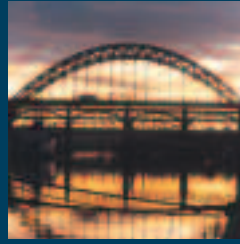


Tyne and Wear Pension Fund

Administered by South Tyneside Council



Miss AB Sample <1-4><5-8><9-48>
Any Street <115-154>
Any Village <155-194>
Any Town <195-234>
Any County <235-274>
Any Place <275-314>
Postcode <315-322>

Employer
Code No.
<427-456>

*Your Pension
Statement
2005*



NILABS TEXT WITH CPF
If Forecast Status
<477-478> = 00

How to contact us

Special Needs

If you have any special needs and would like to receive information in an alternative way, please let us know. We have access to an interpretation service, audio aids and to documents in other formats, for example Braille, large print and electronic.

For any further information regarding the LGPS, please contact us at:



The Pensions Office
Tyne and Wear Pension Fund
Civic Centre Campbell Park Road
Hebburn Tyne and Wear NE31 2SW



Pensions Helpline
Tel 0191 424 4141



Fax 0191 424 4171



Email pensions@twpf.info



Web www.twpf.info

Personal callers

You can visit us at the Pensions Office during office hours. You don't need to make an appointment.

Office hours

Monday to Thursday 8.30am to 5.00pm
Friday 8.30am to 4.30pm

Please quote your National Insurance number and your Membership ID number so we can quickly trace your records.

Moving house

Your employer supplies your address details to the Pension Fund. Therefore, please remember to inform your employer of your new address.

Data Protection

We use the information you give us (and in return the information we give you) to do the tasks required for the administration of your pension, to carry out the Fund's official business and to help stop crime and prevent fraud. Under the Data Protection Act 1998, South Tyneside Council is the Data Controller (the holder, user and processor) of the pension information held about you.

Dear Miss Sample <20-23><28-67>

The Local Government Pension Scheme (LGPS)

The Government places great importance on planning ahead for retirement. As people now live longer and healthier lives it is even more important to think about the future and how and when to save for retirement. Government figures show that a man retiring at 65 has a life expectancy of 16 years. For a woman, life expectancy is 19 years. Over the next 20 years average UK life expectancies are expected to increase by another 3 years. Is your pension going to be enough for you to enjoy your retirement?

To help you plan for your retirement, I would like to send you this booklet every year to let you see the value of your LGPS benefits in the Tyne and Wear Pension Fund.

Unfortunately I do not have your full details and because of this I am unable to show you the value of your benefits this year.

I would like to reassure you that I am working with your employer to update your records, so that I can provide you with an accurate statement in the future.

If you have another period of membership within this Fund, during each financial year you will receive a statement for each of these.

Information on Additional Voluntary Contributions (AVCs) is not included. If you have investments in the Fund's AVC Plan, you will get an annual statement from the provider. Please check this carefully.

I also enclose:

A Forecast of your State Pension Benefits.

You will recall that I wrote to you to let you know that I was working with the Department for Work and Pensions (DWP) to provide you with information on your State Pension. I am pleased to let you know that your booklet also includes details of your State Pension Benefits. This information has been supplied by the DWP. It will help you see how much income you will have at retirement. You should read this along with the enclosed leaflet "Your Pension Statement CPF5".

The Fund Members Annual Report for 2004/05.

This is a summarised version of the Fund Report and Accounts. This provides you with information about how the Fund is invested and how it is performing. A copy of the full Report and Accounts can be viewed on our website www.twpf.info

Leaflet from Prudential. This leaflet contains information on the Fund's AVC Plan, which you may find useful.

If you have any queries about your statement or indeed any pension matters, please contact the Pensions Office for assistance. Contact information is shown on the previous page of this booklet.

Yours sincerely



Stephen Moore
Head of Pensions

Your Personal Details at 31 March 2005

Notes

Marital Status

Please do not worry if I have recorded your marital status incorrectly. As spouse's pensions only become payable if you are married at the time of death, it is at this time that I will check your marital status.

Period of Membership

This is usually the period during which you have paid contributions into the LGPS up to 31 March 2005, together with any period credited to you on transfer from another pension scheme. It also includes any added years of membership that you have paid for up to 31 March 2005. It is based on whole time membership. However, it may not yet take account of any days of industrial action and may require a small adjustment.

If you have separate periods of membership in our Fund, you should receive a separate statement for each separate period of membership.

Part Time

If you work or have ever worked **part time** while paying into the LGPS, then your part time membership would be converted into whole time membership, for example;

4 years working at half time would convert to 2 years of whole time membership

1 year working 30 out of 37 hours per week would convert to 296 days of whole time membership.

Term Time

If you work or have ever worked **term time** while paying into the LGPS, then your term time membership would be converted into whole time membership, for example;

1 year working whole time hours during 46 weeks of the year would convert to 323 days of whole time membership.

Name:

Ann Bernice Sample <68-107> <28-67>

National Insurance Number:

XX999999X <9-17>

Membership ID Number:

99999999 <1-8>

Sex:

Female <19-19>

Date of Birth:

1 January 1980 <457-466>

Marital Status*:

Married <18-18>

Employer:

Halcyon <427-456>

Period of Membership*:

Not Available <337-342>

Final Pay*:

Not Available <316-324>

(*) See matching Notes on this page.

Final Pay

Final pay is usually the pensionable pay you earn in the final year before you retire.

General Scheme Information

The LGPS is a national scheme that provides you with a range of benefits. It is a **Final Salary Pension Scheme**, which means that most of the benefits are based upon your length of membership and your final pay. The LGPS is sometimes known as a **Defined Benefit Scheme**.

Under the present legislation the benefits of the LGPS are not dependant upon investment performance.

The amount of LGPS pension shown here is what you could get. The amount you get when you actually retire may be different because of changes in your circumstances or changes in the law.

Features of the LGPS

- **Employer subsidised scheme – your employer also pays into the LGPS on your behalf**
- **Retirement Pension – payable monthly, for the rest of your life**
- **Tax Free Lump Sum – usually three times your annual pension, payable on retirement**
- **Conversion options – opportunities to convert pension into lump sum, and vice versa, upon retirement**
- **Normal Retirement Age – 65**
- **Ill-health retirement – benefits are paid early if you are forced to retire because of permanent ill health**
- **Early retirement options – subject to certain conditions, benefits can be paid before age 65 at the discretion of your employer**
- **Guaranteed pension increases – the value of your pension increases each year to match inflation**
- **Life Assurance – a lump sum death grant if you die in service, or the balance of 5 years pension payments if you die within 5 years of retirement**
- **Transferable pensions – you can transfer your pension rights into or out of the LGPS**
- **Facilities to pay extra contributions – you can pay more to improve your benefits**
- **Spouse's pension – payable to your legal spouse, after your death, for the rest of your spouse's life, regardless of remarriage**
- **Children's pensions – payable after your death to your dependant children**

More specific information about the LGPS is available from the Pensions Office. Contact information is shown earlier in this booklet.

Civil Partnerships

From 5 December 2005, the Civil Partnership Act 2004 will allow same sex couples to register a civil partnership. In response to this the ODPM has issued draft regulations to provide survivor benefits for same sex partners who have registered a civil partnership. At the time of writing the regulations had not been finalised.

Rule Changes, ...Rule Changes, ...Changes...

The LGPS is being reviewed under a process called the Stocktake. Last year we told members that the following changes would be taking place from 1 April 2005:

- **Removal of 85 year rule** which allows members to retire early with their employer's permission without any reduction to their benefits, if their age and length of membership in full years adds up to 85 or more
- **An increase in the minimum retirement age** from 50 to 55 for redundancy and early retirement
- **Some protections** were proposed for older members

On the 18 March 2005, the Deputy Prime Minister announced that he would withdraw these changes at his earliest opportunity. As this had to be agreed by Parliament, there was not enough time to stop the changes taking place, so they still came into force on 1 April 2005.

On the 3 August 2005, the Deputy Prime Minister issued regulations that returned the LGPS back to its original position. He announced that he would bring about further changes to make sure that the LGPS remains solvent without additional cost to employers or to the Government. He stated that a consultation exercise would take place in time for these further changes to take effect from 1 April 2006.

A Tripartite Committee, made up of representatives from Employers, Trade Unions and the Government, is considering these further changes to the LGPS.

Looking ahead to a new look LGPS

The 1 April 2005 changes, which have been withdrawn, were aimed at protecting the future of the LGPS and paving the way towards a more radical review which would have seen a new look LGPS in place from 2008.

The Government had started a consultation exercise in October 2004 to consider changes such as more flexible retirement options and partner's pensions.

The timetable will need to be reconsidered now that the 1 April 2005 changes have been removed. The Tripartite Committee will consider the responses to the consultation exercise and discuss what measures need to be put in place to ensure the LGPS remains affordable.

We will continue to keep you informed about this matter.

Tax Simplification

The Inland Revenue, now known as Her Majesty's Revenue and Customs (HMRC), has set limits on the amount of contributions that members can pay and on the pension benefits that can be built up. The current limits are very complicated and are dependant on the date of joining the LGPS.

HMRC is introducing new limits through a process known as **Tax Simplification**. It is proposed that the following limits will apply to everyone from 6 April 2006:

- An initial life time pensions saving limit of £1.5 million
- An initial annual allowance of pensions saving growth of £215,000

New regulations must be in place before these limits can take effect within the LGPS. At the time of writing, the final regulations had not been produced but a consultation paper had proposed:

- The removal of restrictions on length of membership – this would allow all members to build up more than 40 years membership
- The removal of restrictions on contribution limits
- Flexible retirements – members could draw a pension without retiring completely
- Changes to the meaning of dependant child. This change would prohibit payment of pensions to children beyond the age of 23 who are in full time education. Dependency due to disability would be excluded from this change

Please note that the Pension Fund is unable to give financial advice. Please seek independent advice if you think these changes may affect you.



Notes about your State Retirement Benefits

- All amounts are shown at today's values.
- State Retirement Pension includes Basic State Pension and any additional pension you may be entitled to. This may include:
 - SERPS
 - Graduated Retirement Benefit
 - State Second Pension.
- Your current State Retirement Pension figure is based only on your own National Insurance record. Your projected State Retirement Pension figure is calculated assuming that you will pay or be credited with full-rate National Insurance contributions until State Pension Age.
- The amount of State Retirement Pension shown here is what you could get. The amount you get when you actually retire may be different because of changes in your circumstances or changes in the law.
- If you receive more than one combined pension statement in a year, please remember that you should NOT add together the State Retirement Pension amount shown on each statement. The amount of State Retirement Pension you could get is that shown in the latter of those statements.
- The amount of projected State Retirement Pension and associated qualifying age shown here are based on your date of birth held on your National Insurance record.
- If you think any of the information used to prepare this forecast is wrong, please contact the DWP on 0845 3000 168. If any of the information is not correct, or has been incorrectly recorded on your National Insurance record, your forecast may be wrong.

Please also read the enclosed leaflet **Your Pension Statement CPF5**, which has been provided by the DWP.

If you would like more information about your State Retirement Pension statement please contact the DWP Future Pension Centre on 0845 3000 168.

Your State Retirement Benefits

Current Value of your Benefits – as at 31 March 2005

The amount of State Retirement Pension you have earned so far (Basic Pension)
£3.55 annually <489-498>

The amount of additional State Retirement Pension you have earned so far
£1.45 annually <499-508>

The total amount of State Retirement Pension you have earned so far
£5.00 annually <479-488>

DWP has assumed your State Retirement Pension will be payable when you reach the age of
65 <473-476>

Future Value of your Benefits

Based on the amount you have earned so far if you pay, or are credited with, enough full rate National Insurance contributions the State Retirement Pension payable at State Pension Age would be:

State Retirement Pension (Basic Pension)
£9.87 annually <519-528>

Additional State Retirement Pension (SERPS and State Second Pension)
£3.23 annually <529-538>

Total State Retirement Pension
£13.10 annually <509-518>

Please remember the information relating to your State Pension has been supplied by the DWP.

If you disagree with the above figures or would like more information about your State Retirement Pension statement please contact the DWP Future Pension Centre on 0845 3000 168.

Notes on your LGPS Benefits

The benefits quoted over the page are calculated using your personal details held at the date the statement was prepared. We have taken care to ensure that these details are accurate. However, if you do find an error, please call the Pensions Helpline as soon as possible on 0191 4244141.

If you have investments in the Fund's AVC Plan, you will get an annual statement from the provider. Please check this carefully.

Calculation of your Benefits

The LGPS is a **Final Salary Scheme** and is sometimes known as a **Defined Benefit Scheme**.

This means that the benefits payable from the Scheme are based on membership and final pay. Benefits are calculated using the following formula:

Annual Pension = $1/80 \times \text{your final pay} \times \text{your period of membership}$,

Lump Sum = $3 \times \text{your annual pension}$.

Your benefits are not related to the contributions you pay.

Unfortunately, some of the information on your pension record relating to your membership or final pay is either missing or incorrect. I am working with your employing authority to update your record so that I can provide you with an accurate statement in the future.

Value of Death In Service Benefits

If you die whilst a member of the LGPS, any death grant will be paid to either:

Your nominated beneficiary/beneficiaries,

Or

Your estate, if a nomination is not held.

If you have not already done so, you may wish to complete a Death Grant Nomination Form so that I know who you would like to receive the cash lump sum that is payable upon your death. Blank forms are available from our website and from the Pensions Office.

The Fund has absolute discretion over who receives any death grant and may decide it is reasonable to make any payments due to another person. For example, this may happen if a form is not kept up to date and the contents are deemed no longer appropriate.

Please ensure that you keep any Nomination Form up to date.

State Pensions

In addition to your Local Government Pension, you may also be entitled to a State Retirement Pension from the DWP. These State Pension Benefits are shown in this booklet. These figures have been provided to give you a fuller picture of your overall pension benefits, to help you plan for your retirement.

Your LGPS Benefits

Current Value of your Benefits – as at 31 March 2005

Period of membership to 31 March 2005
Not Available<337-342>

Annual Pension
£0.00<361-369>

Tax Free Lump Sum
£0.00<370-378>

Spouse's Pension
£0.00<379-387>

Value of Death in Service Benefits at 31 March 2005

Lump Sum Death Grant
£0.00<415-423>

Death Grant Nomination Form held by this Fund
Yes / No <424-426>

A spouse's pension would also be payable to
your husband or wife, for the rest of their life.

Children's pensions would also be payable
to any dependant children.

Future Value of your Benefits – at age 65

Period of membership to age 65
Not Available<355-360>

Annual Pension
£0.00<388-396>

Tax Free Lump Sum
£0.00<397-405>

Spouse's Pension (If married at time of retirement)
£0.00<406-414>

Guaranteed pensions increases

Pensions are increased every year in line with inflation, as measured by the Retail Prices Index. You will qualify for increases to your pension every year if you are over the age of 55. Increases are also paid to those who retire before the age of 55 due to ill health.

Providing For Your Retirement

In your statement, we have tried to show you the value of your LGPS benefits both now and in the future. For most of you, we have also requested and printed details of your State Retirement Benefits on behalf of the DWP.

Taking these details into account, along with any other sources of income you may have, will this be enough for you to enjoy your retirement?

If not, there are two options to increase your pension benefits through the Tyne and Wear Pension Fund. They may be subject to change from April 2006 in line with Tax Simplification, as mentioned in our earlier article.

1. Buy Extra Years of LGPS Membership

You can buy extra years of membership within the LGPS, to increase the membership on which your pension benefits are calculated.

The contract for buying these extra years will start on your birthday and will continue throughout the rest of your working life. At the end of the contract, you will have purchased your chosen amount of membership.

2. Pay Additional Voluntary Contributions (AVCs)

Our In House AVC Plans are provided by The Prudential. Their leaflet, "Calculate" is enclosed in your mailing. In House AVCs are deducted directly from your pay and any tax relief is automatically given. The contributions you pay will build up a fund which, at retirement, will be used to buy extra pension benefits. You can contact The Prudential on the Pensions Connection by telephoning 0845 607 0077 or by visiting their website at www.pru-localgov.co.uk

More detailed information about these options is contained in our leaflet "Increasing Your Pension Benefits". Copies are available from our website www.twpf.info or by calling the Pensions Helpline on 0191 424 4141.

Increasing Your Pension in Other Ways

There are other ways of increasing your pension, some of which are listed below:

- **Stakeholder Pensions Schemes**
- **Personal pensions**
- **Free Standing AVCs**

These products are not available through the Tyne and Wear Pension Fund. They are subject to tax limits and you will need to arrange them yourself. Before you invest in any financial product you should seek independent advice.

The following organisations may assist you with your future financial planning

Learn about money	www.learnaboutmoney.org
IFA Promotion	www.ifa.org.uk
Independent advice	www.unbiased.co.uk
FSA	www.fsa.gov.uk
The Pensions service	www.pensions.gov.uk
HMRC	www.hmrc.gov.uk

Our New Look

As you can see we have changed our look. Hopefully you will find our information interesting and easier to read. If there are any specific areas you would like to see in the future or would like to comment on our new look please let us know. Over the next few months we will be changing all of our booklets.

Last year we surveyed our active members and were pleased to find that 97% were satisfied with the service we provide. Another survey will be included in next year's mailing.