

Reporting Pensions



Spring 2021



Don't let a scammer enjoy your retirement!

You may think that it could never happen to you, but pension scammers are experts at getting their hands on your hard-earned retirement savings. Scams are hard to spot because fraudsters often have credible websites and make false claims, such as being government-approved, to gain your trust. A scam may begin with a phone call out of the blue offering you a free pension review. This is pension 'cold calling' and it is illegal. Reject all unexpected offers. Research the company you're dealing with and always get impartial advice before making a decision about your pension.

To find out more, visit: www.fca.org.uk/scamsmart/how-avoid-pension-scams

Even members who are still paying into their pension may be approached by scammers. They might promise you things like:

- access to your pension savings before age 55 through "loopholes" in the law
- a unique investment opportunity if you opt out and transfer NOW
- a free pension review
- promises of high / guaranteed returns
- pressure to act quickly

How to avoid a scammer:

- Reject unexpected offers
- Check who you're dealing with by checking the Financial Services Register (www.register.fca.org.uk)
- Don't be rushed or pressured
- Get impartial information and advice from
 - The Pensions Advisory Service www.thepensionsadvisoryservice.org.uk
 - Pension Wise (www.pensionwise.gov.uk)
 - Independent Financial advisers

Oxfordshire Pension Fund commits to net zero emissions

The Oxfordshire Pension Fund has joined with many of the world's biggest pension funds in committing to address the challenge of climate change.

We have aligned our approach to the Paris Agreement signed by most world leaders, and are aiming to be at net zero carbon emissions by 2050, limiting temperature rises to 1.5°C above pre-industrial levels.

Our commitment includes targets for annual reductions in carbon emissions as well as increased investments in solutions such as renewable energy. Our approach does not currently include a blanket divestment from fossil fuel companies, but it does include engagement with these companies to ensure they are developing net zero action plans, allowing a "Just Transition".

Just Transition is a framework which aims to ensure protection of workers' rights and livelihoods during the transition to a renewable energy world.

Our divestment position will be kept under continuous review and amended according to the latest scientific advice.

Have you seen our new website?

We have recently upgraded our member web pages and made them easier to read and to navigate around. We've added videos, and included smart tools and links to help you understand your valuable LGPS pension. Head to <https://www.oxfordshire.gov.uk/business/oxfordshire-pension-fund/pension-scheme-members>. Please tell us what you think by heading to <https://forms.office.com/r/WW2iegwUum> and completing a short survey.

Contact us:

Pension Services, 4640 Kingsgate, Cascade Way, Oxford Business Park South, Oxford, OX4 2SU
T: 03300 241 359 E: pension.services@oxfordshire.gov.uk W: www.oxfordshire.gov.uk/pensions
My Oxfordshire Pension: <https://oxfordshire.pensiondetails.co.uk/>



OXFORDSHIRE
COUNTY COUNCIL

Change in contributions

The rate of contributions you will pay towards your LGPS pension is based on how much you are paid.

When you join the Scheme, and every April afterwards, your employer will decide your contribution rate.

If you have more than one job your contribution rate will be decided separately for each job. If your pay changes throughout the year, your employer may decide to review your contribution rate at that time, rather than wait until the following April. Your Payroll contact will be able to tell you how and when your contribution rate may change during the year.

You also have the choice to pay half your normal contribution rate and build up half your normal pension whilst retaining full life and ill-health cover. This is called the 50/50 section of the LGPS. If you would like to investigate this, please speak to your Payroll contact.

Here are the pay bands and contribution rates that apply from April 2021.

| Band | Actual Pensionable pay for an employment | Main section contribution rate | 50/50 section contribution rate |
|------|--|--------------------------------|---------------------------------|
| 1 | Up to £14,600 | 5.5% | 2.75% |
| 2 | £14,601 to £22,900 | 5.8% | 2.90% |
| 3 | £22,901 to £37,200 | 6.5% | 3.25% |
| 4 | £37,201 to £47,100 | 6.8% | 3.40% |
| 5 | £47,101 to £65,900 | 8.5% | 4.25% |
| 6 | £65,901 to £93,400 | 9.9% | 4.95% |
| 7 | £93,401 to £110,000 | 10.5% | 5.25% |
| 8 | £110,001 to £165,000 | 11.4% | 5.70% |
| 9 | £165,001 or more | 12.5% | 6.25% |

Contributions are taken from your pay before tax is deducted, making the LGPS a tax-efficient way to save for your retirement.

Lifetime Allowance

Pensions are a tax efficient way of saving for your retirement, but the government sets limits on the amount you can build up before paying extra tax – one of the limits is the Lifetime Allowance (LTA).

In the spring budget the Chancellor announced that the LTA will be frozen at £1,073,100 until April 2026.

You can carry out estimates on *My Oxfordshire Pension* and use the “checker tool” at <https://www.lgpsmember.org/more/LTA-quick-check-tool.php> to see how your pension provision is building up.

Prudential AVCs

If you currently pay into an Additional Voluntary Contributions (AVC) plan with Prudential or have done so in the past, we need to inform you that Prudential are experiencing serious service issues following the implementation of a new computer system. They are reporting substantial delays with crediting payments to your accounts, with providing values for retirement and have informed us that there will be a delay in sending out annual benefit statements. These are normally sent in May, but this year will hopefully be available by July.

They are working hard to resolve the delays and have apologised to all of you who may be affected.

How does this affect my contributions?

Your contribution will be backdated to the original date that they were received, but the delays mean you might not be able to see an up to date figure when you log in to your Prudential online account. This will be resolved when your contributions are processed.

Your contributions have not been lost, and your interest will be paid from the date contributions should have been credited to your account.

How does this affect me if I want to draw my pension or need to transfer my fund?

Claims will be paid and there is no problem with Prudential’s ability to pay. However, the delays do mean that you may have to wait longer for your retirement or transfer claim to be completed.

We are talking to Prudential regularly and monitoring the situation closely. Please get in touch if you have any concerns.

Useful links

National LGPS members website www.lgpsmember.org

Detailed scheme member guide Oxfordshire Pension Fund www.oxfordshire.gov.uk/pensions

Prudential - top up your pension www.pru.co.uk/online

Advisory services

The Pensions Advisory Service
www.pensionsadvisoryservice.org.uk

The Pensions Regulator
www.thepensionsregulator.gov.uk/

Money Advice Service
www.moneyadviceservice.org.uk/en/categories/pensions-and-retirement

State pension planning and forecasts
<https://www.yourpension.gov.uk/>

Help with finding an independent financial adviser is available at www.moneyadviceservice.org.uk

Be ‘scamsmart’ - find out more on how scammers work and get advice on the FCA’s website <https://www.fca.org.uk/scamsmart/how-avoid-pension-scams>