



North Yorkshire
Pension Fund

York and North Yorkshire Combined Authority

**The information provided in this booklet is only for
staff who are transferring to the York and North
Yorkshire Combined Authority in 2024**



Local Government
Pension Scheme

Introduction

This booklet **only** applies to employees who are transferring to the York and North Yorkshire Combined Authority ('**combined authority**') in 2024. These employees will be transferred under the Transfer of Undertakings (Protection of Employment) regulations (TUPE).

The information provided relates solely to the Local Government Pension Scheme (LGPS) and specifically the North Yorkshire Pension Fund (NYPF) which is the Fund relevant to people working in the North Yorkshire area. The benefits within the LGPS were changed to Career Average (CARE) on 1 April 2014. Prior to this, benefits were earned on a Final Salary basis. See the [LGPS website](#) for more information at www.lgpsmember.org

What's going to happen

- Staff list received from your payroll team
- Pay and contribution data is received and added to your pension record
- Your pension record is updated to show that your employment has transferred to the combined authority
- The NYPF will send you a letter regarding your pension record. The letter will include a form and information about transferring previous pension benefits
- The NYPF will process all transfer requests (please be aware that this could lead to an increase in demand which will impact our response times).

Pension contributions

Pension contribution rates for members of the LGPS are set each 1 April by the Government. These rates are currently between 5.5% & 12.5%, your employer decides your contribution rate based on your actual pay. Your current contribution rate is not affected by the creation of the new combined authority, but the rates are due to be reviewed on 1 April as part of the normal annual review for all staff in the LGPS.

The employer contribution rate will be set by the Fund's actuary when the combined authority is created. The rate will be set to meet the balance of the cost of providing scheme member benefits.

As the LGPS is a 'defined benefit' scheme your pension benefits are calculated using a defined formula and are **not** based on the contributions that you or your employer pay.

What's inside

What will happen to my pension membership when I transfer to the combined authority?

Options, rights & important decisions

What pay will be used for final salary benefits?

Changes in pay and pension tax implications

What about my additional contributions?

What if I'm made redundant?

What if I have to retire early due to ill health?

What if I take my pension early?

Other areas to think about

What will happen to my pension membership when I transfer to the combined authority?

If you're already a member of the LGPS through the NYPF your membership will continue unchanged.

If you've opted out of the LGPS or joined the 50/50 section

You will be automatically brought back into the **main section** of the LGPS when you transfer to the combined authority. The LGPS provides valuable benefits such as immediate life cover, a guaranteed pension and ill health protection after 2 years. You can find more information on the '[New Starters](#)' page on the NYPF website, www.nypf.org.uk.

If you would still like to opt out or re-join the 50/50 section, please fill in the relevant form on the NYPF [website](#). Forms should be returned to the NYC Employment Support Service (ESS) team. To prevent a contribution being deducted from your first pay, you need to return your opt out form to the ESS team before the payroll cut-off date. Please contact ESS for more information regarding this.

Email: EmploymentSupportService@northyorks.gov.uk

Post: Employment Support Service, North Yorkshire Council, County Hall, Northallerton, North Yorkshire, DL7 8AD.

When you transfer to the combined authority this will trigger several actions, rights and decisions as if you were a new member of the NYPF. These apply to each job that you have, as each job has a separate pension account in the NYPF.

- You can choose to have **separate pension accounts**.
- If you're aged 55 or over and ask us to keep your pension accounts separate, you can choose to **take immediate payment** of the pension that you earned up to the date before you transfer.
- If you're paying additional contributions, like **Additional Voluntary Contributions (AVCs)** or **Additional Pension Contributions (APCs)**, you may have decisions that you need to make.
- If you have pension benefits elsewhere, you may be able to bring these into the NYPF.

Further information to help you with your decisions is included in this booklet.

Options, rights & important decisions

Please read this booklet carefully and keep it safe as you have up to 12 months to make some decisions. You may not be able to make them straight away as the best approach will depend on your circumstances.

Should I combine my pensions or keep them separate?

When you transfer to the combined authority your pension accounts will **automatically** be combined. You will have the option to keep them separate and information regarding this will be sent to you by the NYPF administration team. If you have not met the two years vesting period, your pension accounts must be combined, you do not have the option to keep them separate.

Details of what the two years vesting period is can be found on the [LGPS member website](#).

If you choose to keep your pension accounts separate

Your decision is final, you can't change your mind afterwards.

You will have a deferred pension account for your membership up to the date before you transfer, and a new active pension account from the date that you transfer to the combined authority.

Here are some things you should think about very carefully before you decide to separate your pension accounts.

- What 'final pay' will be used to calculate any pre 1 April 2014 benefits (known as final salary benefits)?
- What effect will a change in pay have and the pension tax I might have to pay?
- What happens to my APCs or AVCs?
- I'm aged 55 or over, what happens if I'm made redundant?
- What happens if I have to retire due to ill health?
- What if I take my pension early?

To help you with your decision we've included some examples on the following pages, but you may wish to obtain independent financial advice. The pensions team are not authorised to give you any advice.

What 'final pay' will be used?

Think about...	Combined pension accounts	Separate pension accounts
I was a member before 1 April 2014, what 'final pay' will be used to work out my final salary pension for any membership before 1 April 2014 ?	Benefits based on membership before 1 April 2014 (final salary benefits) will continue to be worked out using your 'final pay' when your employment with the combined authority ends.	Benefits based on membership before 1 April 2014 (final salary benefits) will be worked out using your 'final pay' up to the day before you transfer to the combined authority. This will become a deferred pension account. Subsequent changes in pay with the combined authority will have no effect on the value of your deferred benefits.

For example, Mr Cinders

- worked for North Yorkshire Council (NYC).
- joined the LGPS on 1 August 2001.
- moved to the combined authority on 1 February 2024 aged 57.
- decided on 1 October 2024 to keep his pension accounts with NYC and the combined authority separate. This means he has a deferred pension account **and** an active pension account with the NYPF.

Pension 1: A deferred LGPS pension from 1 August 2001 to the day before the transfer.

His pension benefits from his final salary membership (membership before 1 April 2014) are worked out on his final pay to the day before the transfer of £42,000.

He can choose to take this deferred pension as he's over the age of 55, but the pension will be reduced for early payment.

Pension 2: He has a new active pension account with the combined authority starting on the day after the transfer to his retirement date of 31 March 2029 (his State Pension age), or earlier leaving date.

Looking ahead...

Mr Cinders has been promoted and his final salary pay is now £53,000.

As he chose to separate his pension accounts, his deferred pension (**Pension 1**) was based on his final pay to the day before the transfer of £42,000 and increases in line with inflation (Consumer Prices Index (CPI)) each year to retirement.

If he had left his pension accounts combined, all his pension benefits from 1 August 2001 would be worked out on his final salary pay of £53,000.

However, if inflation was greater than all rises in pay, the value of his deferred pension account may have been higher than if it had been calculated using his final salary pay of £53,000.

Changes in pay and pension tax whilst contributing to the LGPS

If your pay drops

If you have membership before 1 April 2014 and your pensionable pay is reduced or frozen because of a decision made by you or your employer, your final salary pension benefits may lose some value. However, you may have some protections for your pension. This is explained on the LGPS members [website](#).

If your pay goes up

If you benefit from a significant pay increase in any year, you may have to pay an annual allowance tax charge. This can affect anyone who has a significant pay increase, not just high earners. The NYPF will write to you if you exceed the annual allowance.

Annual allowance

The annual allowance is a limit on the amount your pension savings can increase in any one tax year without you having to pay a tax charge.

You can find out more information about the annual allowance on the Forms / Guides section of our website, on the [Tax limits - Annual Allowance & Lifetime Allowance](#) page.

What about my additional contributions?

Think about...	Combined pension accounts	Separate pension accounts
<p>What happens to my Additional Pension Contributions (APCs) or Additional Regular Contributions (ARCs) contract?</p>	<p>Your APC or ARC contract will continue as before.</p>	<p>Your APC or ARC contract will end the day before you transfer to the combined authority, and you'll be given the proportion of contract you've paid for. Any contributions after transfer will be refunded to you.</p> <p>You can start another APC contract on your new active account. Please contact the pensions team if you wish to do this.</p> <p>New ARC contracts are no longer available.</p>
<p>What happens to my Additional Voluntary Contributions (AVC) contract?</p>	<p>Your AVC contract will continue as before.</p> <p>If your contract started before 13 November 2001, you would lose any right you may have had, to use your AVC Fund to buy LGPS membership when you retire.</p>	<p>Your AVC contract will end the day before you transfer to combined authority. If you wish to continue paying AVCs, you'll need to start a new AVC contract by contacting the Prudential.</p>
<p>What happens to my contract to buy Added Years (taken out before 1 April 2008)?</p>	<p>Your Added Years contract will continue as before.</p>	<p>Your Added Years contract can continue as before if you don't take immediate payment of your deferred pension (up to the day before you transfer to the combined authority).</p> <p>Any benefits bought before the transfer date would be based on the final pay in your old job.</p> <p>Any benefits bought from the transfer date would be based on the final pay in your new job with the combined authority.</p>

What if I'm made redundant?

Think about...	Combined pension accounts	Separate pension accounts
I'm 55 or over and have met the two years vesting period. What if I'm made redundant after I transfer to the combined authority?	Pensions paid early because of redundancy will include the value of all your pension benefits from the date you joined the scheme.	<p>Pensions paid early because of redundancy will only include the value of your pension benefits from the date of transfer.</p> <p>Your pension benefits up to the day before you transfer to the combined authority will remain deferred unless you claim them as a normal early retirement with reductions for early payment.</p>

For example, Mrs Paris:

- worked for the City of York Council (CYC).
- joined the LGPS on 1 February 2006.
- moved to the York and North Yorkshire Combined Authority on 1 February 2024 aged 56.
- decided on 1 August 2024 to keep her pension accounts with CYC and the combined authority separate. This means she has a deferred pension account **and** an active pension account with the NYPF.

Pension 1: A deferred LGPS pension from 1 February 2006 to the day before the transfer to the combined authority.

Her pension benefits from final salary membership (membership before 1 April 2014) are worked out on her final pay to the day before the transfer of £35,000.

She can choose to take this deferred pension as she's over the age of 55, but the pension will be reduced for early payment.

Pension 2: She has a new active pension account with the combined authority starting on the day after the transfer to her retirement date of 31 March 2034 (her State Pension age), or earlier leaving date.

Looking ahead...

Due to a restructure Mrs Paris' role has been made redundant from 1 September 2024. Her final salary pay is now £38,500.

As she chose to separate her pension accounts, the value of the pension paid early due to redundancy won't include the value of her deferred pension (**Pension 1**). The pension payable will only be based on her membership with the combined authority to 31 August 2024 (**Pension 2**).

If she had left her pension accounts combined, her pension paid on redundancy would have been based on membership from 1 February 2006 to 31 August 2024. The benefits from final salary membership (membership before 1 April 2014) would have been based on 'final pay' to 31 August 2024.

What if I retire early due to ill health?

Think about...	Combined pension accounts	Separate pension accounts
What if I have met the two years vesting period and I have to retire early due to ill health?	Your benefits paid early due to ill health will include the value of all your pension benefits from the date you joined the scheme.	<p>Pensions paid early because of ill health will only include the value of your pension benefits from the day you transfer to the combined authority.</p> <p>You'll have to apply separately to the combined authority (as your old employer will no longer exist), for your deferred benefits (up to the date of transfer) to be paid on the grounds of ill health.</p>

For example, Mr Kapur:

- worked for the Police and Crime Commissioner (PCC).
- joined the LGPS on 1 February 2006.
- moved to the combined authority on 7 May 2024 aged 56 **(the date of transfer used is for illustrative purposes only. The actual date of transfer is to be confirmed).**
- decided on 1 July 2024 to keep his pension accounts with PCC and the combined authority separate. This means he has a deferred pension account **and** an active pension account with the NYPF.

Pension 1: A deferred LGPS pension from 1 February 2006 to 6 May 2024.

His pension benefits from final salary membership (membership before 1 April 2014) are worked out on his final pay to 6 May 2024 of £22,000.

He can choose to take this deferred pension as he's over the age of 55, but the pension will be reduced for early payment.

Pension 2: He has a new active pension account with the combined authority starting on 7 May 2024 to his retirement date of 31 March 2034 (his State Pension age), or earlier leaving date.

Looking ahead...

Mr Kapur is suffering from ill health. After getting an occupational health opinion from an independent medical practitioner, the combined authority agrees to his early retirement on ill health grounds from 1 April 2025.

As he chose to separate his pension accounts, the value of the pension paid early due to ill health won't include the value of his deferred pension (**Pension 1**). The pension payable will only be based on his membership with the combined authority from 7 May 2024 to 31 March 2025 (**Pension 2**).

He will need to apply separately to the combined authority (as his old employer will no longer exist) for payment of his deferred benefits (**Pension 1**) on the grounds of ill health. The application may not be approved.

If he had left his pension accounts combined, his pension paid on the grounds of ill health would have been based on membership from 1 February 2006 to 31 March 2025. The benefits from final salary membership (membership before 1 April 2014) would have been based on 'final pay' to 31 March 2025.

What if I take my pension early?

Think about...	Combined pension accounts	Separate pension accounts
<p>Taking your pension early (if you have met the two years vesting period and are aged 55 or over)</p> <p>Please note that the minimum age is increasing from age 55 to age 57 in April 2028</p>	<p>You can choose to take your combined benefits from as early as aged 55 (normally at a reduced rate to account for the early payment).</p> <p>However, the combined benefits can't be paid until you've left your job with the combined authority or have reached the age of 75 if earlier.</p>	<p>You can choose to take your benefits from as early as aged 55 (normally at a reduced rate to account for the early payment).</p> <p>The pension benefits from your combined authority job can't be paid until you've left your job with them, or you've reached the age of 75 if earlier.</p> <p>However, your pension benefits up to the day before the transfer don't have to be taken at the same time.</p> <p>They can be taken later (if under the age of 75), at the same time, or earlier (if you're at least 55) than the pension from the combined authority even if you're still working there.</p>

For example, Mrs Churchill:

- worked for the Fire and Rescue Authority (FRA).
- joined the LGPS on 1 April 1997.
- moved to the combined authority on 7 May 2024 aged 60 (**the date of transfer used is for illustrative purposes only. The actual date of transfer is to be confirmed**).
- decided on 28 February 2025 to keep her pensions with FRA and the combined authority separate. This means she has a deferred pension account **and** an active pension account with the NYPF.

Pension 1: A deferred LGPS pension from 1 April 1997 to 6 May 2024.

Her pension benefits from final salary membership (membership before 1 April 2014) are worked out on her final pay to 6 May 2024 of £18,000.

She can choose to take this deferred pension as she's over the age of 55, but the pension will be reduced for early payment.

Pension 2: She has a new active pension account with the combined authority starting on 7 May 2024 to her retirement date of 31 July 2030 (her State Pension age), or earlier leaving date.

Looking ahead...

As she chose to separate her pension accounts, she has the option of taking her deferred pension (**Pension 1**) early without having to leave her combined authority employment.

She decides to take her deferred pension (**Pension 1**) from 1 March 2025 at a reduced rate based on membership up to 6 May 2024. This would not have been possible if the benefits had been combined.

She's still working for the combined authority and has been building up pension benefits with them since 7 May 2024; this can be paid once she leaves employment or reaches age 75 if earlier.

How do I register for my online pension account?

'My Pension Online' is the NYPF's member self-service facility which enables you to view and maintain your personal information. It is important to keep your details up to date.

You can amend your personal details such as your address and death grant nominations, so that we always hold the correct information. You can view and print your annual benefit statements and any other communications that we upload to your account. You can also run your own benefit estimates at any time and as often as you like.

You must have an email address to be able to register and use the online functionality. A personal email address is the most secure. Don't worry if your email address isn't already on your pension record, you'll still be able to start the ball rolling with your registration.

Follow our simple two-step login process to access your NYPF information online.

Step 1

Go to: [Sign Up - North Yorkshire Pension Fund Member Self-Service](#) and enter your surname, National Insurance number and date of birth, you will also need to enter a valid email address. A personal email address is the most secure.

If the email address you provide is held on your pension record

You will receive an email containing a link to complete the registration process. The link is active for **five days**, if you do not complete your registration within this time the link will expire, and you will need to request another one.

If the email address you provide is not held on your pension record

The NYPF will check the personal details that you provide on the 'Sign Up' screen and will email you a link to complete the registration process. The link is active for **five days** from the date of issue. If the details you provide do not match those held on our records, you will be asked to provide further information.

Step 2

When you receive your email, click on the link in it and you will be asked to create a username and password. You will also be asked to select and answer two security questions and these will be used as additional checks each time you log in.



Remember to create a username and password that are easy for you to remember.

A short video showing you how to complete the registration process is available to watch on the NYPF website at <https://nypf.org.uk/my-pension-online/>.

Other things to think about...

Think about...	Combined pension accounts	Separate pension accounts
Cost of living increases	<p>Your pension built up from 1 April 2014 in the CARE scheme, will be adjusted each year in line with the change in the Consumer Prices Index (CPI).</p> <p>However, in times of negative inflation, the adjustment could be negative (only while you are in active membership).</p> <p>Any pension built up before April 2014 will be calculated using your final pay when you leave.</p>	<p>Your pension built up in the CARE scheme from the date of transfer, will be adjusted each year in line with the change in the CPI.</p> <p>However, in times of negative inflation, the adjustment could be negative (only while you are in active membership).</p> <p>Your deferred pension (up to the date of transfer) will be adjusted each year in line with the change in the CPI; in times of negative inflation, the adjustment would be 0% (it can't be negative).</p>

Transfer in a previous pension

As you'll be working for a new employer, you will get a new opportunity to transfer benefits from a previous pension provider. Any request to transfer previous pension benefits must be received within 12 months of the date of transfer to the combined authority. After this time, your employer will have to approve the transfer and your request may be refused.

A transfer form will be sent to you shortly after you transfer.

Transferring your NYPF pension to another pension scheme

In the future, if you leave the NYPF and join another pension scheme, you may think about moving your NYPF pension to it. However, if you have more than one NYPF pension account (because you have chosen to keep them separate), you will need to transfer all of them or none.

The McCloud court case

When the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older members were introduced, known as the 'underpin'. When a protected member takes their pension, the benefits payable under the career average and final salary schemes are compared and the higher amount is paid.

This has since been ruled as discriminatory against younger members and the Government has updated the LGPS regulations to remove this discrimination, known as the 'remedy'. The changes will apply to members who were in any public service pension scheme on or before 31 March 2012 and who subsequently went on to earn benefits after 1 April 2014 (without a break of more than five years).

The period the remedy applies for is from 1 April 2014 to 31 March 2022.

Most members are unlikely to see an increase to their pension, and where an increase is applied, it is likely to be small. This is because most members will build up a higher pension in the career average pension scheme than they would have under the final salary scheme.

You do not need to take any action. The Government has confirmed that members who qualify for protection do not need to make a claim for the changes to apply to them. The NYPF is still in the process of working through what is needed to meet the requirements of the remedy and will contact every member who is affected.

Contact us:

Email: pensions@northyorks.gov.uk

Website: www.nypf.org.uk

Tel: 01609 536335. Our phone lines are open Monday to Friday 10am to 4pm except Wednesdays when they are closed all day

Post: North Yorkshire Pension Fund, County Hall, Northallerton, North Yorkshire, DL7 8AL