point?	No	Yes
How do I pay?	By lump sum or by regular contributions via your payroll	Regular contributions via your payroll
Flexible contributions?	No	Yes
What am I purchasing?	Extra fixed amount of GMPF pension, some of which can be converted to a lump sum	A pension pot which can be accessed in a number of ways. Up to 100% can be taken as a lump sum tax free*
If I pass away during the contract will it be paid?	No	Yes
Amounts included in Annual Benefit Statement?	Yes	No

*As long as the total amount is within the HMRC limit of 25% of the overall pension value including GMPF benefits

** Pensions, and any top up amounts, are subject to HMRC pension limits known as the Annual Allowance and Lifetime Allowance

State Pension

Your State Pension is on top your GMPF pension, and any other pensions you may have. The maximum state pension is just over £10,600 per annum (2023/24), although a number of things may affect this.

Contracting out

The State Pension was previously made up of two parts:

- Basic State Pension
- Additional State Pension

Members of the LGPS were 'contracted out' of the additional State Pension due to being part of a workplace pension scheme

National Insurance credits

You need 35 years worth of National Insurance 'credits' to get your maximum State Pension.

If you have been out of work, on benefits or caring for someone then you may have built National Insurance 'credits' for this time.

To check your state pension record, visit the governments website www.yourpension.gov.uk

Retirement planning - Tax

Tax and your personal allowance

Your annual income from your pension is taxable, For most people, income is taxed on earnings over £12,570.

Other income

Consider other sources of income from jobs, other pensions or rental income which is also liable for income tax

Tax on savings

This will depend on your individual circumstances and allowances

Capital gains tax

Tax on profit made as a result of selling, or disposing of something.
This also applies to the selling or property that us not your main home.



For more information on any of the above please visit the GOV.uk website or www.citizensadvice.org.uk

Retirement process



Retirement process video by GMPF

This can be viewed at <https://www.gmpf.org.uk/about/educational-videos>.



Greater Manchester Pension Fund
www.gmpf.org.uk

Thank You

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