

FutureView

Welcome to FutureView, your new look pensions newsletter. We hope you like it! Here are the highlights:

Saving today for a brighter tomorrow

Have you ever wondered what life will be like when you give up work? Often it's something we don't think about until we're approaching retirement, but by then it's often too late. Taking the time to think about your savings now and taking a few small steps today can really make a difference to your lifestyle when you retire.

In this newsletter we've included tips on how to plan for your retirement, how to make the most of the new 2014 Scheme and stay on track. So whether you dream of holidays abroad or spending more time in the garden - there's something for everyone!

Introduction of a new flat rate State pension

The Government plans to introduce a new flat rate State pension. On page 4 we explain what this could mean for you.

Tell us what you think

We'd like to know what you think about the new look of this newsletter and if you have any questions about the topics covered in FutureView generally. Please get in touch by contacting Pensions@croydon.gov.uk

Read on to:

- See whether you're on track for the retirement you want
- Find out what to do if you aren't and how the new 2014 Scheme can help
- Find out the latest pensions news.

September 2013

Our open day is fast approaching!

Join us at the open day on 8 October 2013 to find out more about the new Scheme and how we're helping you save for the future.

Contact Pensions@croydon.gov.uk or use the details provided on page 4 to find out more.

Picture your lifestyle in retirement

Does it look expensive?

If your retirement is some years off, you may find it hard to think about your lifestyle in retirement. Will you have any outstanding loans or other financial commitments? Will you want to travel? What might be your biggest expenses?

These are all important things to think about when planning what income you'll need to pay for your lifestyle in retirement. If you're not sure how much you will need, the Department of Work and Pensions has set out how much of your working life income you might need to cover your costs when you stop working:

Annual income bracket just prior to retirement	Target income you might need in retirement	
	% of pre-retirement income	Example
Under £12,000	80%	Up to £9,600
£12,000 to £22,100	70%	£8,400 to £15,470
£22,100 to £31,600	67%	£14,807 to £21,172
£31,600 to £50,500	60%	£18,960 to £30,300
Over £50,500	50%	£25,250+

These ratios are based on research by the Pensions Commission and include the State pension. This means that the lower your income, the greater the proportion of State pension that will make up your retirement income. The higher your income, you have more responsibility to make sure that you are saving enough. Of course, how much you need will depend on your individual circumstances.

Helping your savings to grow - a new way of saving from 2014!

To help you meet your savings target and pay for your lifestyle in retirement a new pension scheme is being introduced from 2014. Providing you save into the Scheme you will get:

1. A guaranteed income to help you enjoy your lifestyle in retirement.
2. Flexibility to save when you can.
3. Three times your pay for your family if you pass away before you retire.

How much you will save into the Scheme will depend on your salary.

Your pensionable pay pa**	Your contribution before Tax-Relief*	Your contribution after Tax-Relief*
Up to £13,500	5.5%	4.40%
£13,501 to £21,000	5.8%	4.64%
£21,001 to £34,000	6.5%	5.20%
£34,001 to £43,000	6.8%	5.44%
£43,001 to £60,000	8.5%	5.10%
£60,001 to £85,000	9.9%	5.94%
£85,001 to £100,000	10.5%	6.30%
£100,001 to £150,000	11.4%	6.84%
More than £150,000	12.5%	6.88%

* The net contribution rates are approximate and will depend on your personal situation.

** Pensionable pay is all pay including any overtime or pay for additional hours.

Work part-time?

If you work part-time the amount you pay will be based on your actual pay.

This is your pay including any overtime and any other pay you receive.

Did you know?

From April 2016, a flat rate State pension may apply for people reaching State pension age and will be the equivalent of £7,488 each year in today's money.

To read more go to page 4.

Staying on track to meet your savings goals

Keeping on track is essential to meet your savings target. You can check you're on track using member self - service. This provides a statement of what you have saved to date and an estimate of the pension you could get when you retire at 65.

Does your statement show that you won't meet your savings target? If it does, you could consider the following:

Save more – Even saving a little extra each week could help you enjoy a better life when you stop working. Please contact the Pensions Team for details on paying additional contributions.

Work longer – You might need to consider delaying your retirement if you cannot afford to save more now.

A flexible approach to help you save

We all have life events throughout our working life – having a baby, buying a new house. This may mean we can't always save as much money as we would like to! The new Scheme offers you the flexibility to reduce how much you save rather than having to leave the Scheme altogether. This means that you can still keep the other benefits of the LGPS such as life and ill health cover.

If you decide to use this option, your payments will increase again in the future to help you stay on track. If you decide to use this option you will reduce the amount of money you will get to support the retirement lifestyle you may be seeking, so it's important to adapt your plan, as this is only classed as a short term measure.

Annual benefits statements

From this year, your annual benefits statements will be available via our member self-service facility, enabling you to view your membership details and your statement together. If you are not able to access our website, you can request a paper copy from the Pension Team. This service has been developed to help you keep track of your pension and further communications from the Pensions Team will be delivered in this way. If you don't have a password, please visit <https://croydon.pensiondetails.co.uk/altairMSSWeb/login> to get an activation key.

While you're a **member of the LGPS** you'll receive **1/49** of your pensionable salary each year.

Go to lgps2014calculator.co.uk/Croydon and use the new calculator to see how much this will give you when you retire.

Steps to help your savings grow

Step 1: think

Consider how much money you will need to pay for your lifestyle in retirement

Step 2: find out more

Visit lgps2014calculator.co.uk/Croydon to use the new calculator to see if you are likely to have enough.

Step 3: act

Contact the Pensions Team if you would like details about paying additional contributions or to update your Expression of Wish form if you need.

Step 4: review

Stay on track to meet your savings goal at member self-service.

Did you know?

You can now keep track of your pension savings online. Go to <https://croydon.pensiondetails.co.uk/altairMSSWeb/login> to register and view your details.



Pension news

The latest news stories on pensions and how they could affect you:

Automatic enrolment

We may have recently written to you explaining automatic enrolment and what it meant for you personally.

We're pleased to say that we've now enrolled all eligible employees who weren't already in the LGPS.

New flat rate State pension

In January 2013 the Government confirmed its plans for a new, simplified flat rate State pension, likely to start in April 2016. Currently, the basic State pension is £5,727.80 per year (a weekly rate of £110.15 2013/2014 tax year).

This still needs to be agreed in Parliament, but it would mean a new single tier flat rate State pension. The existing basic State pension and State Second pension would merge. This means that anyone who reaches State pension age after April 2016 and has a record of at least 35 years' National Insurance contributions would be entitled to receive £144 per week (in today's money). You can get a State Pension forecast by visiting www.gov.uk

The proposed changes to the State pension will not affect anyone who has already reached State pension age by the time the reforms take effect.

In addition, the State pension age is rising too: by 2020 it will be 66 for both men and women, and there are plans for this to increase again to 67 by 2028.

Useful information

Saving for your retirement doesn't have to be complicated and there are resources to help:

- The Local Government Authority (LGA) provides information on the LGPS and the new scheme <http://www.lgps2014.org>
- The Department for Work and Pensions (DWP) provides information on pension savings generally www.gov.uk/dwp



Contact details

We hope you've found this newsletter helpful and please feel free to contact us if you have any questions. We've moved to our new offices so our contact details have changed. Please use the details provided below:

✉ Pensions Team,
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