

Highland Pension Fund

Members guide to Annual Benefit Statements for 2024 and frequently asked questions (FAQs)

This guide is intended for members of the Local Government Pension Scheme (Scotland), administered by Highland Pension Fund.

If you are a teacher or NHS employee, you will most likely be a member of the Scottish Teachers, or NHS Scotland pension schemes – these schemes are administered by the Scottish Public Pensions Agency (SPPA), who are responsible for the day-to-day administration of your pension and the distribution of your annual benefit statements. Highland Pension Fund are unable to help with any queries you may have, and you will need to contact your pension provider directly.

This guide has been prepared to accompany your Local Government Pension Scheme (LGPS) (Scotland) Annual Benefit Statement and aims to answer most frequently asked questions. It explains how to access your 2024 annual benefit statement information, some common pension terms we use, and how your pension figures have been worked out.

Manage your pension



Documents and uploads

An archive for every document you have uploaded or posted to your pension fund.

[Go to my documents](#)



Annual Benefit Statements

View and compare all of your previous Annual Benefit Statements in one location.

[View my statements](#)



Manage beneficiaries

Manage who should receive your pension benefits if you pass away.

[Manage my beneficiaries](#)

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Part 1 - How do I access my annual benefit statement information?

The way you will access your annual benefit statement has changed this year. If you previously registered to use our old portal to view your annual benefit statement(s), you will now need to register to use our new online service.

Earlier this year, we launched **My Pension**, our new online service for members of the Local Government Pension Scheme (Scotland), administered by Highland Pension Fund. More information about the launch can be found on our website news page at:

<https://www.highlandpensionfund.org/news/my-pension-member-self-service/>

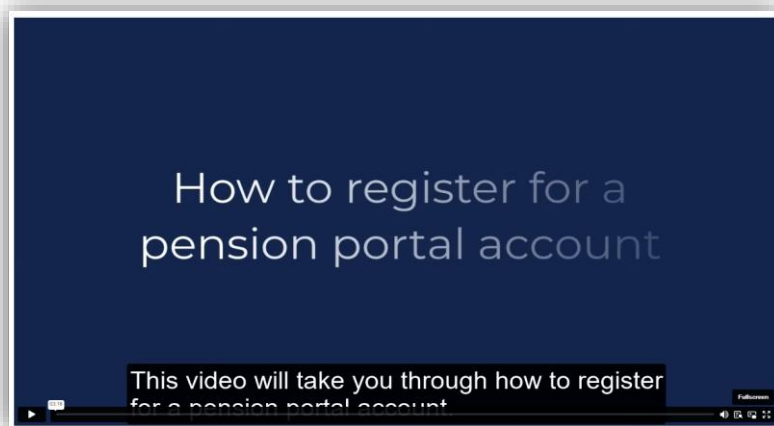
My Pension is available to all active and deferred members of the Local Government Pension Scheme, including Councillor members. (For Councillor members, the Annual Benefit Statement function is still under development, so we have published your 2024 statement to the **document uploads** area instead – please refer to [page 16](#) for instructions on how to do this).

To create your My Pension account, or to log in, please visit:

<https://highlandpensionfund.mypensiondetails.co.uk/login>




Please watch our **3-minute registration tutorial** which provides a step-by-step guide to help you create your account: <https://highlandpensionfund.mypensiondetails.co.uk/registration-tutorial>



Once you have registered or logged in, you will be taken to your personalised **My Pension** Dashboard:


Welcome

Manage your pension




Documents and uploads

An archive for every document you have uploaded or posted to your pension fund.



Annual Benefit Statements


View and compare all of your previous Annual Benefit Statements in one location.



Manage beneficiaries

Manage who should receive your pension benefits if you pass away.

To view your annual benefit statement information, go to the section called **Annual Benefit Statements** and click on **View my statements**:



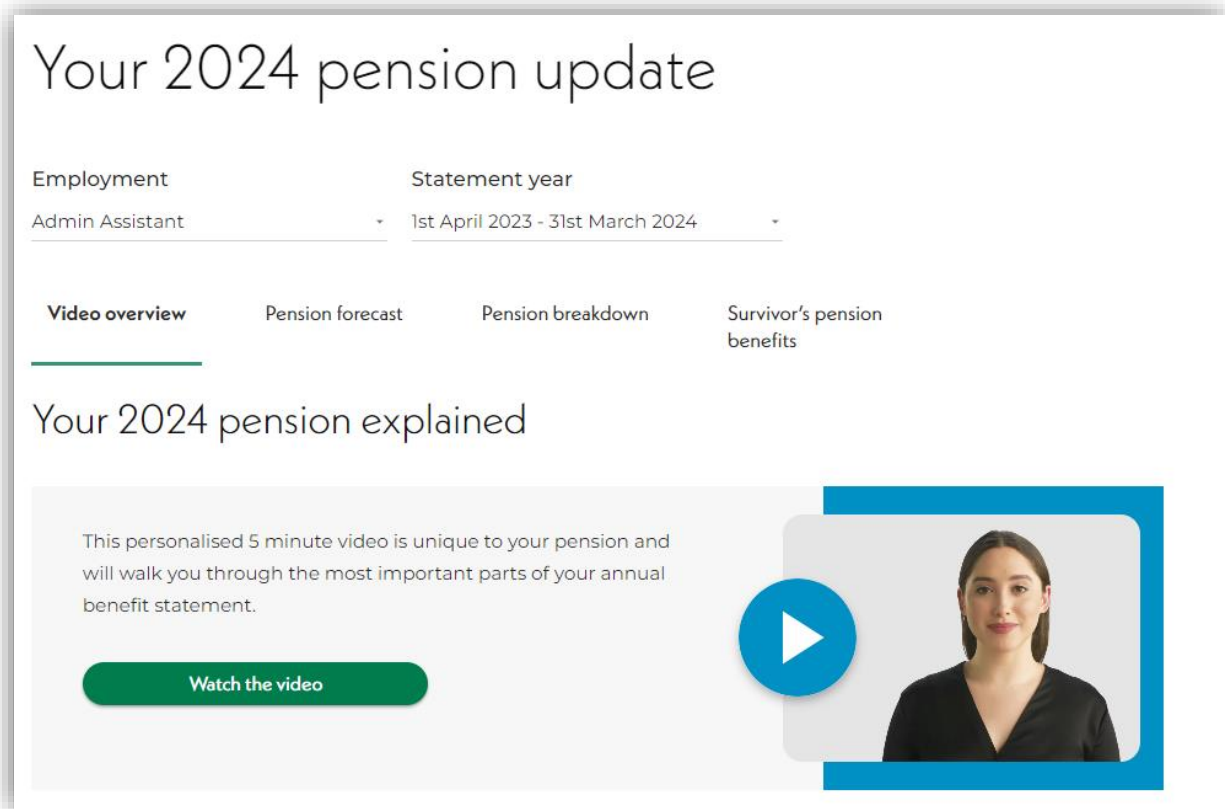
Annual Benefit Statements

View and compare all of your previous Annual Benefit Statements in one location.

[View my statements](#)

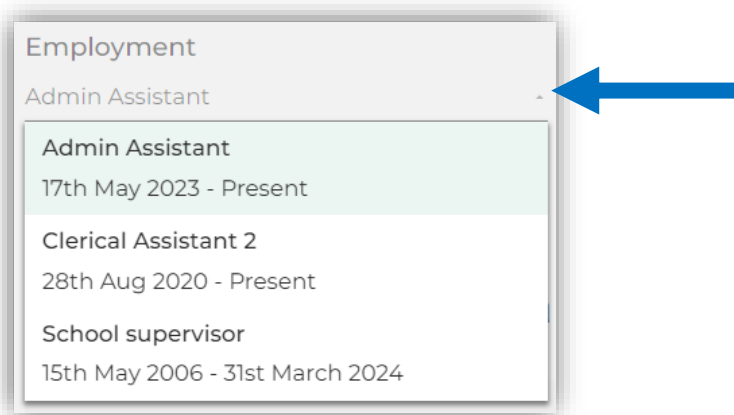


This will take you to your latest pension update for 2024:



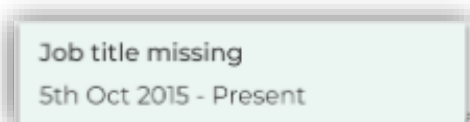
If you hold more than one post (or pension record), you will receive a separate 2024 pension update for each post (or record).

The **employment dropdown** will be shown for members with more than one post (or pension record). You can switch between them by selecting the job title (if we hold one) and the start date of the employment from the list:

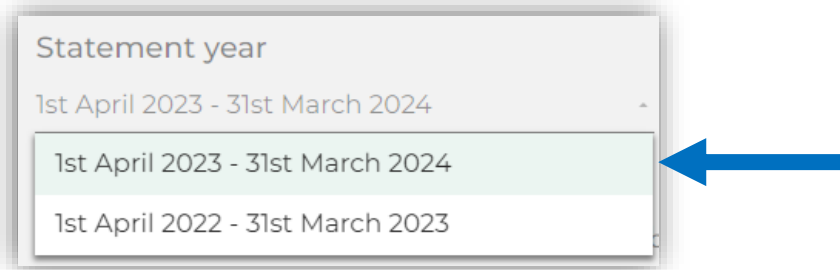


The information displayed for each employment shows the benefits you have built up in that post (or pension record).

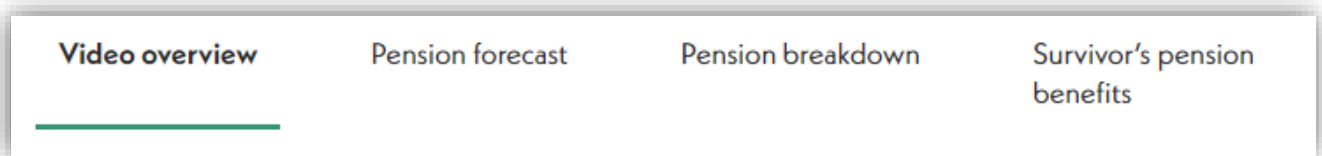
If your employer has not provided us with a job title, it will be displayed as **job title missing**:



The **Statement year** dropdown allows you to choose the statement year that you wish to view:

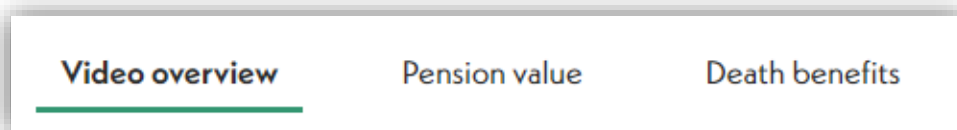


Active scheme members will have 4 sections to view as follows:



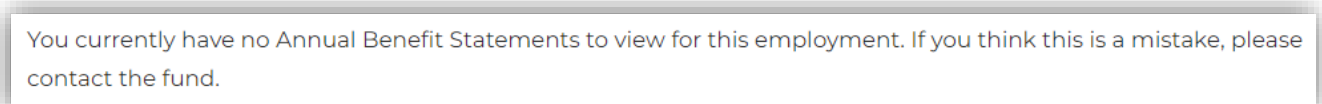
- Video overview
- Pension forecast
- Pension breakdown
- Survivor's pension benefits

Deferred scheme members will have 3 sections to view as follows:



- Video overview
- Pension value
- Death benefits

Note: If you joined the scheme after 31 March 2024 (or became deferred on or after 8 April 2024) you will not have an annual benefit statement to view this year. Your first annual benefit statement will be available to view at the end of August 2025. The following message will be displayed:



You will also see this message if:

- You started a new post after 31 March 2024
- your pension is already in payment.
- we have an outstanding query or action to process on your pension record.

Where your employment changes from active to deferred, you will no longer have access to any active Annual Benefit Statements you could previously see for that employment.

Active scheme members (currently paying into the LGPS)

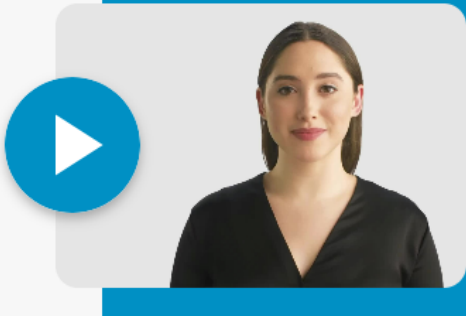
Video overview

A personalised video explains the key points about your annual benefit statement. To play the video, select **Watch the video** or the **Play** button:

Your 2024 pension explained

This personalised 5 minute video is unique to your pension and will walk you through the most important parts of your annual benefit statement.

[Watch the video](#)




Pension Forecast

This section provides a summary of what you may expect to receive in retirement. The figures are based on you continuing to work the same hours and receive the same level of pay between now and your **Normal Pension Age (NPA)**. The summary includes:

- Your retirement date in the LGPS
- Your Normal Pension Age
- The projected value of your annual pension
- Your projected value of tax-free lump sum (example below):

Video overview **Pension forecast** Pension breakdown Survivor's pension benefits



Pension holder
Joe Bloggs


Your pension start date
01 May 2006

Your retirement date
07 July 2047


What you could get when you retire

You joined Highland Council on 01 May 2006 when you were 26 years of age.

If you retire at 68 you are on course to receive:

 £9,040.53
a year





This would give you a monthly income of:

 £753.38
a month

Find out more about your **Normal Pension Age (NPA)** on [page 18](#) of this guide.


Your lump sum options show the standard benefits on the left (annual Pension and automatic lump sum) and your maximum lump sum options on the right. Both sets of figures are based on you continuing to work until NPA:

Your lump sum options

| Standard benefit option | Or maximum lump sum option |
|--|---|
|  When you retire, you are currently on course to receive: £9,040.53 a year |  This means that your annual pension will be reduced to: £5,885.11 a year |
|  With an estimated tax-free lump sum retirement grant: £1,369.01 |  But your estimated tax-free lump sum will increase to: £39,234.05 |

The maximum tax-free lump you can take is restricted by HMRC limits – more information about the limits and converting pension to lump sum can be found on [page 24](#) of this guide.

Click on the **detailed info and breakdowns** dropdown for more information about how your pension figures have been calculated:

Detailed info and breakdowns 




Pension breakdown

This section provides a summary of the pension benefits you have built up to **31 March 2024** and shows how your pension benefits have changed over the past 12 months, since your last statement (example below):


Video overview Pension forecast **Pension breakdown** Survivor's pension benefits

Pension breakdown

This is a summary of how your pension changed between 01/04/2023 to 31/03/2024. All figures shown were correct as of midnight on 31/03/2024.

| | | |
|---|---|---|
|  |  |  |
| This year, your combined pensions increased by | This brings your current pension value to | With a guaranteed tax-free lump sum of at least |
| £458.92 | £3,843.25 a year | £1,369.01 |

Click on **See how we've calculated your pension** dropdown for information on how your pension breakdown has been calculated:

See how we've calculated your pension 

A detailed breakdown will be shown for each section of scheme benefits where you have built up benefits:

- CARE benefits built up from 1 April 2015:

Main section (CARE)



Your annual accrual rate is

1/49th of salary



This year, this pension increased by

£214.29



When you retire, this pension will provide

£2,136.92 a year

- Final salary benefits built up between 1 April 2009 and 31 March 2015 (if you have any):

Final salary benefits: 2009-2015



The annual accrual rate was

1/60th of salary



This year, this pension increased by

£50.00



When you retire, this pension will provide

£1,250.00 a year

- Final salary benefits built up before 1 April 2009 (if you have any):

Final salary benefits: Pre 2009



The annual accrual rate was

1/80th of salary



This year, this pension increased by

£18.26



When you retire, this pension will provide

£456.33 a year

Depending on when you joined the scheme (or when you started this post), you will only see a breakdown for each section you built up benefits. For example, if you started your post on or after 1 April 2015, you will not have built up any benefits in the final salary sections of the scheme, so you will only see a breakdown under the heading 'Main section (CARE)'.

Click on the dropdown **Detailed info and breakdowns** for more information about how each section of benefits has been worked out:



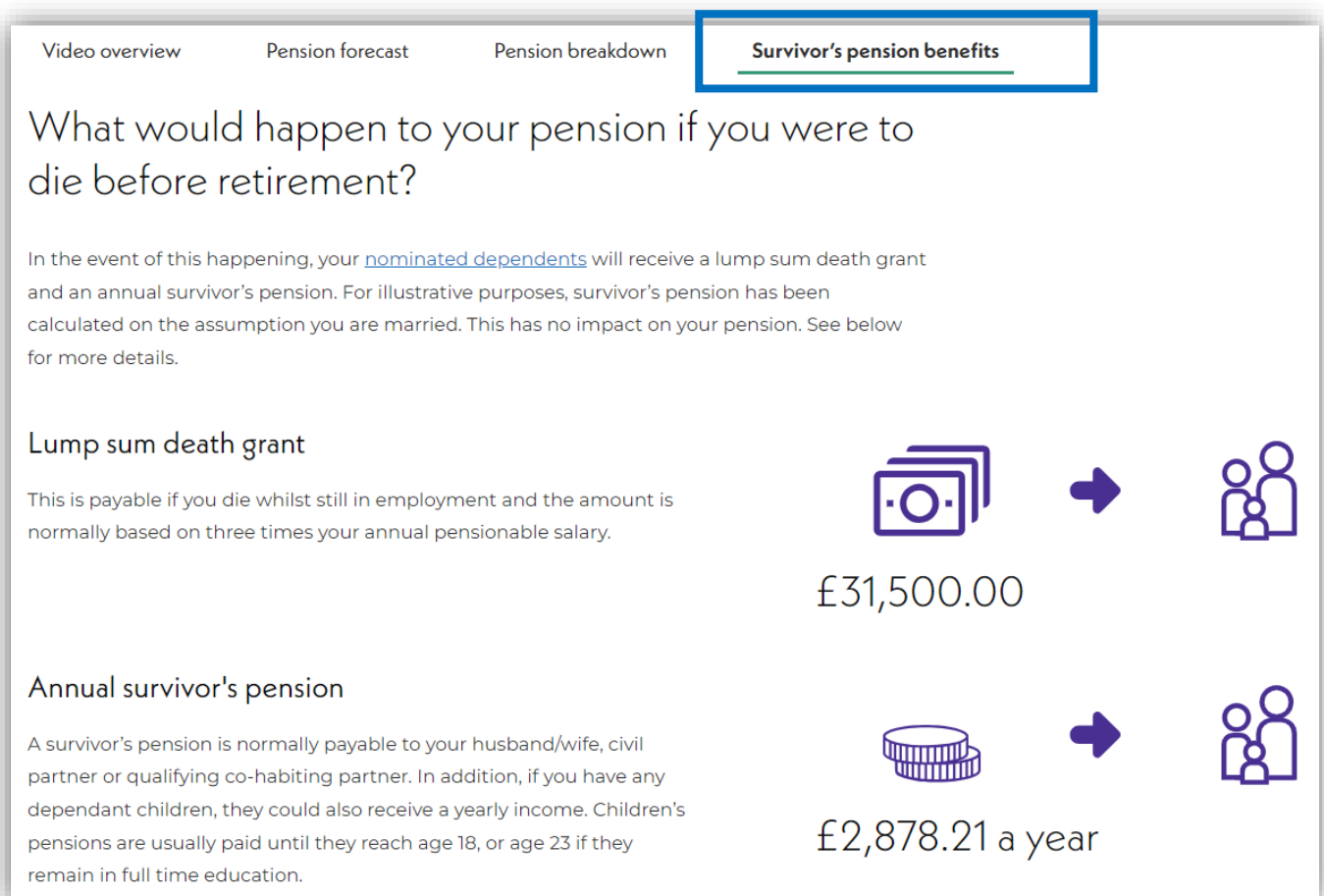
If a pension sharing order (divorce) or scheme-pays-offset debit has been applied to your pension benefits, a warning will be shown stating that although the debit has been included in your summary figures, the broken-down figures do not include these debits.

For more information about how your LGPS pension benefits are calculated, please refer to [pages 19-24](#) of this guide.

Survivors pension benefits

This section provides the estimated lump sum death grant and survivor's pension which may become payable in the event of your death. This summary includes:

- The lump sum death grant
- The annual survivor's pension (example below):



The screenshot shows a navigation bar with four tabs: 'Video overview', 'Pension forecast', 'Pension breakdown', and 'Survivor's pension benefits'. The 'Survivor's pension benefits' tab is selected and highlighted with a blue border. Below the navigation bar, the main heading reads 'What would happen to your pension if you were to die before retirement?'. A sub-heading states: 'In the event of this happening, your [nominated dependents](#) will receive a lump sum death grant and an annual survivor's pension. For illustrative purposes, survivor's pension has been calculated on the assumption you are married. This has no impact on your pension. See below for more details.'

Lump sum death grant

This is payable if you die whilst still in employment and the amount is normally based on three times your annual pensionable salary.

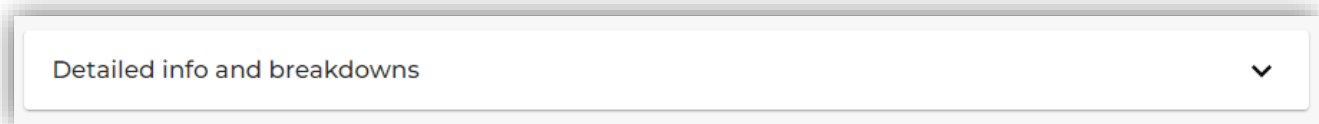
£31,500.00

Annual survivor's pension

A survivor's pension is normally payable to your husband/wife, civil partner or qualifying co-habiting partner. In addition, if you have any dependant children, they could also receive a yearly income. Children's pensions are usually paid until they reach age 18, or age 23 if they remain in full time education.

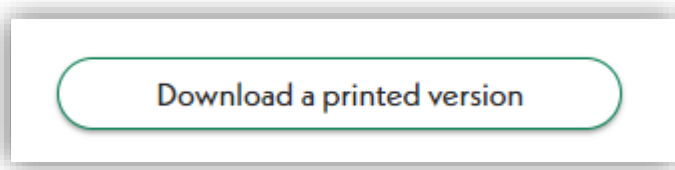
£2,878.21 a year

Click on the **detailed info and breakdowns** dropdown for more information about how the lump sum death grant and annual survivors' pension have been calculated:

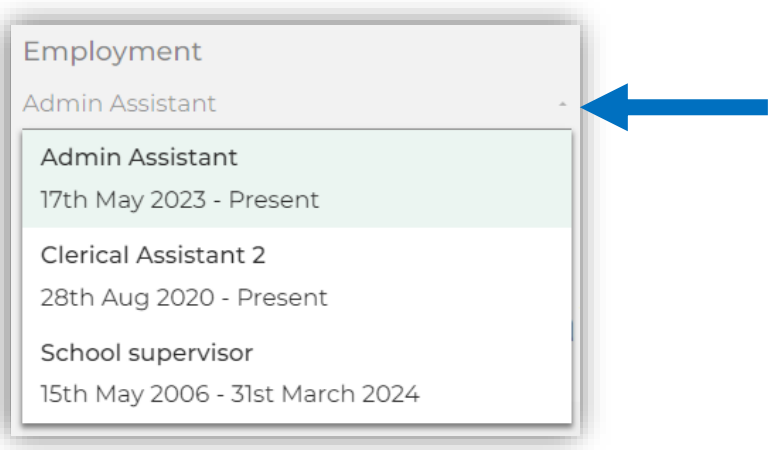


Further information about survivor's benefits can be found on [page 31](#) of this guide.

To print a copy of your statement, scroll to the bottom of the screen and click on the button called **Download a printed version**:



If you have more than one post (or pension record), and you would like to print a statement for each one, you will need to select from the employment dropdown menu at the top of the page to switch between each one:



Deferred members (no longer paying into the scheme)

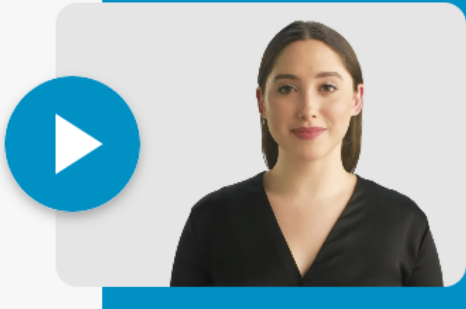
Video overview

A personalised video explains the key points about your annual benefit statement. To play the video, select **Watch the video** or the **Play** button:

Your 2024 pension explained

This personalised 5 minute video is unique to your pension and will walk you through the most important parts of your annual benefit statement.

[Watch the video](#)



Pension Value



This section provides a summary of your deferred benefits on 8 April 2024. The summary includes:

- The date your deferred benefits will become payable unreduced
- The current value of your annual pension
- Your minimum tax-free lump sum (example below):

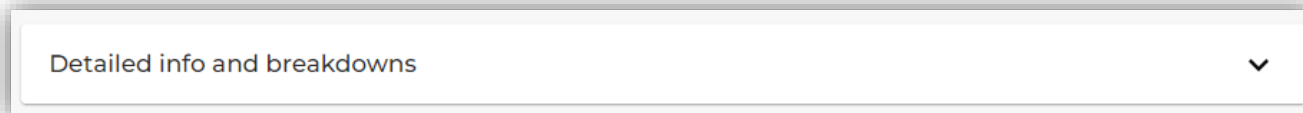
Video overview **Pension value** Death benefits

Name: Joe Bloggs Date of leaving: 31 March 2024

Your pension value

| | | |
|--|--|---|
| Your benefits will become payable at an unreduced rate on: | Your current annual pension value: | Your minimum tax-free lump sum: |
| 07 July 2024 |  £12,183.04 a year |  £3,463.28 |

Click on the **detailed info and breakdowns** dropdown for further details about each of the figures shown:

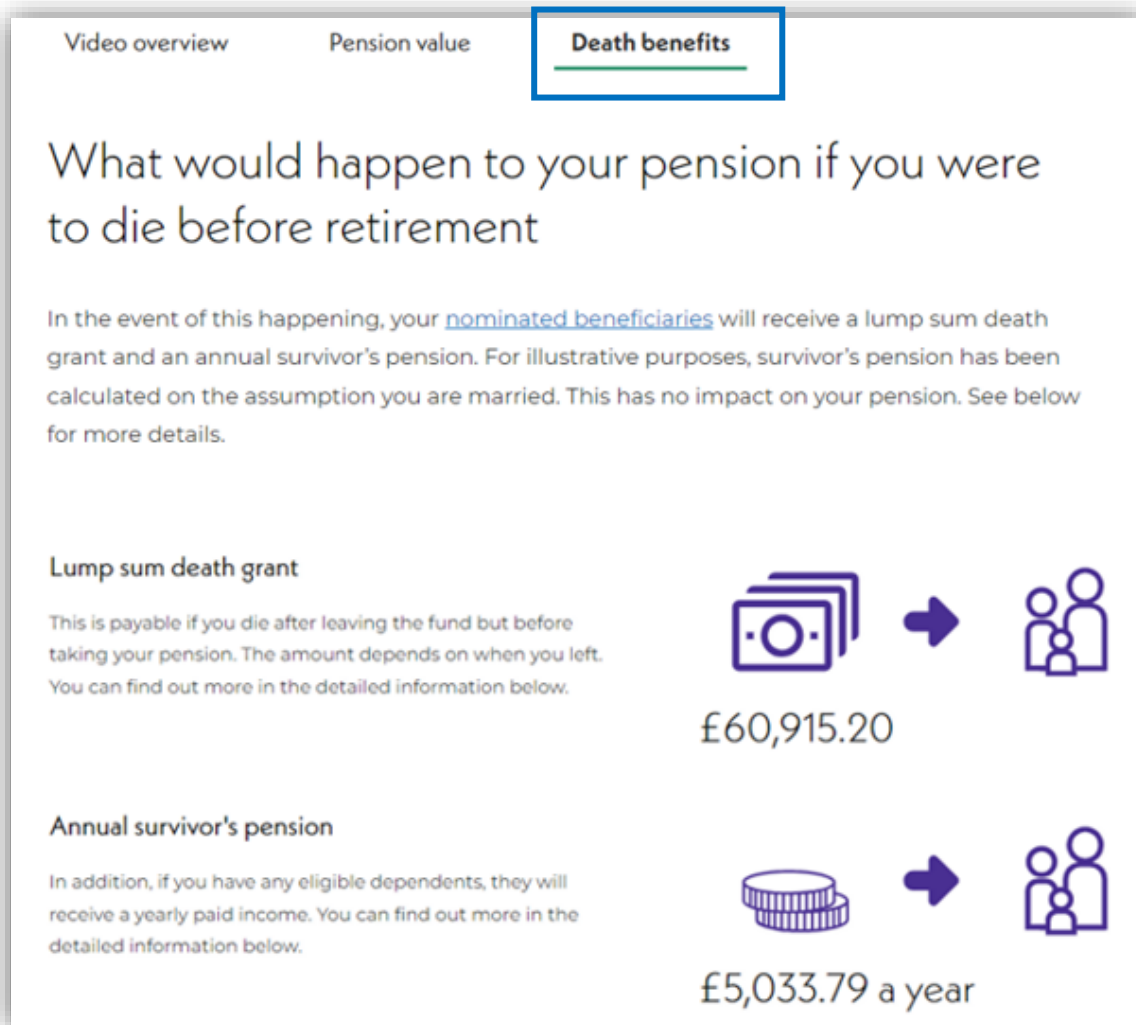


If a pension sharing order (divorce) or scheme-pays-offset debit has been applied to your pension benefits, a warning will be shown stating that the debit is not included in the figures provided.

Death benefits

This section shows a summary of the benefits available to your dependants in the event of your death. This summary includes:

- The lump sum death grant
- The annual survivor's pension (example below):



The screenshot shows a navigation bar with three tabs: 'Video overview', 'Pension value', and 'Death benefits'. The 'Death benefits' tab is selected and highlighted with a blue border. Below the navigation bar, the main heading reads 'What would happen to your pension if you were to die before retirement'. A paragraph explains that nominated beneficiaries will receive a lump sum death grant and an annual survivor's pension, calculated on the assumption of being married. Two sections are detailed: 'Lump sum death grant' with an amount of £60,915.20, and 'Annual survivor's pension' with an amount of £5,033.79 a year. Each section includes an icon of a stack of money and an arrow pointing to a family icon.

Video overview Pension value **Death benefits**

What would happen to your pension if you were to die before retirement

In the event of this happening, your [nominated beneficiaries](#) will receive a lump sum death grant and an annual survivor's pension. For illustrative purposes, survivor's pension has been calculated on the assumption you are married. This has no impact on your pension. See below for more details.

Lump sum death grant

This is payable if you die after leaving the fund but before taking your pension. The amount depends on when you left. You can find out more in the detailed information below.

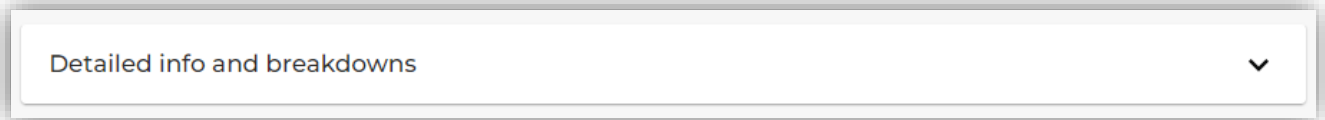
£60,915.20

Annual survivor's pension

In addition, if you have any eligible dependents, they will receive a yearly paid income. You can find out more in the detailed information below.

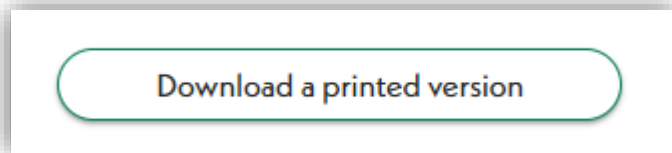
£5,033.79 a year

Click on the **detailed info and breakdowns** dropdown for more information about how the lump sum death grant and annual survivors' pension have been calculated:

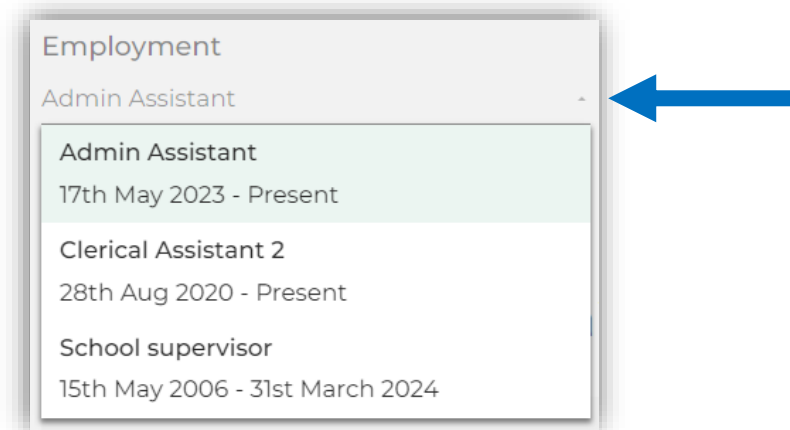


Further information about survivor's benefits can be found on [page 31](#) of this guide.

To print a copy of your statement, scroll to the bottom of the screen and click on the button called **Download a printed version**:



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Councillor members

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An archive for every document you have uploaded or posted to your pension fund.


[Go to my documents](#)



Manage beneficiaries

Manage who should receive your pension benefits if you pass away.

[Manage my beneficiaries](#)




Benefit calculators

Our online retirement calculators will help you work out what you're likely to receive when you retire.

[Calculate my benefits](#)

To view your annual benefit statement information, go to the section called **Documents and uploads** and click on **Go to my Documents**:

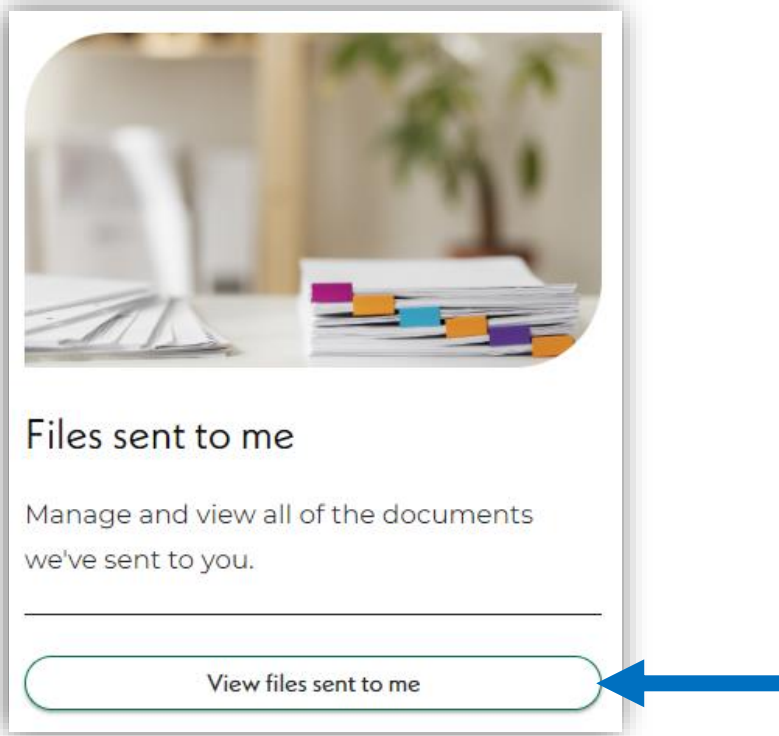


Documents and uploads

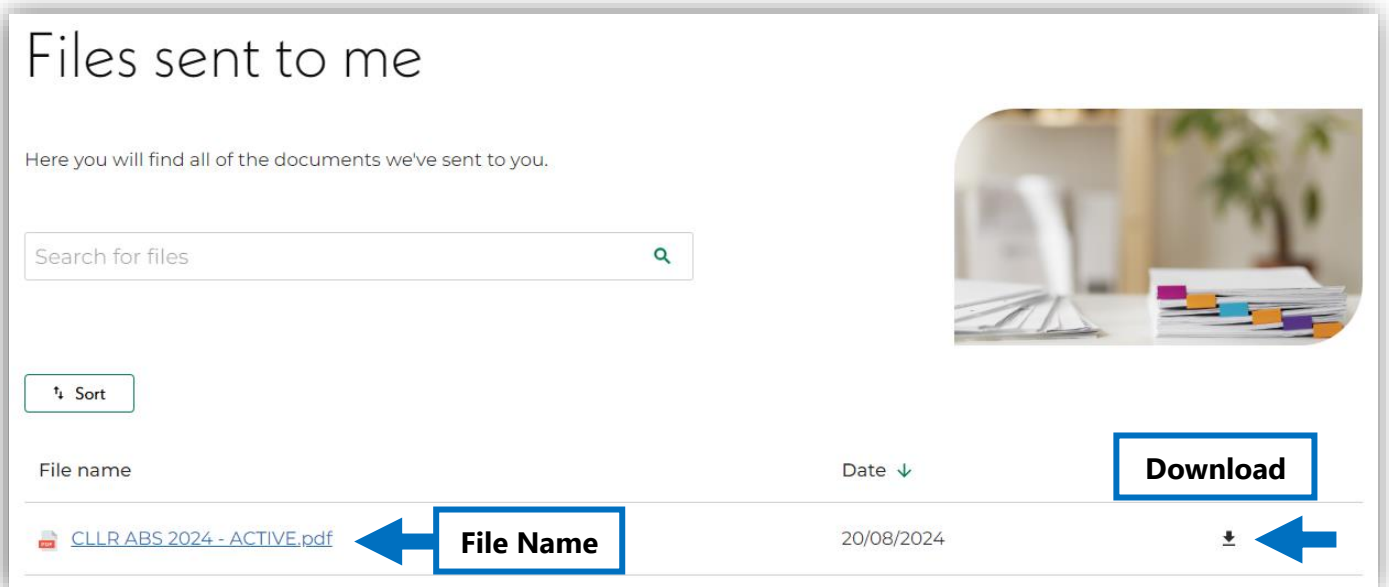
An archive for every document you have uploaded or posted to your pension fund.

[Go to my documents](#)

Select **Files sent to me** and click on **View files sent to files**:



The documents we have sent to you will appear in the box as below:



You can open your document(s) by clicking on the **file name** or by clicking on the **Download** button:

If you wish, you can save your document(s) to your desktop, personal folders or any other location you usually save your files.

If you require any assistance with viewing your documents, please contact a member of our team, [our contact details](#) can be found at the end of this guide.

Part 2 - Frequently asked questions (FAQs)

What is an annual benefit statement?

As a contributing member in the Local Government Pension Scheme (LGPS) (Scotland), you will receive an active benefit statement every year for each active employment you hold. Your statement provides an estimated value of the pension benefits you have built up in the LGPS up to 31 March 2024. It also provides a projection of the pension benefits you could build up if you remained working and contributing to the scheme, assuming no changes in hours or pay, until your Normal Pension Age.

What is Normal Pension Age?

Normal Pension Age in the LGPS is the date you can retire and receive all your pension benefits without a reduction. Normal Pension Age falls in line with your State Pension Age. You can check your State Pension Age using the Governments online calculator:

www.gov.uk/state-pension-age

What is a deferred benefit statement?

If you have previously contributed to the LGPS and have subsequently left that employment, or opted out of the scheme, you will hold a deferred benefit entitlement in respect of that period of membership. Your deferred benefits are increased in line with the Pension Increase (PI) Review Order each April to make sure they keep pace with the cost of living. You will receive a deferred benefit statement each year telling you the current value of your pension benefits and the date they will become payable.

What is the Pension Increase (PI) Review Order?

HM Treasury issue a Pensions Increase (PI) Review Order to Public Service pension schemes like ours which tells us how much we should increase your pension by. The Order is currently linked The Consumer Price Index (CPI).

What is the Consumer Price Index (CPI)?

The Consumer Price Index is the measure currently used to increase your Local Government Pension. The increase is based on the CPI at the previous September. CPI at September 2023 was 6.7% which means that your pension benefits have been increased by 6.7% from 8 April 2024.

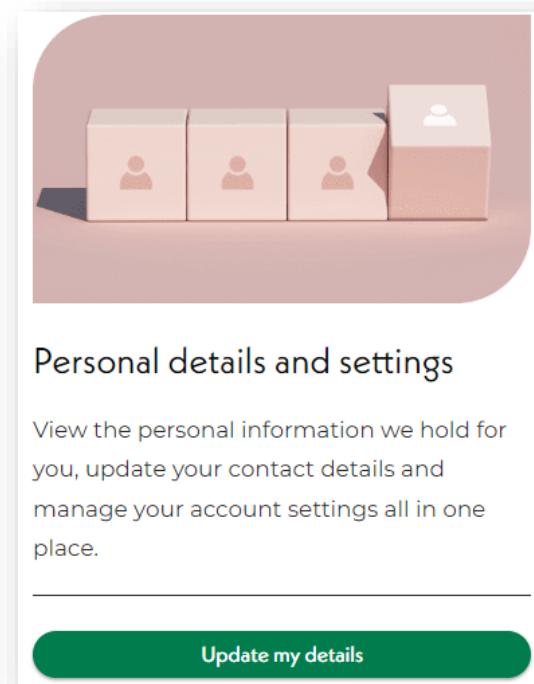
Why do I not have an annual benefit statement?

You will not receive a statement if:

- you joined the LGPS after 31 March 2024 – your first annual benefit statement will be available to view next year.
- your pension is already in payment.
- we have an outstanding query or action to process on your pension record such as a change in post.

My personal details are incorrect, what should I do?

You should check the personal details section carefully and inform us as soon as possible if any of the information we hold about you is incorrect.



You can update your personal information including your home address, contact telephone numbers, email address and passwords in your **My Pension dashboard**. Go to the section called **Personal details and settings** and click on **update my details**.

Any requests to change to your name, marital status, or date of birth will need to be submitted to us along with all relevant supporting document(s).

Photocopies, scanned copies or photos of original documents should be provided in all cases. You can bring your original documents into our office, and we will take copies for you, or you can upload these using the **document upload** facility in your My Pension account.

If you do send us original documents, please make sure these are sent by Royal Mail's recorded delivery service and marked for the attention of 'The Pension Fund Manager'. Our contact details can be found at the end of this guide.

How are my pension benefits calculated?

The Local Government Pension Scheme (Scotland) is a defined benefit scheme which provides you with a guaranteed income for life. Unlike some other pension schemes, your pension is not affected by share prices or stock markets fluctuations.

The LGPS (Scotland) was a final salary pension scheme until 31 March 2015 and changed to a Career Average scheme from 1 April 2015. If you were a member before 1 April 2015, your benefits will be calculated in 2 parts:

- Final salary membership (up to 31 March 2015)
- CARE (Career Average Revalued Earnings) membership (from 1 April 2015).

What is final salary membership

You will have final salary membership if you were a member of the scheme before 1 April 2015, or if you brought a transfer from a previous pension into the LGPS which purchased final salary membership.

If you worked part-time your final salary membership is scaled down to reflect your part-time hours and counts as a proportion of full-time.

If you were not a member of the LGPS before 1 April 2015 (or have not brought a transfer into the LGPS which purchased final salary membership), you will not have built up any benefits in the final salary section of the scheme.

What is final salary pensionable pay?

This is the pay used to calculate any final salary benefits you have built up before 1 April 2009.

The full-time equivalent pay is used even if you work part-time. It includes your normal pay, contractual shift allowances, bonus, and contractual overtime. It does not include non-contractual overtime.

The final salary pensionable pay used for the calculation of your annual benefit statement information can be found in the **Pension breakdown** section, click on **detailed info and breakdowns**:

Detailed info and breakdowns ^

| | |
|---|---|
| <h4>Membership between 1 April 2009 and 31 March 2015</h4> <p>The LGPS changed from a final salary scheme to a career average scheme on 1 April 2015. If you joined the Scheme before 1 April 2015, you have built up benefits in the final salary scheme.</p> <p>For membership built up between 1 April 2009 and 31 March 2015 you receive a pension of 1/60th of your final pay as a pension.</p> <p>Your annual pension is calculated by dividing your total membership by 60 and multiplying this figure by your final salary pensionable pay.</p> | <h4>Membership before 1 April 2009</h4> <p>Your annual pension is calculated by dividing your total membership by 80 and multiplying this figure by your final salary pensionable pay. In addition, an automatic tax-free lump sum is payable of 3 times your annual pension if you were a member before 2009.</p> <div style="border: 2px solid blue; padding: 5px;"><h4>Calculation example</h4><p>Your current final salary pensionable pay is £25,000.00. In the final salary scheme, your pensionable pay is your full-time equivalent pay on which you pay pension contributions.</p></div> |
|---|---|

As your statement is based on your circumstances at 31 March 2024, the pay used is based on your earnings for the period from 1 April 2023 to 31 March 2024, and **not your current salary**. You can check this figure against your P60 certificate from your employer to ensure this figure is accurate.

Remember that if you worked part-time, the figure used for the calculation of your final salary benefits will be the full time equivalent.

How is my final salary pension and lump sum worked out?

Your final salary pension and lump sum are worked out using your final salary membership and final salary pensionable pay as follows:

Membership before 1 April 2009

For each year of membership before 1 April 2009, you will receive a pension of 1/80th of your final pensionable pay and an automatic lump sum of 3/80th of your final pensionable pay:

The example below shows how we work this out, based on:

- a member with 15 years membership up to 31 March 2009
- with a final pensionable pay of £25,000

| | | | | |
|--------------------|---|-----------------------------|---|-------------------|
| Annual pension | = | 15 years x £25,000 ÷ 80 | = | £4,687.50 |
| Automatic lump sum | = | 15 years x £25,000 ÷ 80 x 3 | = | £14,062.50 |

Membership between 1 April 2009 to 31 March 2015

For each year of membership from 1 April 2009 to 31 March 2015, you will receive a pension of 1/60th of your final pensionable pay. There is no automatic lump sum for service built up after 1 April 2009, however when you come to retire, you can choose to convert some of your annual pension to provide a lump sum.

The example below shows how we work this out, based on:

- a member with 6 years membership between 1 April 2009 to 31 March 2015
- with a final pensionable pay of £25,000


| | | | | |
|----------------|---|------------------------|---|------------------|
| Annual pension | = | 6 years x £25,000 ÷ 60 | = | £2,500.00 |
|----------------|---|------------------------|---|------------------|

The **Pension breakdown** section shows the current value of your final salary pension and automatic lump sum at 31 March 2024:

Video overview
Pension forecast
Pension breakdown
Survivor's pension benefits


Pension breakdown

This is a summary of how your pension changed between 01/04/2023 to 31/03/2024. All figures shown were correct as of midnight on 31/03/2024.




This year, your combined pensions increased by

£458.92



This brings your current pension value to

£3,843.25 a year



With a guaranteed tax-free lump sum of at least

£1,369.01

See how we've calculated your pension
➔
▾

For a full breakdown, click on **see how we've calculated you pension** then, **Detailed info and breakdowns**:

Detailed info and breakdowns
➔
^

How is my CARE pension worked out?

From 1 April 2015, the LGPS became a Career Average Revalued Earnings (or CARE) scheme. You will receive a pension of 1/49th of your actual earnings over each scheme year. This amount is 'banked' at the end of each scheme year and revalued each April in line with inflation (CPI).

The example below shows how we work out CARE pension:

| Scheme Year | Opening Balance | Build up in Scheme Year (pay ÷ build up rate = pension) | Total account 31 March | Cost of Living adjustment | Total pension |
|-------------|-----------------|--|------------------------|---------------------------|------------------|
| 2015/16 | £0.00 | £20,000 ÷ 49 = £408.16 | £408.16 | -0.10% | £407.75 |
| 2016/17 | £407.75 | £20,500 ÷ 49 = £418.37 | £826.12 | 1.0% | £834.38 |
| 2017/18 | £834.38 | £21,000 ÷ 49 = £428.57 | £1,262.95 | 3.0% | £1,300.84 |
| 2018/19 | £1,300.84 | £21,500 ÷ 49 = £438.78 | £1,739.62 | 2.4% | £1,781.37 |
| 2019/20 | £1,781.37 | £22,000 ÷ 49 = £448.98 | £2,230.35 | 1.7% | £2,268.27 |
| 2020/21 | £2,268.27 | £22,500 ÷ 49 = £459.18 | £2,727.45 | 0.50% | £2,741.09 |
| 2021/22 | £2,741.09 | £23,000 ÷ 49 = £469.39 | £3,210.48 | 3.10% | £3,310.00 |
| 2022/23 | £3,310.00 | £23,500 ÷ 49 = £479.59 | £3,789.59 | 10.10% | £4,172.34 |
| 2023/24 | £4,172.34 | £24,000 ÷ 49 = £489.80 | £4,662.14 | 6.7% | £4,974.50 |

So, in this example, the total annual pension built up over the 9 years to 31 March 2024 is **£4,662.14**. Although your benefits have been increased by 6.7% this year, it will not show on your annual benefit statement until next year. This is because your annual benefit statement is based at 31 March 2024 and the cost of living adjustment does not take place until 8 April 2024.




If you elected to join the 50-50 section of the scheme (where you pay half the normal rate of contributions), you will receive half (or 1/98th) of the amounts shown above for the period of your election.



You can find out how much CARE pension you have built up in the **Pension breakdown** section:

Video overview Pension forecast **Pension breakdown** Survivor's pension benefits



Pension breakdown

This is a summary of how your pension changed between 01/04/2023 to 31/03/2024. All figures shown were correct as of midnight on 31/03/2024.

| | | |
|---|---|--|
|  <p>This year, your combined pensions increased by</p> <p>£458.92</p> |  <p>This brings your current pension value to</p> <p>£3,843.25 a year</p> |  <p>With a guaranteed tax-free lump sum of at least</p> <p>£1,369.01</p> |
|---|---|--|

See how we've calculated your pension  

For a full breakdown, click on **see how we've calculated your pension** then, **Detailed info and breakdowns**:






Detailed info and breakdowns  

There is no automatic lump sum in the CARE Scheme. However, when you come to retire you can choose to convert some of your annual pension to provide a lump sum.

Why is my standard lump sum showing as £0.00 on my annual benefit statement?

You will only build up an automatic lump sum if you have membership before 1 April 2009. If you joined the scheme (or post) on or after 1 April 2009, your estimated standard lump sum will show as £0.00. Example below:

Your lump sum options

| | |
|--|---|
| Standard benefit option | Or maximum lump sum option |
|  <p>When you retire, you are currently on course to receive:</p> <p>£9,040.53 a year</p> |  <p>This means that your annual pension will be reduced to:</p> <p>£5,885.11 a year</p> |
|  <p>With an estimated tax-free lump sum retirement grant:</p> <p>£0.00 </p> |  <p>But your estimated tax-free lump sum will increase to:</p> <p>£38,745.13</p> |

You will have the option to give up or convert part of your annual pension to provide a lump sum retirement grant and the maximum amount are shown on the right-hand side.

Can I convert part of my pension to lump sum at retirement?

Upon retirement, you will have the option to convert part of your annual pension to provide a tax-free lump sum. For every £1 of pension you give up, you will receive £12 of tax-free lump sum. HM Revenue and Customs limits the amount of tax-free lump sum you can take. From 6 April 2024, the maximum lump sum is the lowest of:

- 25% of the capital value of your benefits
- £268,275
- £268,275 less the total lump sums you have already taken.

If you have taken a serious ill health lump sum, a further limit will also apply. The maximum lump sum you can take is £1,073,100 less the serious ill health lump sum and any other pension lump sums you have already taken.

The total capital value of your pension benefits is calculated as follows:

- $120 \times \text{annual pension} + 10 \times \text{automatic lump sum (if any)} \div 7 = \text{total capital value.}$

Members who are paying Additional Voluntary Contributions (AVCs), must include the total value of their AVC pot when calculating the total capital value of their pension benefits:

- $120 \times \text{annual pension} + 10 \times \text{automatic lump sum (if any)} + 10 \times \text{in-house AVC pot} \div 7 = \text{total capital value.}$

Sometimes a member's AVC pot may be so much that when added to the automatic lump sum, it is already more than the maximum tax-free lump sum allowed. In this case, only the amount of their AVC fund up to the maximum can be taken as tax-free cash. The rest of the AVC pot can be used to buy extra pension, buy an annuity with prudential or another annuity provider, or it can be taken as cash, but it will be taxed through PAYE.

Your estimated maximum lump sum (not taking account of AVC options), can be found on the **Pension forecast** section of your annual benefit statement update:

[Video overview](#)

[Pension forecast](#)

[Pension breakdown](#)

[Survivor's pension benefits](#)

Your lump sum options

Standard benefit option



When you retire, you are currently on course to receive:
£9,040.53 a year



With an estimated tax-free lump sum retirement grant:
£1,369.01

Or maximum lump sum option



This means that your annual pension will be reduced to:
£5,885.11 a year



But your estimated tax-free lump sum will increase to:
£39,234.05

Can I convert my lump sum to increase my pension at retirement?

No - the scheme rules do not permit this.

Why is the value on my 2024 annual benefit statement less than last year?

There may be a number of reasons why the values are less than last year. It may be that we received incorrect data from your employer about your working hours or pay, and that has now been corrected. If you have moved to the 50-50 section of the scheme within the last year, your projected benefits will now be lower as they assume you will remain in that section until you leave. If you have final salary membership (membership before 1 April 2015) and you have moved to a lower paid job, the calculation of your final salary benefits is linked to your final pay, so these benefits will now be lower. If a debit has been applied to your pension benefits in respect of a pension sharing order or an annual allowance scheme pays election since your last statement, your benefits have been reduced to take account of the debit.

Why is some of my membership missing from my 2024 pension update?

You may hold more than one pension record, one for each separate employment. You will receive a separate 2024 pension update for each period of membership you hold. You may also hold separate deferred benefits for a previous period of employment which were not joined up with your current membership. If you have changed jobs, we may still be processing this change on the pension system. If this is the case, you will only be able to view your 2024 pension update for part of your membership, however this will update automatically once the change has been actioned by us.

Can I join all my pension records into one?

If you have multiple employments, you will receive a separate 2024 pension update for each employment you hold. We are required by law to keep your pension records for each employment separate, even if they are with the same employer. If you leave one or more of your jobs, you may have the option to join your records together, this will depend on the type and dates of membership. If you think this may apply to you, please contact us. Our [contact details](#) can be found at the end of this guide.

Why are my Additional Voluntary Contributions (AVCs) not showing on my 2024 pension update?

AVC statements are produced and issued by Prudential (part of M&G plc). They will send a statement to you directly each year. If you have not received your AVC statement, you can contact Prudential directly on 0345 600 0343, or visit their website for more information: <https://www.mandg.com/pru/workplace-pensions/employees/public-sector-avc-schemes/local-gov>.

I have bought extra pension, where can I see this on my annual benefit statement?

If you elected to buy Added years or Additional Regular Contributions (ARCs) before 31 March 2015, then the amount of pension you have purchased will be included with your final salary benefits.

If you have elected to pay Additional Pension Contributions (APCs), any additional contributions you have made will be included with your CARE pension calculation. APCs paid during the last year can be found on the **Pension breakdown** section:

Video overview

Pension forecast

Pension breakdown

Survivor's pension benefits

Click on the **see how we've calculated your pension dropdown** then, **Detailed info and breakdowns**:

In-year build-up

Scheme year April 2023 to March 2024.

1. Your CARE pensionable pay - Main section divided by 49
£214.29

2. Your CARE pensionable pay - 50/50 section divided by 98
£0.00

**3. Additional pension bought
£365.00**

4. Transfer in
£0.00

2023/2024 build up

£214.29 + £0.00 + £365.00 + £0.00 = £579.29

What if I have a certificate of protection?

If you have received a certificate of protection from your employer following a permanent reduction to your pensionable pay, an increase may apply to your benefits when you leave the scheme in respect of a previous year's higher pay. It is not possible for us to include any increases you may eventually receive on your annual benefit statement information,

however when you do come to leave the scheme, if your certificate remains valid, the increases will be applied to the benefits we pay you.

Does the current value of my benefits at 31 March 2024 mean that is how much I will get if I leave now?

No. Your annual benefit statement shows the estimated value of the benefits you have built up without taking account of any early retirement reductions. If you are age 55 or over and you choose to take your pension benefits before your Normal Pension Age, a reduction will be applied to take account of your pension benefits being paid earlier and for longer. These reductions are set by the Government Actuaries Department (GAD) and can change at any time without notice. You can view the latest early reduction percentages on our website <https://www.highlandpensionfund.org/news/changes-to-late-retirement-factors/>.

I am thinking about retiring. Can I make a decision based on the information provided on my statement?

Your statement is purely an illustration of what you might receive when you retire. You should not use it to make any financial decisions. The information provided on your statement is mass produced and is based on pay information we have received from your employer and may not account for all adjustments affecting your pay. Adjustments including periods of unpaid leave, acting up payments, some salary sacrifice arrangements and adjustments which took place during the 2023-24 tax year in respect of a previous tax year may affect the pay used to calculate the pension benefits in your annual benefit statement.

If you are thinking about retiring, please see our **retirement planning guide** for detailed information about the retirement process. This guide can be found on the resources section of our website: <https://www.highlandpensionfund.org/resources/> or at: <https://www.highlandpensionfund.org/resources/retirement-planning-guide/>.



Retirement planner

Use our retirement planner to set or edit calculations based on your expenditure vs income to help ensure your retirement matches your lifestyle.

[Plan my retirement](#)

You can obtain a pension projection using our retirement planner on your My Pension dashboard.


Go to the section called **Retirement planner** and click on **Plan my retirement**.




Step 1 – plan your retirement:

You will be asked to set your preferred retirement lifestyle goals from a list of 3:

- **Essentials covered**
In this lifestyle, a member's basic needs are covered with some money left for fun and social occasions.
- **Living comfortably**
This lifestyle allocates more money to spend on leisure activities than the Essentials covered lifestyle.
- **Luxurious retirement**
This lifestyle allows the member to be more spontaneous with their money than the other two lifestyles.

The numbers shown will change for each lifestyle depending on whether the marital status toggle is set to **Single** or **Couple**:

 Single

| | | |
|---|---|---|
|  |  |  |
| Essentials covered | Living comfortably | Luxurious retirement |
| £1,650 - £2,850 per month | £2,850 - £4,550 per month | £4,550+ per month |
| This target ensures all your basic needs are covered, with some left over for fun and social occasions. | This gives you more flexibility in retirement and gives you more to spend on leisure activities. | This target lifestyle that allows you to be more spontaneous with your money and go on more holidays. |
| <ul style="list-style-type: none">• Basic utility bills are covered• £400 a month for food shopping• Using public transport instead of a car• 1 week holiday abroad every year• £100 a month spending money | <ul style="list-style-type: none">• Basic utility bills are covered• £500 a month for food shopping• Enough to run and maintain your own car• 2 weeks abroad on holiday every year• £200 a month spending money | <ul style="list-style-type: none">• Basic utility bills are covered• Roughly £950 a month for food shopping• Enough to buy a new car every 5 years• 3 weeks abroad on holiday every year• £300 a month spending money |
| Choose essentials covered | Choose living comfortably | Choose luxurious retirement |

Step 2: Calculate your retirement lifestyle:

In step two, you will be provided with nine default monthly values for your lifestyle expenses. They are based on which retirement lifestyle you selected in step 1:

Calculate your retirement lifestyle

Step 2 of 3










Everyone has different hobbies and activities they want to pursue when they retire. With our lifestyle calculator, we'll help you figure out how much you need to save to achieve the retirement you want.

Use the plus and minus icons below to customise how much you're likely to spend every month.

You'll need, when you retire:

£1,650


per month before tax

| | | |
|---|---|--|
| <p>Basic Living Costs ?</p> <p>−  +</p> <p>£ 850</p> | <p>Holiday Fund ?</p> <p>−  +</p> <p>£ 250</p> | <p>Shopping Trips ?</p> <p>−  +</p> <p>£ 100</p> |
| <p>Rent & Mortgage ?</p> <p>−  +</p> <p>£ 0</p> | <p>Medical Costs ?</p> <p>−  +</p> <p>£ 0</p> | <p>Car Fuel & Maintenance ?</p> <p>−  +</p> <p>£ 0</p> |
| <p>Home Improvements ?</p> <p>−  +</p> <p>£ 150</p> | <p>Lifestyle & Leisure ?</p> <p>−  +</p> <p>£ 250</p> | <p>Gift & Charity ?</p> <p>−  +</p> <p>£ 50</p> |

[Reset and start over](#) [Continue](#)

You can adjust the default values by selecting the plus and minus buttons, typing a value directly in the box, or by selecting the arrows in the input box.

Home Improvements ?

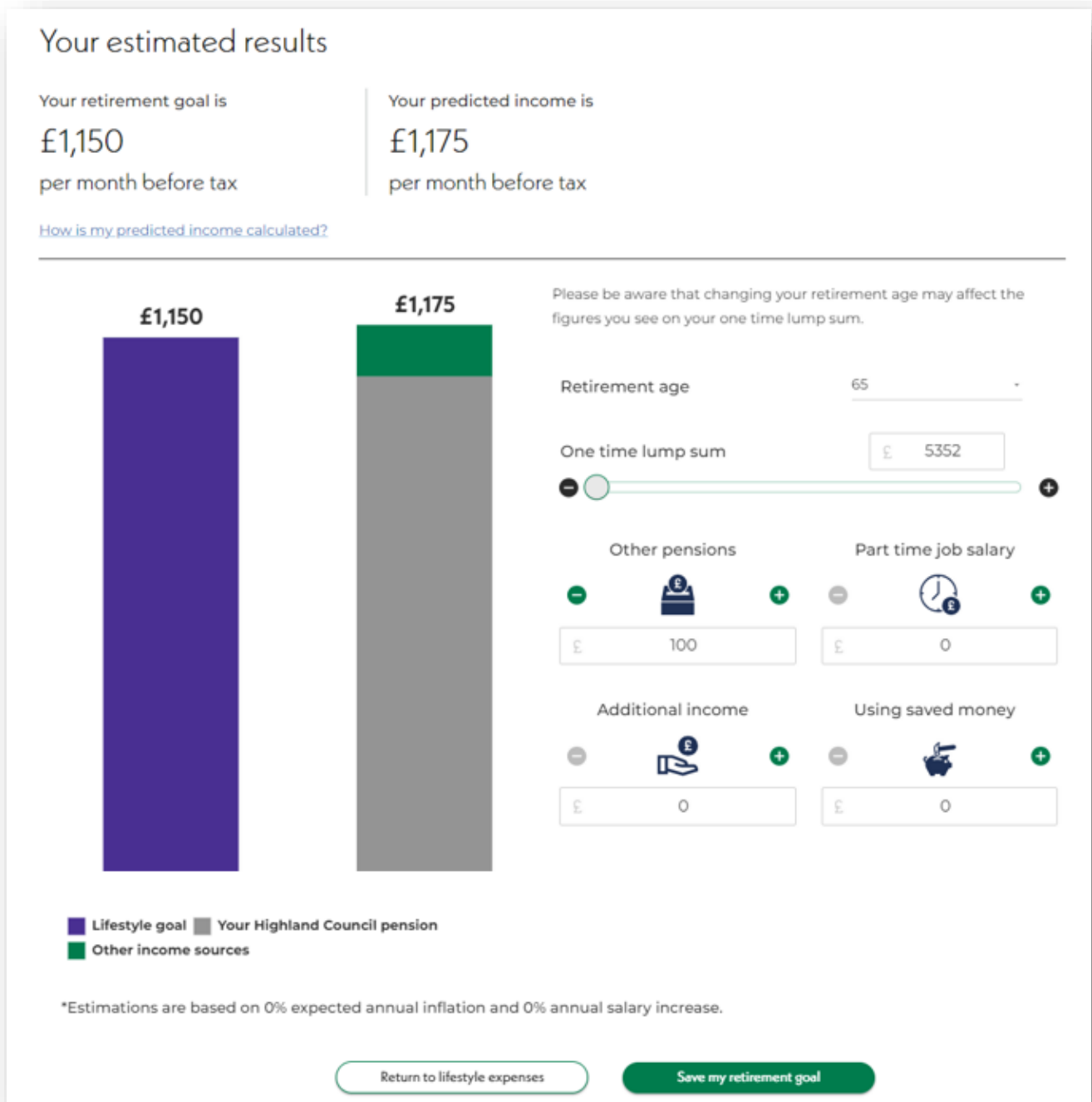
−  +

£ 100

To move on to step three, select the **Continue** button.

Step 3: Retirement income planner

You will be shown your estimated retirement income goal before tax and your monthly predicted income side by side:



Your **retirement goal** figure is calculated from the lifestyle expenses entered in step 2. These values can be updated by clicking on the **Return to lifestyle expenses** button.

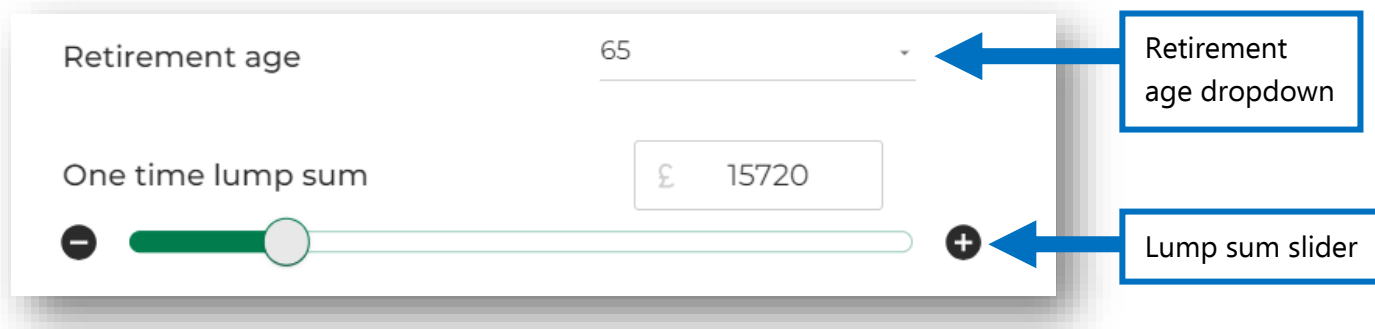
Your **predicted income figure** is calculated by adding the sum of your LGPS pension(s) to the additional income sources:

- The value of your Highland LGPS pension(s) are shown in **Grey**
- Additional income sources you have added are shown in **Green**

Setting your retirement age

You can select a retirement age from the dropdown menu. The range displayed will depend on how old you are, with a minimum age of 55. Each time you choose an age, the new pension and lump sum values (taking into account reductions for early payment) will be displayed.

You can change your one time lump sum amount by moving the slider or manually typing your desired value. Changing the lump sum amount will update your **predicted income** value displayed and the bar chart.



The screenshot shows a user interface for setting retirement parameters. At the top, there is a 'Retirement age' dropdown menu currently set to '65'. Below this is a 'One time lump sum' input field showing '£ 15720'. A horizontal slider is positioned below the input field, with a green bar indicating the current value and a white circle for adjustment. To the right of the slider are minus and plus icons. Two blue callout boxes with arrows point to the '65' dropdown and the plus icon on the slider, labeled 'Retirement age dropdown' and 'Lump sum slider' respectively.

If you are within 18 months of your proposed retirement date, active scheme members can request a formal estimate by completing our Voluntary Retirement Estimate Request form. This form can be found on the resources section of our website at www.highlandpensionfund.org or at: <https://www.highlandpensionfund.org/resources/voluntary-retirement-estimate-request-form/>

In all cases, we strongly recommend that you obtain independent financial advice before making any financial decisions.

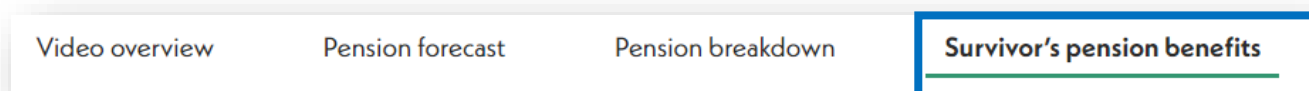
What are survivor benefits?

Should you die whilst an active member of the scheme, a lump sum death grant of 3 times your actual pay will usually become payable to your estate.

The LGPS also provides a pension to an eligible surviving partner (husband, wife, civil partner or cohabiting partner).

In addition, a dependant child could also become entitled to an annual income. Children's pensions are usually payable until they reach age 18, or age 23 if they remain in full time education.

For active members, an estimate of the lump sum death grant and survivor's pension amounts can be found in the **Survivor's pension benefits** section:



If you are a deferred member, the lump sum death grant payable and an estimate of the survivor's pension amount can be found in the **Death benefits** section:

Video overview

Pension value

Death benefits

If you are active member who also holds a deferred benefit, the lump sum death grant payable will be the higher of the active or deferred death grants.

More information on survivor's pensions can be found on our website at:
www.highlandpensionfund.org/your-pension/paying-in/survivor-benefits/

How do I update my lump sum death grant nomination?

It is important to tell us who you would like to receive the lump sum death grant and to keep this information up to date with your wishes. You can check or update your beneficiary information in your **My Pension** account:



Manage beneficiaries

Manage who should receive your pension benefits if you pass away.

[Manage my beneficiaries](#)

Go to the section called **Manage beneficiaries** and click on **Manage my beneficiaries**. Here you can create, add or edit your nominee(s).

If you have made a nomination previously, you can check that this information is still in line with your wishes in the **Manage my beneficiaries'** section.

If you have not yet made a nomination, you will not have any beneficiaries recorded on your pension record - an alert will be displayed stating that you have not added any beneficiaries yet.

When you create, add or edit your beneficiary information, the total percentage allocation for all beneficiaries must add up to 100%.

How do I contact you to discuss my pension in more detail?

There are several ways to contact us if you need help with your pension.

Telephone our team on 01463 702441

Our team are available from 9am to 5pm, Monday to Friday.

Email us at: mypension@highland.gov.uk

Write to us at:

Highland Pension Fund,
The Highland Council Headquarters,
Glenurquhart Road,
Inverness,
IV3 5NX.

In person visits:

Our office is open to visitors from 9am to 5pm Monday to Friday. Appointment bookings are not necessary but can be made by email or telephone.

Where can I find out more information?

You can find more about the Local Government Pension Scheme by visiting the National LGPS Scotland website at www.scotlgpsmember.org

Here you will find:

- [tools and calculators](#)
- [frequently asked questions](#)
- [a glossary of common pension terms](#)
- [short videos to learn about the LGPS](#)

We also have a dedicated Highland Pension Fund website which you can visit at www.highlandpensionfund.org.

All our member forms, guides and factsheet are published on our website and can be viewed, printed or downloaded from the resources section at any time:

www.highlandpensionfund.org/resources/

Disclaimer

Annual benefit statements are mass produced, based on a number of assumptions and cannot cover every personal circumstance, therefore, the figures shown are estimated and are not guaranteed. Any future changes to your circumstances will directly affect your pension projections. The actual benefits paid to you will be determined when you leave the scheme and will be based on the scheme rules applicable at that time. In the event of any dispute over your statement, the appropriate legislation will prevail.

Your annual update is not intended to give you financial advice as the Highland Pension Fund is not regulated under the Financial Services Act and so we strongly recommend that you obtain independent financial advice before making any financial decisions.

The information provided represents the Council's best understanding and interpretation of the Local Government Pension Scheme (Scotland) Regulations at the time of issue. The information is subject to change due to various factors including, but not limited to, changes to rules and regulations introduced by the Government Actuaries Department, HMRC and/or the Department for Communities and Local Government. Changes can happen at short notice and may be implemented prior to us issuing future revised documentation.

The Council excludes all and any liability for any loss, damages or expenses incurred or suffered (including consequential loss such as, but not limited to, loss of profit, anticipated savings and other economic loss) as a direct or indirect result arising from any information contained in this document, or from any interpretation of the same, or from any act or decision taken as a result of using the same.