

Pension Liberation and Scams

From April 2015, the tax rules were changed to give people more flexibility on how they draw their pensions, as a result of this, pension scammers are trying to access your pension pot, known as "pension liberation". A pension scam is when someone tries to con you out of your pension money and will often start with someone unexpectedly contacting you to talk about:

- Taking your pension money before the age of 55 or;
- The ways that you can invest your money or;
- An investment or business opportunity that you have not spoken to them about before

Pension loans or cash incentives are being used to entice employees with the option of being able to obtain instant cash.

Under normal circumstances it is only possible to draw your Local Government Pension Scheme (LGPS) pension from age 55 years, the exception being on ill health grounds.

Once you have transferred your money into a scam, it is too late. You could lose all your pension money as well as face a tax bill of up to 55% or huge additional administrative fees.

How to tell if it is a scam

Watch out if an individual or company:

- Contacts you unexpectedly or cold calls you about your pension money
- says you can access your pension money before the age of 55 and they can help you with this
- encourages you to take out a large sum or whole of your pension pot in one go, and to let them invest it for you
- uses the terms "pension liberation", "loan", "loophole", "free pension review" or "one-off investment"
- asks you to transfer your money quickly and sending documents to you by courier to make you rush your decision
- offers you an investment described as "overseas", "environmentally friendly", "ethical", "unique" or in a new industry

More information on this type of pension scam is available on The Pension Regulator's (TPR) website at www.thepensionsregulator.gov.uk, The Pension Wise website at www.pensionwise.gov.uk/scams or alternatively please contact us.

Pension Wise

Pension Wise is a free and impartial service that can provide guidance if you are aged 50 or over on what you can do with your pension pot, how to shop around and what to look out for with taxes and fees. More information is available at www.pensionwise.gov.uk

Unpaid Leave and buying back lost pension

If you have a period of unpaid leave which includes: unpaid maternity, unpaid paternity, unpaid adoption leave, unpaid sick leave or ordinary unpaid leave, you can buy back the lost pension. If you choose to do this within 30 days of returning to work then your employer must share the cost with you.

Opting out of the scheme

If you opt out of the LGPS and are entitled to deferred benefits that can be left on hold in the Fund, and you subsequently re-join the LGPS at a later date, then you will not be allowed to join your deferred benefits together with that future membership of the LGPS. You will instead, have two separate periods of membership.

Please carefully consider the following 50:50 option as it is a viable alternative to completely opting out of the LGPS.

50:50 Benefit Option

The 50:50 option means that instead of paying between 5.5% and 12.5%, you could pay between 2.75% and 6.25%. In doing so it means that your pension will grow at a rate of 1/98th per year of membership instead of 1/49th.

Furthermore, by remaining in the scheme, paying at a half rate only affects your pension, as you are still entitled to the same death in service lump sum and ill health benefits as someone paying the full rate. You also continue to benefit from the contribution that your employer pays into the scheme on your behalf.

This option is not a permanent decision as there are various circumstances, such as unpaid sick leave or auto re-enrolment where you will be automatically put back to the normal rate. Under these circumstances you do however have the option to elect to go back to the 50:50 benefit.

If you wish to move to the 50:50 benefit option then please complete the relevant form on our website. Please make any of your colleagues aware of this option if they are currently not in the scheme.

Projection of LGPS benefits to Normal Pension Age (NPA)

Your NPA shown on the statement is the higher of age 65 or your State Pension Age (SPA) and may therefore change in the future. However, you are able to retire voluntarily from age 55, but your benefits will be reduced if paid before your NPA. **This reduction is NOT reflected in your statement.**

You may continue in employment and remain in the LGPS past your normal pension age but you must draw your LGPS benefits before the age of 75 years.

National Insurance (NI) Database

Cornwall Pension Fund participates in a data sharing arrangement with other LGPS funds in England and Wales. This is undertaken in order to comply with the legal requirements contained within the LGPS regulations.

Provisions contained within the regulations mean that if a member of the LGPS dies, it is necessary for the Fund to know if the member has other LGPS benefits elsewhere in the UK so that the correct death benefits are paid to the deceased members' dependents.

As the LGPS is locally administered, each pension fund has its own benefit records, therefore it can be difficult to identify if a member has other LGPS records elsewhere. In order to comply with these requirements, the National Database will enable funds to check their members have LGPS pension records with other funds.

For each member of the LGPS, the NI Database contains the individuals' NI number, membership status, the last calendar year in which the membership status changed and a 4 digit number specific to the appropriate pension fund.

The data held on the Database will be processed in accordance with the Data Protection Act 1998 and other relevant legislation.

Tell Us Once (TUO) Service

Tell Us Once is a service offered in most parts of the UK when an individual registers a death.

When a death of an LGPS member is registered, the DWP systems will ensure that the LGPS pension fund is informed of the death, meaning that the member's records can be processed more quickly and simply than would otherwise be the case.

For the TUO service, an extract of the Database containing individuals' NI numbers will be securely shared with the DWP every month to maintain an up-to-date record of LGPS membership.

Annual Report 2015/2016

A summary of the Cornwall Pension Fund annual report and accounts is enclosed with this statement. A copy of the full report is available by emailing pensioninvestments@cornwall.gov.uk or telephoning 01872 323286

Local Pension Board (LPB)

The Cornwall Local Pension Board (LPB) has been established in accordance with recent changes in the Local Government Pension Scheme Regulations.

The board will oversee, assist and support the management and governance of the Fund and plays a key advisory role assisting the Pension Fund Committee in managing the Pension Fund, ensuring that they are compliant with LGPS and other relevant regulations.

The board is made up of equal numbers of Employer and Employee representatives each having one vote, plus an independent non-voting Chair.

The membership of the Local Pension Board currently includes: Rohan Worrall (Independent Chair), Ian Smart (Employer Representative), Tracey Woodhams (Employer Representative), Malcolm Ball (Employee Representative) and Carol Thorogood (Employee Representative).

The LPB has regular meetings (at least twice a year) and agendas and minutes of the Board meetings are available to view on the Cornwall Council website at <http://www.cornwall.gov.uk/council-and-democracy/councillors-and-democracy/>

Keeping us updated

Death Grant

From the moment you join, right up to the time you retire, and even beyond, you have valuable life cover as a member of the LGPS. This can include a one off lump sum payment, and also pension for loved ones so it is important to keep us updated with any changes to your personal details.

If you wish to amend your current nomination or, submit one for the first time please visit our website www.cornwallpensionfund.org.uk or contact us to obtain the "expression of wish" form. The Cornwall Pension Fund has complete discretion over who receives any death grant payment so it is important that you let us know who you would like to receive any such payment in the event of your death.

Change of address

If you have changed your address, please let us know as soon as possible either by writing to us or by emailing pensions@cornwall.gov.uk.

Change in marital status

Where there is a change of marital status, we need to see a copy of the certificate to update your pension record; this may be a marriage/civil partnership certificate or Decree Absolute.

After any event but especially a divorce, you may also want to update your "Expression of Wish Form" to choose who is nominated to receive any lump sum death grant that may be payable in the event of your death.

Contact: Cornwall Pension Fund, 4S, County Hall, Truro TR1 3AY

E-mail: pensions@cornwall.gov.uk www.cornwallpensionfund.org.uk

If you would like this information in another format or language please contact:

Cornwall Council, County Hall, Treyew Road, Truro TR1 3AY

Telephone: 0300 1234 100 Email: enquiries@cornwall.gov.uk www.cornwall.gov.uk