Additional Voluntary Contributions (AVCs)
If you pay AVCs to Standard Life or Prudential via the LGPS and you leave the LGPS with immediate payment of benefits, there are a number of options available to you, which include:

- taking up to 100% of your AVC fund as a tax free lump sum (provided that, when added to your LGPS lump sum, it does not exceed 25% of the capital value of your benefits)
- using your AVC fund to buy an annuity
- using your AVC fund to buy a top-up pension from the LGPS

If you would like more information about your AVC options please contact Bedfordshire Pension Fund.

The Lifetime Allowance (LTA)
The LTA is set by HMRC and is the limit on the total value of pension benefits you can draw from all pension arrangements without paying a tax charge. The standard LTA for 2019/2020 is £1.055 million. Any estimate you receive from us will show the percentage of the LTA used up by the LGPS benefits you have with Bedfordshire Pension Fund. If you have other pensions you may be asked for this figure when you claim them. When you claim your benefits from us you will need to tell us about the value of any other pensions you have, which is why we ask for these details on the application to claim pension benefits form.

Go online
You can now sign up to My Pension Online to view details of your pension record and carry out your own pension estimate calculations.

Sign up at mypension.bedspensionfund.org

Local Government Pension Scheme (LGPS)
Bedfordshire Pension Fund
Planning for retirement

The LGPS gives members flexibility when it comes to deciding when to retire. The scheme’s regulations allow members to retire and start receiving their pension benefits at any time between age 55 and 75.

Normal Pension Age
‘Normal Pension Age’ is the age when you can retire and take your pension benefits without any reduction. Your Normal Pension Age is the same as your State Pension Age (but with a minimum age 65).

You can choose to retire and take your benefits before your Normal Pension Age, but the benefits will be reduced because they are being paid early.

You can choose to retire and take your benefits after you reach your Normal Pension Age and the benefits will be increased because they are being paid later.

Pension Estimates
To help you decide when you would like to retire, you can request an estimate of the pension benefits that would be payable to you on your preferred retirement date.

Pension estimates from Bedfordshire Pension Fund show the estimated amount of annual pension payable at your chosen retirement date and, if you have LGPS membership before 1 April 2008, a lump sum.

You have the option to exchange some of your annual pension in order to receive a lump sum or increase any lump sum you may already have. For each £1 of annual pension you give up, you will receive £12 lump sum. Pension estimates include ‘Conversion Information’ which shows the maximum lump sum you can take and the reduced annual pension that you would have left if you take the maximum lump sum available.

You can take up to 25% of the capital value of your benefits as a lump sum. The capital value of LGPS benefits is calculated by multiplying the annual pension by 20 and adding the lump sum.

You do not have to make the decision about exchanging pension for lump sum until you retire.
Bedfordshire Pension Fund — the retirement process

If you’re thinking of leaving or retiring, contact Bedfordshire Pension Fund to ask for a pension estimate.

Once you’ve made the decision to retire, hand in your resignation to your manager and agree your leaving date.

Your manager will tell the Human Resources (HR) department and HR will pass the information to your payroll department.

When you have been paid for the last time, your payroll department will send a leaver form to Bedfordshire Pension Fund.

Once the leaver form has been received from your payroll department, Bedfordshire Pension Fund will send you an application to claim pension benefits form.

When you send the completed application form and proof of identity to Bedfordshire Pension Fund, we will process your retirement within 10 working days and pay any lump sum into your bank account. Your monthly pension will be paid on the last Thursday of each month.

These steps in the process will be different if you are leaving employment because you are being made redundant or are leaving on health grounds with an entitlement to an ill health pension.

If you have any deductions made from your salary (e.g. PHSA or GAYE etc) and wish to continue making payments, you will need to arrange this, by direct debit or other such method.

When you retire, your employer will usually send form P45 (“details of an employee leaving work”) to Bedfordshire Pension Fund in order for your tax code, taxable pay and tax to date to be applied to your pension. If your employer has given you the P45 but you want your tax code to be applied to your pension, please send the P45 to Bedfordshire Pension Fund.

Bedfordshire Pension Fund does not reduce the amount of pension you receive if you are re-employed, although you may wish to talk to Her Majesty’s Revenue and Customs (HMRC) to see how re-employment would affect the tax that you pay.

If your partnership status changes after retirement then the amount of the survivor’s pension payable to a spouse / civil partner / eligible co-habiting partner in the event of your death may differ from the amount shown on pension estimates received before retirement.

The application to claim pension benefits form will ask you for the following information:

- Bank details
- Details of any other pensions you may have, so we can calculate your Lifetime Allowance (see overleaf)
- If you would like to exchange some of your annual pension for a lump sum amount
- What you want to do with your in-house Additional Voluntary Contributions (AVC) fund, if you have one (see overleaf)
- Proof of your identity (you will need to send Bedfordshire Pension Fund your photographic driving licence or passport)

Your payroll department may not send the leaver form to the Pension Fund until after they have paid you for the last time so you may not hear from us until after your last working day.