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Pensions Revolution?

The volume of pension legislation and pension regulations in force has increased exponentially year on year, especially in the past decade. Every year since 2004, successive Finance Acts have modified the pensions tax regime and Pensions Acts have changed the pensions landscape.

In his budget speech in March 2014 the Chancellor introduced a pension revolution: no longer, he said, would anyone need to buy an annuity with their money purchase pension pot. From April 2015, Pension flexibility would become the new watchword. This became law when the Taxation of Pensions Act 2014 received Royal Assent on 17 December 2014.

From 1 April 2015 pension scheme members with defined contribution or money purchase pots would no longer be forced to purchase an annuity, but for the first time would have freedom to determine how they would spend the money they had accumulated in their pension pots.

Do the flexibilities apply to my AMPS pension?

The new flexibilities apply to any defined contribution pension scheme but do not apply to defined benefit schemes. The AMPS is a defined benefit scheme as your pension is calculated with reference to your salary, years of service and the accrual rate and is not dependent on the amount that you have contributed to your pension, nor is it affected by investment performance.

If you wish to access the new pension flexibilities, you would have to transfer your AMPS pension benefits to another pension provider once you leave the Assembly. If you are, or you become a deferred Scheme member you can transfer out of the AMPS up to 1 year before the Scheme's normal retirement age.

If you have contributed to the AMPS AVC scheme then you have some defined contribution benefits, and the new flexibilities will apply to this 'pot'. The Government has recognised that 'flexibility' and 'freedom' should be handled carefully and has set up the Pension Wise service (further information is provided later in this newsletter).

AVC benefits must be taken at the same time as your main pension benefits. Your AVC Fund does not have to be used to purchase a product from Clerical Medical (the AMPS AVC provider); you may shop around at retirement and purchase a pension product from another supplier.

As more information becomes available we will inform you.

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Pension Scams: Don't get stung



The facts

From April 2015, if you are over 55 years old, you can release funds from your pension.

Scammers are after your pension pot and they will try to lure you with promises of one-off investments, pension loans or upfront cash. Most of these are bogus.

To understand your options you can use the governments 'Pension Wise' service and you may also wish to speak to a Financial Adviser who is authorised by the Financial Conduct Authority (FCA) (*If you take financial advice from someone registered with the FCA, you may be able to claim compensation if something goes wrong. If the adviser isn't registered, you risk losing everything*).

**Arm yourself with the facts
and stop a lifetime's
savings being lost!**

How to scamproof yourself

- Stop. Think about it. A genuine adviser will never rush you into a decision
- Make sure the adviser is registered by the Financial Conduct Authority at www.fca.org.uk/register
- Look at the FCA's Scamsmart warning list at www.fca.org.uk/scamsmart – this will tell you the names of investment schemes that are known scams.
- If you are approaching 55 or about to retire, Pension Wise can tell you more about what you can do with your retirement pot. Visit the website at www.pensionwise.gov.uk
- Before you sign anything, call The Pensions Advisory Service on 0300 123 1047 for information and advice about pension scams
- If you've already signed the papers, report it to Action Fraud at www.actionfraud.police.uk or call 0300 123 2040

Useful information:

The Pension Regulators website

www.thepensionsregulator.gov.uk/pension-scams

The Financial Conduct Authority website

www.fca.org.uk/scamsmart (*a warning list of the names of investment schemes that are known scams*)

Scammers don't care whether you're an inexperienced investor. They will try to flatter, tempt and pressure you into transferring your pension fund into an investment with guaranteed returns.

Remember, the only people who benefit from scams are the scammers themselves.

How to spot the warning signs

Some of the most common tactics used by scammers to trick you out of your savings

A cold call, text message, website pop-up or someone coming to your door offering you a '**free pension review**', '**one-off investment opportunity**' or '**legal loophole**'



Convincing marketing materials that promise you **returns of over 8%** on your investment

Paperwork delivered to your door by courier that requires immediate signature



Pension access before age **55**


Overseas transfer of the funds



A proposal to put your money in a single investment. **In most circumstances, financial advisers will suggest diversification of assets.**

Please note that while we can give you information, the Pensions Team is prevented by the Financial Services Act from giving financial advice. If you require financial advice you should consult an independent financial adviser.



Pension wise is a free and impartial government service offering advice and guidance about your **defined contribution** pension options.

You can find out what you can do with your pension pot, how to shop around at retirement and what to look out for with taxes and fees.

You can book an appointment to get free and impartial guidance. Telephone appointments are with The Pensions Advisory Service and face-to-face appointments take place at branches of the Citizens Advice services. You'll talk about your pension options and what you can do next.

You can access useful information and book an appointment at: www.pensionwise.gov.uk

You can get help with defined benefit pensions from the Pensions Advisory Service www.pensionsadvisoryservice.org.uk

Pension Increases

Pensions in payment increase each year in line with the consumer price index (CPI). In April 2015 pensions in payment increased by 1.2%. Any pension not in payment for the whole year from April 2014 will have been increased proportionately.

*Pensions in Payment
increased by 1.2%*

Requesting an Estimate



If you would like a pension illustration to assist you with your personal financial planning, please contact the Pensions Team using the contact details below.

We will provide whatever information you may require about the Scheme and your AMPS pension, and are happy to correspond in writing, chat on the phone or meet face to face as you prefer.

You should note that as we are not authorised or regulated by the FCA, we cannot provide financial advice. If you feel that you would benefit from financial advice you should contact an independent financial adviser. You can find a financial adviser at www.unbiased.co.uk

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Visit the Assembly Website for:

-  **Pension Scheme Rules**
-  **Pension Trustee Minutes**
-  **AMPS Annual Reports and Accounts**
-  **Previous Newsletters**

www.niassembly.gov.uk/your-milas/members-pension-scheme/