

London Borough of Hackney Pension Fund Newsletter Summer 2025



London Fields Lido, E8

Hello, and welcome to the annual newsletter for the London Borough of Hackney Pension Fund.

In this edition, we'll provide you with an update on issues affecting both the Local Government Pension Scheme (LGPS) and the wider pensions' landscape, and also an update on how the Hackney Pension Fund (the Fund) has performed over the last financial year.

Our contact details are at the end of this newsletter, so if you would like to get in touch, have any questions or want to update the details we hold for you, please do contact us.

Introducing LPPA

Your new pension administrator

We're pleased to confirm that LPPA has been appointed by the Hackney Pension Fund as the new administrator of your Local Government Pension Scheme and it is planned that they will go live from **24 October 2025**. LPPA is one of the UK's leading public sector pension administrators.



If you have any change in circumstances, such as address changes, before the “go live date” then please continue to notify Equiniti in the normal manner - this will ensure that the Fund holds up to date contact details for you so we can keep you informed.

Apart from the above, there's nothing you need to do at this time – we just wanted to let you know what's happening. We'll write to you again in the coming weeks and LPPA will also be in touch with more details - so please keep an eye out for these communications. In the meantime, you should carry on as normal. Rest assured, your pension is unaffected by this change.

McCloud Judgment

As mentioned in previous newsletters, 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 removes the discrimination found in the court case. These changes are called the McCloud remedy.

Some members are protected by the McCloud remedy, but it was not possible for us to reflect protection in this year's statement. If you are protected, we will check the protected part of your pension when you retire. If you would have built up a bigger pension in the final salary scheme, your pension will be increased. The increase is known as your final guarantee amount.

We continue to work on the McCloud remedy, and this will be reflected in next year's statement. However, please remember that most members will not see an increase in their benefits as a result of the remedy and for those that do, the increase is likely to be small.

You can find out more about this protection by reading the McCloud pages of the national LGPS member website: www.lgpsmember.org/mccloud-remedy/

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, the pension fund will automatically apply the protection when you take your LGPS

Pension. 



Effective from
01.10.2023



Find out more at lgpsmember.org/McCloud-Remedy

Simplifying pensions with videos

If you want a better understanding of your LGPS pension and your options as a scheme member but you're pressed for time, the Pensions Made Simple videos are perfect for you! These brief videos provide quick overviews on topics such as 'How your pension works', 'Protection for you and your family', 'Life after work' and 'The McCloud remedy'. To watch the videos, visit www.lgpsmember.org/help-and-support/videos/.



Minimum Retirement Age

The Normal Minimum Pension Age (NMPA) is changing... The Government has announced the earliest age that you can take your pension will increase from age 55 to 57 from 6 April 2028. Please note...This change will not affect ill health retirements. Special rules apply if you have to retire because of ill health. We will keep you informed as we receive more guidance around this change. 📅📅📅

Pension Tax Changes - Reminder

HM Revenue and Customs (HMRC) governs pensions savings. There are limits on:

- the amount of pension savings you can make in a year – the annual allowance, and
- the lump sum you can take when you take your pension before you have to pay extra tax. This is in addition to any income tax you pay on your pension when it is paid to you.



Most people will be able to save as much as they wish because their pension savings and maximum lump sum are less than the limits. There is no limit on the amount of pension contributions you can pay. You will not get tax relief on all your contributions if you pay more than your taxable pay into your pension in a tax year.

There is a limit on the amount of extra pension you can buy in the LGPS by paying additional pension contributions. The most you can currently buy is £8,903 of extra yearly pension.

Annual Allowance

The annual allowance is the amount your pension savings can increase by in a year without you having to pay extra tax. If your savings increase by more than the annual allowance, you will have to pay tax on the excess. The standard annual allowance is currently £60,000.

Most people aren't affected by the annual allowance because their pension savings don't increase by more than £60,000 in a year. However, you are most likely affected if you have a high level of final salary benefits and receive a significant pay increase, you combine a previous final salary LGPS benefit and your salary is higher than it was when you left the scheme, you pay a high level of additional contributions, you are a high earner.

The Scheme will send you a Pension Savings Statement no later than 6 October in the event your benefits accrued within the Hackney Pension Fund exceed your annual allowance limit.

Lump Sum Allowances

Two lump sum limits were introduced from 6 April 2024. If the total of all lump sums you take from UK pensions is more than one of these limits, you will have to pay extra tax. Tax on any excess is charged at your marginal rate.

In the LGPS, you can generally take up to 25% of the value of your benefits as a lump sum. Most members will not be affected because the maximum lump sum they can take is much lower than the limits. If you have built up a large pension in the LGPS or a different scheme, the new limits may affect you.

For more information see the Tax section of the Hackney website or the national LGPS members website.

Get Ready for Pension Awareness Week!

**Money
Helper**



Pension Awareness Week is back from 15 September 2025. This is the perfect time to get clued up about your retirement plans. The week is packed with free webinars and toolkits, all

designed to help you understand your pension and how to make the most of it. The goal is simple – to get everyone more interested in their pensions. Whether you're just starting out or planning to retire soon, there's something for everyone. You can find a range of support on the official website at www.pensionawarenessday.com.

And don't forget to check your own State Pension at www.gov.uk/check-state-pension

So, make a note on your calendar and take advantage of Pension Awareness Week to make sure you can have the retirement you deserve!

Tracing lost or old pensions

Do you or your friends have any pensions you have lost contact with over the years? If so why not contact the Pension Tracing Service.

The service is free and helps reunite people with their lost pensions, giving details of providers to help people track them down.

Trace contact details for lost pensions by using the online service: www.gov.uk/find-pension-contact-details or over the phone 0800 731 0175

Pensions dashboards

Pensions dashboards will enable individuals to access their pensions information online, securely and all in one place. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension. This should help you find any pension accounts you may have lost and help you plan for your retirement.

Pensions Dashboards Programme

All pension providers must connect to the dashboards by 31 October 2026. The dashboards will become available to the public when the Secretary of State for Work and Pensions is satisfied that they are ready to support widespread use by the public. For information on pensions dashboards, please visit pensionsdashboardsprogramme.org.uk.

Can I increase my LGPS benefits?

If you are an active member of the LGPS, paying more to your LGPS pension is one way of increasing your retirement benefits. It can be a cost effective way to do this as your pension contributions qualify for immediate tax-relief through your employers PAYE system. For a

standard rate taxpayer, a £10 pension contribution will only result in an £8 decrease in your pay due to the tax saving.

There are two ways to increase your LGPS pension:

❖ Additional Pension Contributions (APCs)



If you are an active member in the MAIN Section of the LGPS you can pay extra contributions to purchase additional annual pension - APCs. You can pay APCs as regular monthly contributions over a number of complete years (minimum 12 month term)

or you can pay a one-off lump sum. The cost is determined by your age, term of payment and the amount you wish to purchase.

You can find out the cost of buying additional annual pension by using an online APC calculator. <https://lgpsmember.org/more/apc/extra.php> Any amount of additional annual pension purchased, will be subject to a percentage reduction if payment of your pension benefits commences before your Normal Pension Age.

❖ Additional Voluntary Contributions (AVCs)



If you are an active LGPS member, you can pay AVCs to our in-house scheme run by Prudential. You can pay a monthly contribution and choose how you would like your contributions to be invested. AVCs are invested separately from the main LGPS Fund and a number of investment

opportunities are available to you. AVCs are deducted from your monthly salary so you will receive tax relief automatically on the contributions you pay at your marginal rate. You can vary or cease payments at any time whilst you are contributing to the LGPS.

As AVCs are investment based, it's important to remember that the value can go down as well as up and you may not get back the amount you put in. If you have an AVC fund with Prudential, you have a number of options available at retirement as to how you take your AVC Fund.

To find out more about AVCs and how to start contributions visit <https://www.pru.co.uk/rz/localgov/> or contact the Prudential on 0345 600 0343.

You can find more information on both APCs and AVCs on our website.

Don't let a scammer get their hands on your pension

In recent years the pensions industry has seen a dramatic rise in pension scams. Don't fall victim to a scammer, who doesn't deserve your hard-earned pension!

The Pensions Regulator (TPR), Financial Conduct Authority (FCA) and the Money and Pensions Service (MaPS) have issued warnings due to fears that recent headlines over squeezed household finances may leave savers more vulnerable to scammers.

The three bodies, all members of the Pension Scams Action Group – a multi-agency taskforce dedicated to keeping savers safe from scams – are concerned that fears over the economy, such as recent extreme movements in gilt yields, may prompt savers to incorrectly



decide there is a risk to their retirement pots and make rushed decisions about their finances.

Scammers are now more sophisticated than ever before. They can be articulate and financially knowledgeable, with impressive websites making it really quite difficult to suspect anything untoward. The Financial Conduct Authority (FCA) have published a leaflet pointing out things to look out for and advise on how to protect yourself from a scam.

Common signs of a pension scam include: ⚠️ ⚠️ ⚠️

- being contacted out of the blue
- phrases like 'pension liberation', 'loan', 'loophole', 'savings advance', 'one-off investment', 'cashback'
- guarantees of better returns
- help to release cash from a pension before the age of 55, with no mention of the HMRC tax bill that can arise
- high-pressure sales tactics – time-limited offers to get the best deal; using couriers to send documents, who wait until they're signed
- unusual high-risk investments, which tend to be overseas, unregulated, with no consumer protections
- complicated investment structures
- fixed-term pension investments – which often mean people who transfer in do not realise something is wrong for several years

Savers should also be on guard against recovery room scams or secondary scamming – which sees fraudsters approach people who have already been scammed and offer to help them get their money back in return for a fee.

If something seems too good to be true, unfortunately it probably is. You can also find out more about pension scams by visiting www.pension-scams.com www.fca.org.uk/scamsmart

Please take a few minutes to look at the FCA website, it could save you thousands!! ✓✓✓

What are the benefits of the LGPS?

- **A secure pension** payable for life
- **Life cover** from day one of your membership
- **Tax relief** on your contributions
- **Early retirement** options
- **Inflation proofed** in line with CPI
- Options to exchange annual pension for **tax-free cash**
- Option to **buy additional pension**
- Option to **pay less**

About the Pension Fund- as at 31 March 2025

Fund Value at 31 March 2025 = £2,120m

The value of the Fund has increased from £2,051m at end of March 2024, following an increase in income over the year. **However, the value of the benefits you receive are set out in law, and are not dependent on the performance of the Fund**

Contributions and Benefits

Contributions are paid into the Fund by employers, employees and transfers in from other pension funds. Benefits are paid out of the Fund as annual pensions, lump sum payments to retirees and death benefits.

The Fund generates income from contributions and investment income and has to spend money on benefits, transfers to other schemes and the cost of running the scheme including: investment managers, administration and governance and oversight.

The tables below give an overview of the Fund's income and expenditure during the year to 31 March 2025.

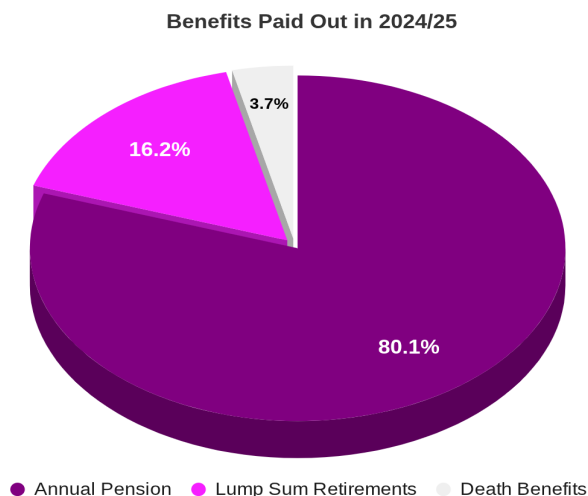
Income

Income Type	2025	2024
Employer contributions	£68.4m	£65.6m
Employee contributions	£17.3m	£16.7m
Transfers in	£9.0m	£6.3m
Investment income	£38.1m	£34.6m

Expenditure

Expenditure Type	2025	2024
Annual Pensions	£64.6m	£59.5m
Lump Sums	£13.0m	£14.5m
Death Benefits	£2.9m	£2.1m
Transfers Out	£12.6m	£9.9m
Management Costs	£15.9m	£16.4m

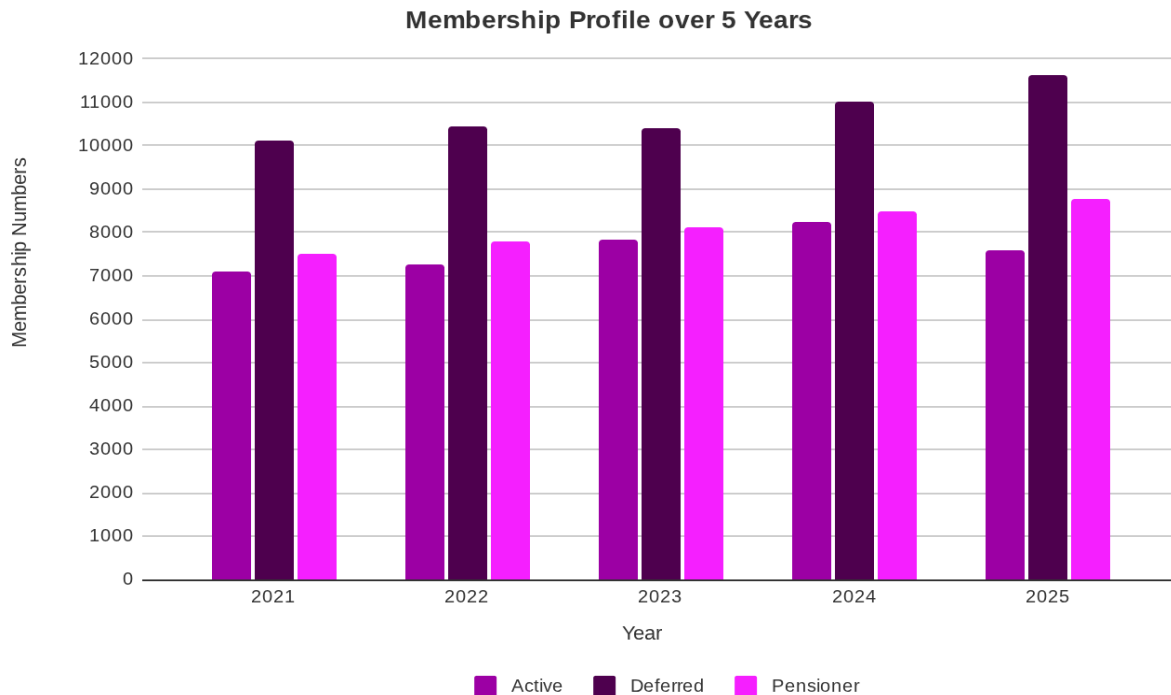
Benefits Paid Out from the Fund



The breakdown of the benefit types paid out of the Pension Fund up until 31 March 2025 is shown alongside; the largest is annual pension, however lump sum benefits have increased from last year

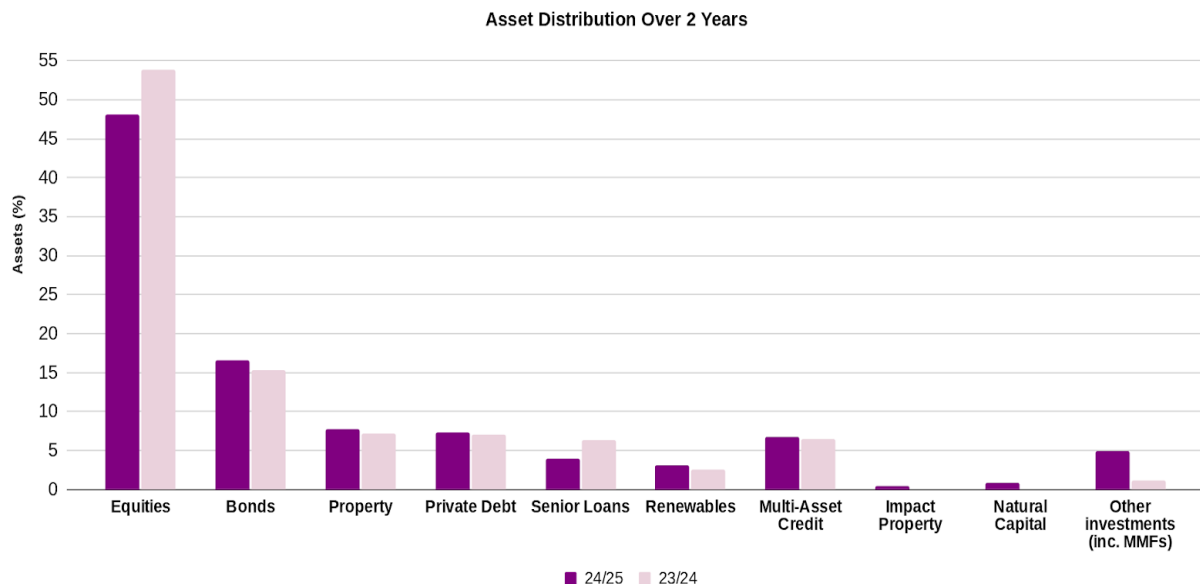
Fund Membership

The membership of the Fund is broken down between active members (those still employed and paying into the pension scheme), deferred members (those who are no longer active members, but are yet to draw their pension benefits) and pensioners. The breakdown over the last 5 years is as follows:



Asset Distribution

The Fund's assets are invested across a variety of asset classes with different risks and returns taking into account advice from its specialist investment consultant. The split between different asset classes over the last 2 years is shown below:-



Please note that the above Pension Fund figures for 2024-25 are subject to finalisation of the accounts and audit

Protection for your family

What benefits will be paid if you die?

On your death, **pensions** will be paid to your:

- eligible children
- spouse, civil partner, or, if certain conditions are met, eligible cohabiting partner.

A **lump sum death grant** will also be paid if you–

- die in service as a member of the LGPS
- leave before retirement with deferred benefits and die before receiving them
- die after receiving your pension, before age 75, if less than ten years' pension has been paid.



Who is the lump sum death grant paid to?

This is usually paid to the person who you choose to nominate. You should let us know who you'd like to nominate by completing the **expression of wishes form**.

Always review your wishes form after big life events!

You can change your nomination at any time by completing a new form: the form is on the Hackney Pensions website. If you don't fill in an **expression of wishes form**, we will still pay out the lump sum but we will use our discretion to decide who to pay it to - normally your Executors.

You can find out more about the protection available in the video "Protection for you and your family" <https://www.lgpsmember.org/more/Videos.php>

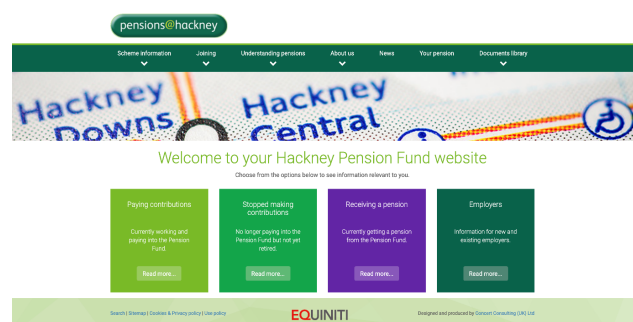


Moving House?

Update us! Don't forget to let us know when you move house, otherwise we can't keep you informed about your benefits and update you with news that might affect you. You can download a change of address form from our website. 🏠🏠🏠🏠

Hackney Pension Fund Website

The Hackney Pension Fund website contains lots of information about the fund plus useful member forms and factsheets which you can download. Whether you are an active member, have left the LGPS and have deferred benefits, or if you are already in receipt of your pension – the website has everything you need!! Visit it today at www.hackneypension.co.uk



Contact Us

Don't forget, you can contact the Hackney Pensions Team or Equiniti, the current administrators until October, using the contact details below:

London Borough of Hackney Pension Fund Team
4th Floor, Hackney Service Centre
1, Hillman Street
London
E8 1DY
pensions@hackney.gov.uk
Tel: 020 8356 2521

[pensions@hackney](mailto:pensions@hackney.gov.uk)

The scheme member representatives on both the Pensions Committee and Pensions Board can be contacted at the pensions@hackney.gov.uk email address.

London Borough of Hackney Pension Fund
Equiniti
Sutherland House
Russell Way
Crawley
RH10 1UH
hackneypensions@equiniti.com
Tel: 03713 842369
Overseas: +44 3713 842369



Whilst the Fund is still with Equiniti the contact details for the enquiry team are available from 9 am - 5 pm Monday to Friday (with the exception of Wednesday which is a 4.30 pm closure to allow for training).



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