

South Yorkshire Fire and Rescue

2011 newsletter



West Yorkshire Pension Fund
Working on behalf of SYFR

Pensions go up

3.1%

All about the 2011 increase



Pensions to go up by 3.1% this year

Consumer Price Index replaces Retail Price Index

The government announced in its Emergency Budget that public-sector pensions would in future go up in line with the Consumer Price Index. This change now applies to your pension with us.

This year's increase to pensions is 3.1%.

As always, the increase is based on the inflation rate on 30 September in the previous year. The government's

Pensions Increase (Review) Order tells public-sector pension schemes like ours how much we should increase pensions by.

The increase is due from 11th April this year.

You'll normally get the increase if:

- you are over 55
- you retired because of ill health, or
- you get a spouse's, partner's or child's pension.



How do we work out the increase to your pension?

If you get the increase, your May pension advice will show exactly how your pension has gone up.

The **Basic Pension This Month** shown on your May pension advice will be the full new monthly rate. In May you will also get the increase on your April pension for the 20 days from the increase date.

Here's an example to show you how it works.

We've based our example on a pension of £200 per month. With the full 3.1% increase the new monthly pension will be £206.20 per month.

So the April, May and June pensions in this example will be as follows. We've shown here how we work out the May pension.

April **£200.00**

May **£210.33** May's pension includes an extra £4.13, backdated for the 20 days in April after the increase date.
That's 3.1% of £200.00 (£6.20) ÷ the 30 days in April x the 20 days after the increase.

June **£206.20**

When will I get my P60?

We'll send your P60 to your home address by 31 May.

Did you retire on or after 27th April 2010?

If you did, you don't get the full increase this year. You'll start to get the full increases from next year.

If you retired between			Your increase this year
27 April 2010	and	26 May 2010	2.84%
27 May 2010	and	26 June 2010	2.58%
27 June 2010	and	26 July 2010	2.33%
27 July 2010	and	26 August 2010	2.07%
27 August 2010	and	26 September 2010	1.81%
27 September 2010	and	26 October 2010	1.55%
27 October 2010	and	26 November 2010	1.29%
27 November 2010	and	26 December 2010	1.03%
27 December 2010	and	26 January 2011	0.78%
27 January 2011	and	26 February 2011	0.52%
27 February 2011	and	26 March 2011	0.26%

Are you under age 55?

If you are, you may be able to get the increases before you reach age 55 if you become permanently unfit to do any work.

Otherwise, on your 55th birthday we will bring your pension up to the amount it would be if you had received all the increases from the date you retired.

Your GMP and your pension

If you worked for South Yorkshire Fire Authority after April 1978 you built-up something called a guaranteed minimum pension, or GMP. It's also known as a contracted-out deduction, or COD.

It only affects the way we calculate increases to your pension, and only from the time you reach state pension age.

How does it affect me if I have a GMP?

From state pension age the Inland Revenue starts paying the increase on your GMP (it's paid along with your state pension).

So when we pay the increase on your pension we pay it **less** the increase on your GMP. (Remember, the Inland Revenue pays this.)

Example

Let's say your annual pension is **£1500**, your GMP is **£500** and the increase is **5%**.

Pension before the increase	£1500
Plus 5% (£75)	£1575
Less the 5% increase on your £500 GMP	-£25
<hr/> Pension after the increase	£1550

The Inland Revenue pays you the **£25** increase on your GMP along with your state pension.

Membership after 6 April 1988

It's a bit more complicated if you have membership after 6 April 1988. If you do, **we** pay the increase on the part of your GMP that's for your membership after this date. Except that if the increase is more than 3%, we only pay the increase on 3% and the Inland Revenue pays it on the rest.

So if the increase was 5% like in the example, we would pay 3% increase on your GMP and the Inland Revenue 2%.

I paid married woman's reduced rate Contributions – do I have a GMP?

There will be no GMP for the time you paid the reduced rate.

My pension is a widow's or a widower's pension – do I have a GMP?

If you're a **widow** over age 45, or under age 45 with dependant children, you get half of your husband's GMP. If your circumstances change before you reach 60, your widow's GMP may stop.

If you're a **widower** over age 65 and your wife was over 60 when she died, you get half of her 'post '88' GMP.

What happens if I live abroad?

If you live in a country that has a social security agreement with the United Kingdom, we work out your increase in the same way as in the example.

Otherwise we pay the increase on all of your pension, including your GMP.

Useful information

Payday calendar 2011/12

Your pension will be in your bank account on these dates.

Tuesday	April	28	2011
Wednesday	June	1	2011
Friday	July	1	2011
Monday	August	1	2011
Thursday	September	1	2011
Friday	September	30	2011

Tuesday	November	1	2011
Thursday	December	1	2011
Friday	December	30	2012
Wednesday	February	1	2012
Thursday	March	1	2012
Friday	March	30	2012

Which tax office deals with my pension?

The South Yorkshire Area tax office is the one to contact if you have a query about tax on your pension.

HMRC South Yorkshire Area
PO box 370
Joseph Locke House
Heelis Street
Barnsley
S70 1XG

Employee helpline: 0845 366 7802.

Always quote your National Insurance number and tax office reference 673/SY3.

Moving house? New bank account?

If you move house or change your bank account please contact South Yorkshire Fire and Rescue.

If you change your bank account, please give at least three weeks notice.

South Yorkshire Fire and Rescue
Payroll & Pensions
197 Fyre Street
Sheffield S1 3FG

Phone:

0114 2532239 – Tina Jackson
0114 2532476 – Andy Kilner
0114 2532472 – Claire Davies
0114 2532451 – Beth Griffiths
0114 2532475 – Zoe Wombell

How to contact West Yorkshire Pension Fund

Contact us if you have any queries about how your pension has been calculated or the benefits available from the scheme.

Phone 01274 431223

PO Box 67 • Bradford • BD1 1UP

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