

# NEWSLETTER

## FOR DEFERRED MEMBERS



### Welcome to our LGPS newsletter

The newsletter is designed to act as a companion document to your benefit statement, featuring information and guidance about the LGPS and your benefits, as well as wider issues.

The full list of contents is inside. If you have any questions after reading the newsletter, please check the website, or contact Southwark Pension Services.

We hope you find this year's newsletter interesting and informative.





## Inside...

**Finding out more** 2

**Facts and figures** 3

- Fund membership 3
- Investment update 3
- Asset spread 4

**Noticeboard** 5

- Member Self-Service portal 5
- We're switching to digital communication 5
- Tax allowances 5
- Pension scams 6
- MoneyHelper 6
- Pensions Dashboards 6
- The McCloud remedy 6

**Focus on your details** 7

- Keeping your records up to date 7
- Your privacy 7

**Benefit options** 8

- Drawing your pension early 8
- Rejoining the LGPS 8
- Joining another scheme 9

**Retirement planning** 10

- Take stock of your benefits 10
- Think about life after work 11
- Your retirement options 12

## Finding out more

If you have a question about your pension and you cannot find the information you are looking for on the website, please contact Southwark Pension Services.

LGPS member website: [www.lgpsmember.org](http://www.lgpsmember.org)

Southwark website: [www.southwarkpensions.co.uk](http://www.southwarkpensions.co.uk)

Email: [lbspensions@southwark.gov.uk](mailto:lbspensions@southwark.gov.uk)

Phone: **020 7525 4924**

Opening hours: **9am to 5pm Monday to Friday**

Write to: **Southwark Pension Services  
Southwark Pension Fund  
PO Box 7606  
WS10 1EJ**

Please note that no one involved in running the LGPS, including Southwark Pension Services, is allowed to advise you directly about your benefits. If you need any help making financial decisions, please consider taking independent financial advice.

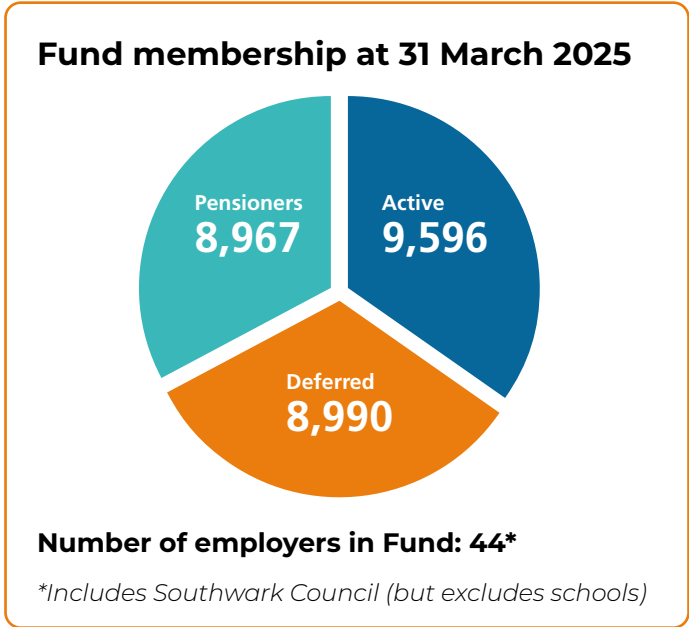
You can find an adviser near you using the search facility at: [www.unbiased.co.uk](http://www.unbiased.co.uk)

Remember to visit the Financial Conduct Authority's Register to check that any adviser you are thinking of speaking to is properly authorised:  
[www.fca.org.uk/firms/financial-services-register](http://www.fca.org.uk/firms/financial-services-register)



# FACTS AND FIGURES

Here are some headline statistics updating you on Southwark Pension Fund’s progress over the year to 31 March 2025.



## Investment update

The Fund’s investments generated an overall fund return for the year to 31 March 2025 of 1.6%, which was significantly lower than the previous year’s return of 11.3%.

- 2.6% a year over the last three years; and
- 8.2% a year over the five years to 31 March 2025.

The market value of the Fund’s assets as at 31 March 2025 was £2,270m (£2,239m at 31 March 2024).

Positive returns from the stock market and, less so, property were the main contributors to the one-year performance. This was offset by negative returns from infrastructure and fixed income investments. However, in total, the fund return was in positive territory.

The Fund is a long-term investor and performance over the medium and longer term remains strong and well ahead of long-term target returns.

## LGPS Pooling

Previously, each Local Government pension fund invested directly or delegated via individual investment manager mandates. Now all 86 funds across England and Wales have formed eight ‘investment pools’, like the London Collective Investment Vehicle (LCIV). By joining up in this way, it is expected that investment fees will be reduced and performance sustained. The Fund will continue to support the development of the

LCIV, and at 31 March 2025 47% of the assets of the Fund were indirectly managed by the pool and another 5% directly managed by the pool.

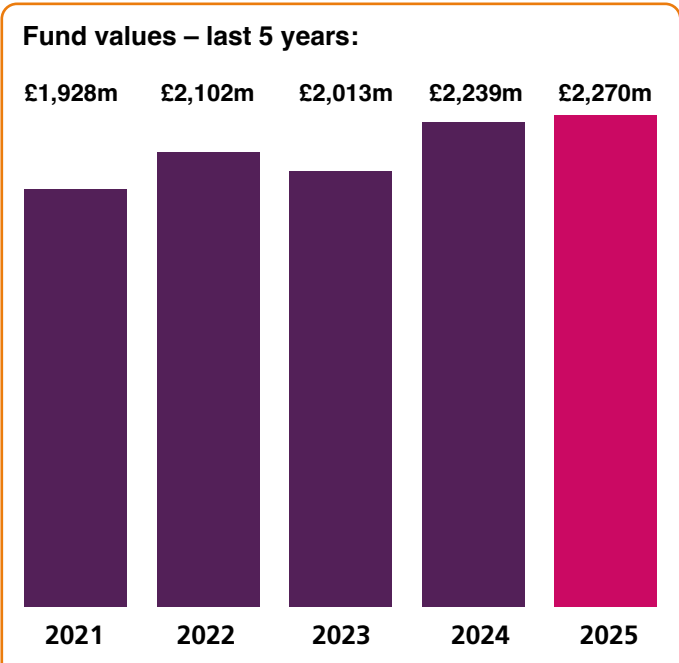
In November 2024, Government issued “Fit for the Future”, a consultation on the future of asset pooling in the LGPS.

The consultation had three key themes:

- Pooling: whether pool companies have the correct legal structure and pooling of all assets could be achieved by 31 March 2026;
- Local investment: how funds could demonstrate their approach to investing locally via their pools;
- Good governance: ensuring that appropriate governance measures are put in place on areas such as training, managing conflicts of interest and independent reviews of governance policies.

As with previous consultations, an assessment of the impact of the proposed changes was made with reference to the Southwark Fund’s existing arrangements and a response was submitted to government.

Government issued its response to the consultation in late May 2025. This confirmed that, largely, it is expected that the key themes identified above would be enacted. The key implication for the Fund is that day to day management of the Fund’s assets will transfer to London CIV. This will be over a period defined in a mutually agreed transition plan, as close to 31 March 2026 as possible







In December 2016, the Fund committed to reduce its investments in fossil fuels and has made significant progress towards this long-term ambition. Progress has been achieved whilst maintaining strong investment performance.

There were no new investments made during the year to implement the 2022 review of the Fund's strategy. However, further progress has been made by the Fund's managers in implementing the Fund's strategy to achieve net zero carbon in its investments by 2030. As at 31 March 2025, 90% of the Fund was invested in low, zero or negative carbon holdings.

The Fund's carbon footprint is measured quarterly and includes all holdings in the Fund. This allows for the monitoring of the carbon footprint over time, as further low carbon investments are made.

Since the carbon footprint was first measured in September 2017, it is estimated that it has reduced by at around 82%, because of the changes made to the Fund's investments.



## Asset spread

Asset Class	Asset Value	Actual Asset	Target Asset
	£m	%	%
Equities	1,123	50%	50%
Index Linked Gilts	230	10%	10%
Multi Asset Credit	220	10%	10%
Property	371	16%	20%
Sustainable Infrastructure	181	8%	5%
Alternatives	117	5%	5%
Cash and Other	28	1%	0%
<b>Total Investment Assets</b>	<b>2,270</b>	<b>100%</b>	<b>100%</b>

# NOTICEBOARD

## Member Self-Service portal

We continue to make changes and test the UPM Member Self-Service Portal. You can now update your personal details such as your address and expression of wish form. We will be launching additional functionality over the course of 2025-26.

Any queries concerning the use of the Member Self-Service Portal can be sent to **[lbspensionsdata@southwark.gov.uk](mailto:lbspensionsdata@southwark.gov.uk)**.

## We're switching to digital communication

As part of our ongoing improvements to member services, we are notifying you of our intention to communicate with you digitally in future. This may be by email or, where the information is sensitive, by providing information to you via our secure Member Self-Service Portal.

Digital communication will allow you to access information quickly and at a time that suits you. It will also reduce our impact on the environment and help us to manage increasing postage costs. The switch to digital communication will not happen straight away. We are just letting you know our intention and giving you the opportunity to opt-out of digital communication if you wish to. If you are happy for us to communicate with you digitally in future you must provide us with your email address, if you have not already done so. We suggest you do this by registering for the Member Self-Service Portal, which can be found at: **[mypensions.southwarkpensions.co.uk/](http://mypensions.southwarkpensions.co.uk/)**

If you would like to continue to receive information by post, you may request in writing to the following address that information or documents are not given by means of an electronic communication.

**Southwark Pension Services**  
**Southwark Pension Fund**  
**PO Box 7606**  
**WS10 1EJ**

We will be in touch again as our plans progress.

## Tax allowances

### Lump Sum Allowances

The Lump Sum Allowance is set at £268,275 (equivalent to 25% of the 2023-24 Lifetime Allowance) and limits the amount of tax-free lump sums an individual can take over their lifetime.

The Lump Sum and Death Benefit Allowance is set at £1,073,100 and limits tax-free lump sums taken during an individual's lifetime and lump sums paid out when they die.

**The vast majority of individuals will not be affected by these lump sum limits.** However, if the lump sum you take upon retirement exceeds your available Lump Sum Allowance, the excess will be subject to taxation at your marginal rate.

If you hold any form of Lifetime Allowance protection, please contact Southwark Pension Services with any queries, including rejoining the LGPS. Individuals with Lifetime Allowance protection will have a higher allowance used in the calculation of their tax-free lump sums.

### Annual Allowance

The Annual Allowance is £60,000 for the 2025-26 tax year. However, please note that higher earners will continue to have a reduced, or 'tapered' Annual Allowance.

Remember to measure your progress against all the allowances, and take any steps that might be appropriate. This includes paying any tax charges due if you exceed them. You can find more information on the Government website at **[www.gov.uk/tax-on-your-private-pension](http://www.gov.uk/tax-on-your-private-pension)**.

If you are in any doubt about your tax position, please speak to an independent financial adviser or tax specialist as the pension fund cannot give you advice.

## Autumn 2024 Budget and the LGPS Inheritance Tax

In October last year the Chancellor announced changes to inheritance tax rules that may affect the LGPS. At the moment, death grants paid by the LGPS do not count for inheritance tax purposes. The Government has consulted on including them in a member's estate for inheritance tax purposes from April 2027. This policy is at an early stage and more information will be available when the Government responds to the consultation.

LGPS death grants would still be paid without any tax deduction where the value of the estate is lower than the inheritance tax threshold.

## Pension scams: an ongoing issue

Pension scams remain a major problem, with millions of pounds being lost to scammers each year. Scammers use websites and social media to lure possible targets.

Pension scams can be hard to spot, but warning signs often include:

- contact out of the blue
- free pension reviews or high pressure sales tactics
- higher returns, unusual investments
- complicated structures or remote access
- an offer to release pension before age 55

You can find out how pension scams work, how to avoid them and what to do if you suspect a scam on the Financial Conduct Authority's ScamSmart website at [www.fca.org.uk/consumers/pension-scams](http://www.fca.org.uk/consumers/pension-scams)

If you think you may have already been scammed, it may not be too late. Call Southwark Pension Services as soon as possible, in case we can stop any money going out of your savings.

You should also contact Action Fraud on **0300 123 2040**.

Additional guidance is available in a leaflet produced by the Pensions Regulator which can be found at [www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423\\_pensions\\_consumer\\_leaflet\\_screen.ashx](http://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423_pensions_consumer_leaflet_screen.ashx)

## The McCloud remedy

When public service pension schemes changed from final salary schemes to career average schemes in 2014 and 2015, older members were protected from the changes.

In 2018, the Courts found that younger members had been discriminated against because the protection did not apply to them. Changes made to the LGPS from 1 October 2023 remove the discrimination found in the court case. These changes are called the McCloud remedy.

Not all LGPS members are affected by the changes. You can find more information on the national LGPS website, including a short video. Please visit [www.lgpsmember.org/mccloud-remedy/](http://www.lgpsmember.org/mccloud-remedy/)

If you are affected, you do not need to write to us or make any decisions. If you are contacted by a third party organisation selling a service to help you claim additional pension, you should not engage with them.

**As a member of the LGPS, you do not need to take any action to claim your protection under the McCloud remedy. If you qualify, we will automatically apply the protection when you take your LGPS pension.**

Remember: every genuine UK financial firm will be authorised by the FCA and appear in its Register.

You can find the Register at [register.fca.org.uk](http://register.fca.org.uk)

Or contact the FCA helpline on **0800 111 6768**.



## MoneyHelper

MoneyHelper is a government service providing free guidance and information about money and pensions.

You can read about pensions on their website, phone them on 0800 011 3797, chat using webchat (see their website for opening times), or submit a query online.

To find out more, go to [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)



# FOCUS ON YOUR DETAILS

## Keeping your records up to date

It is important that your records are up to date so we can continue to administer your pension efficiently. There are certain times when you may need to update your details (see below). If any of these situations applies to you, please let Southwark Pension Services know as soon as possible:

- If you have not done so already, please send Southwark Pension Services your personal email address, along with your mobile number (which will allow you to receive text messages about

your pension). Rest assured we will not share this information (see 'Your privacy' below).

- If your records include an email address, you can send an email from this address to update your details.
- If you do not use email, or if you need to send us supporting evidence, please write to Southwark Pension Services at the address on page 2. (We will return all original certificates as soon as we have updated your records.)

The changes we need to know about	
If you move home	Please let us know your new address. You can use the Member Self-Service Portal or confirm this in writing.
If your marriage or civil partnership status changes	Please let us know your new status, and the date that it changed.
If you change your name	You will need to send us the relevant certificate or deed poll, as appropriate, as evidence (either the original version or a copy).
If you need to update your Expression of Wish form	<p>You can use the Expression of Wish form to tell us who you would wish to receive any lump sum death grant following your death. If your circumstances have changed recently – for example, if your partnership status changes, or you become a parent – you may want to update the names on your form.</p> <p>You can update your Expression of Wish form by using the Member Self-Service Portal or completing a form at:  <a href="http://www.southwarkpensions.co.uk/pension-fund-members/membership-information/find-out-more/member-documents/">www.southwarkpensions.co.uk/pension-fund-members/membership-information/find-out-more/member-documents/</a></p>

## Your privacy

We need to comply with the current rules on handling personal data. The aim of these rules is to give people more say than before in how their personal information is used, and improve security by standardising the way organisations store and use personal information.

The London Borough of Southwark, as the Administering Authority for the Southwark Pension Fund, is a Data Controller under the current UK data protection legislation. This means we store, hold and manage your personal data in line with statutory requirements so we can administer your

benefits. To enable us to carry out our statutory duty, we are required to share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your data, who we share it with and what rights you have to request information from the Fund, please visit [www.southwark.gov.uk/council-and-democracy/pensions/how-we-use-your-data](http://www.southwark.gov.uk/council-and-democracy/pensions/how-we-use-your-data).

If you have any concerns, you may also contact our Data Protection Officer by emailing [DPO@southwark.gov.uk](mailto:DPO@southwark.gov.uk).

# BENEFIT OPTIONS

## Drawing your pension early

As you may be aware, your deferred pension will normally start from your Normal Pension Age. (Your exact Normal Pension Age will depend on when you were an active member – it is shown in the statement we have sent you with this newsletter.)

However, you can choose to draw your deferred pension early if you want to, from age 55, if you are no longer in the employment this deferred pension relates to. The earliest age that you can take your pension will increase from age 55 to 57 from 6 April 2028.

If you are thinking of taking your benefits early, bear in mind that your pension will be reduced to reflect the likelihood you will receive it for longer. If you want an estimate of your pension to see how much lower it might be if you opt to receive it from an earlier age, contact Southwark Pension Services. You can ask your former employer to waive some or all of the early retirement reductions. However, this is at their discretion (and their cost) and they do not have to agree.

Please also remember:

- The standard figures (or ‘factors’) used to work out the amount your pension would reduce for each year you take it early are regularly reviewed. As a result, they may change from time to time, affecting the deferred pension you are due to receive. With this in mind, you should always ask Southwark Pension Services for a formal estimate of your pension before making a final decision to start receiving it early. (Once your pension starts, these factors do not affect it.)
- Different terms may apply if you are in ill health. As long as you meet the LGPS’s conditions, you may be able to receive your pension from any age, without any reduction for early payment.

For more details about drawing your deferred pension early, please visit the LGPS website:

[www.lgpsmember.org/your-pension/planning/taking-your-pension/](http://www.lgpsmember.org/your-pension/planning/taking-your-pension/)

## Rejoining the LGPS

If you have benefits in the LGPS from your time with an earlier employer and then rejoin at a future date, the date you left, and whether you left employment or opted out of the LGPS, will affect how your benefits are treated.

If you opted out **before** 11 April 2015, or the reason you left the LGPS was due to leaving your employment:

- Your deferred benefits will normally be joined together with the pension account you start building up when you rejoin.
- You must tell your new employer’s Pension Team if you have ‘old’ benefits in the LGPS, and they will tell you about the options you might need to think about and what actions you need to take.

Please note that joining up benefits is not necessarily the best course of action for everyone. Depending on the circumstances, the link may happen ‘automatically’ unless you choose to stop it, or you may have a certain period of time to confirm whether you want to link the benefits or not.

If you opted out **on or after** 11 April 2015:

- Your two periods of membership will stay separate.
- Accordingly, you will receive two sets of benefits and they will not be joined up.

For more details about rejoining the LGPS, please visit the LGPS website:

[www.lgpsmember.org/your-pension/paying-in/transferring-in/](http://www.lgpsmember.org/your-pension/paying-in/transferring-in/)

Please consider taking independent financial advice if you need help making this – or any other – decision about your retirement benefits (see page 2).



## Joining another scheme

If you have left the LGPS and are joining another scheme, you may want to consider transferring your LGPS benefits to it. You can even transfer your LGPS pension to an overseas arrangement as long as it meets certain HM Revenue & Customs conditions.

Remember that if you do take a transfer, you will no longer be entitled to any further benefits for you or your dependants from the LGPS. With this in mind, please make sure you compare what your benefits would be worth in both the LGPS and the new arrangement – and don't forget that your LGPS pension is guaranteed to increase in line with the cost of living.

Please note that if you are thinking of transferring your benefits to:

- a personal or stakeholder pension plan;
- a 'defined contribution' or 'money purchase' scheme at your current employer; or
- any other savings policy with an insurance company

You will be carrying all the investment risk yourself.

This could significantly affect the benefits you eventually receive.

As a result, you may want to take independent financial advice before making a final decision about transferring out (see page 2). Read the 'Pension scams' section on page 6 if you are considering a transfer.

If you wish to transfer your benefits (other than AVCs), you must make the request more than a year before you reach your Normal Pension Age.

For more details about transferring benefits to another pension scheme, please visit the LGPS website:

[www.lgpsmember.org/your-pension/thinking-of-leaving/transferring-your-lgps-pension/](http://www.lgpsmember.org/your-pension/thinking-of-leaving/transferring-your-lgps-pension/)



# RETIREMENT PLANNING

## Take stock of your benefits

Start gathering details of the benefits you can expect to receive when you retire. Aside from any other type of saving or investment you may have, you might be due pension benefits from at least some of the following.

**The LGPS:** the statement you receive with this newsletter will have the latest information about your Southwark LGPS pension.

**'Old' company pensions:** If you belonged to a pension scheme at a past employer which you haven't combined with your Southwark LGPS pension, consider whether you still have a deferred pension due from that scheme. This could well be the case, unless you transferred your benefits out.

If you recall joining a former employer's scheme but you no longer have the details, try to find them using the Government's Pension Tracing Service, at [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details).

## Personal pensions

If you have any personal or stakeholder pension plans outside the LGPS, you should receive statements from your provider updating you on their value, or have access to them online.

## State Pension

The amount of State Pension you will receive depends on your National Insurance contributions over your working life. For example, if you were in the LGPS before April 2016, it was 'contracted out' – which means your employer saved on National Insurance at the time in place of building up part of your State Pension. So you may not receive the maximum weekly amount of State Pension.

For more information about your State benefits, check the Government website:

- There is a calculator available to forecast the level of State Pension you can expect at [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension).
- State Pension ages are under ongoing review by the Government, and they are now different for groups of people depending on their date of birth. You can find your State Pension age at [www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age). Remember that if you are currently building up benefits in the LGPS, your State Pension age is also your normal retirement age for receiving your LGPS pension. Adding all these together will give you an idea of your likely retirement income, as things stand.



## Pensions dashboards

Pensions dashboards are being developed to allow individuals to see all their unpaid pensions, including their State Pension, in one place. There is still a lot of work to do, and you will hear more in the run up to dashboards being launched.



## Think about life after work

Now you know what you could get from your pension savings, you will need to consider if it matches what you might want, or need.

Currently, you might have at least a feel for what you spend, or even a carefully worked-out household budget. Try to have a figure in mind as a starting point.

When you stop work, what costs might arise that do not feature in your budget now? For example:

- You might have plans to travel more, or move away.
- You could be anticipating medical costs.
- You may have family you expect to be looking after.

At the same time, other expenses may fall away:

- Your commute will stop – saving you the fares or the petrol.
- You may have school fees now that you will no longer need to pay – and any children at home may have moved out by the time you retire.
- You will hopefully have paid off your mortgage, or any other current loans.

## Practical steps

If you have reached your earliest retirement age (age 55), and you want to take payment of your pension benefits, please contact Southwark Pension Services confirming the date you want to start receiving them.

Southwark Pension Services will then give you a quotation of your retirement benefits together with the options you have for taking more tax-free cash, if you want to. They will also have some forms for you to fill in before they can process your retirement benefits.

If there is a gap between your retirement 'budget' and the amount of pension you are expecting to receive, you may want to take action to add to your benefits, for example, paying more into your current employer's arrangement, or into a personal pension.

MoneyHelper has a free online Budget Planner tool to help you keep track of your money. You can access this at [www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner](http://www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner)



## Your retirement options

Another point to consider in your retirement planning is how you might want to receive your benefits.

As you are aware, your LGPS pension is a 'defined benefit' scheme where you can keep track of the benefits you have built up.

Members of 'defined contribution' plans have a range of options for how they use their pension savings. In a 'defined contribution' plan, the employee builds up a pension account, chooses how to invest it, then uses it to provide benefits on retirement. (So, they work in a similar way to a personal pension.)

The options for members of defined contribution plans are:

- **Annuity** – using some or all of the account to buy a pension;
- **Cash** – taking the whole value of the account as cash, with the first 25% tax-free, and the rest taxable at the member's highest rate;
- **Drawdown** – receiving income directly from the account, while continuing to invest the rest; or
- A mix of any of the above.

This means that if you wanted to take advantage of the extra flexibility of cash or drawdown you would have to transfer your benefits out of the LGPS and into a defined contribution plan – like a personal pension. However, as defined benefit schemes like the LGPS are considered fairly stable, this would be an unusual move – so much so that the Government rules are that anyone with a pension worth £30,000 or more must be able to show they have taken financial advice before transferring out.

While we believe it is likely that most members with a CARE or final salary pension will decide to receive it in that form, bear in mind that you would be able to use the flexible options for any personal pension benefits outside the LGPS.

MoneyHelper is available to help people understand their retirement options. As well as the information available on its website, MoneyHelper offers a free appointment with an expert (by phone or in person) to anyone aged 50 or over:

**[www.moneyhelper.org.uk/en/pensions-and-retirement](http://www.moneyhelper.org.uk/en/pensions-and-retirement)**