Pension Pulse

Issue 7
Summer 2026

Welcome

Welcome to the latest edition of the Kent Pension Fund (KPF) newsletter, for members who are currently contributing to the Local Government Pension Scheme (LGPS). Inside you will find useful information about your pension and other areas of interest. We hope you find the newsletter helpful, and we appreciate any feedback.

Please email your comments to pension.systems@kent.gov.uk

Life Changes, Keep Your Details Up to Date

Have you recently moved home, changed your name or updated your email address?

Keeping your details up to date helps ensure that we can contact you about your pension, including your Annual Benefit Statement and important scheme updates.

You can update your address quickly through MyPension Online, or by completing the relevant online form.

It's also important to review your beneficiary nominations regularly to make sure your death grant wishes remain current.

www.kentpensionfund.co.uk/changeinmycircumstances

Fund Performance and Stability

The Local Government Pension Scheme is a secure, funded defined benefit pension scheme. Your pension benefits are set out in legislation and do not depend directly on investment performance. However, investment returns play an important role in supporting the long-term funding of the scheme.

Kent Pension Fund continues to work with professional investment managers and pooling partners to help ensure the Fund remains sustainable for current and future members.

You may have heard about Border to Coast. As one of the partner funds within the Border to Coast Pensions Partnership, Kent Pension Fund benefits from collaborative investment management, access to wider investment opportunities and economies of scale that can help deliver value over the long term.

Kent Pension Fund

Summer 2026: In this Issue

The 50/50 Section – An Alternative to Opting Out

If you're experiencing financial pressure, opting out of the pension scheme isn't your only option. The LGPS offers a 50/50 section, designed as a temporary measure to help members remain in the scheme during periods of financial hardship.

When you join the 50/50 section:

- You pay half your normal pension contributions.
- You build up half the normal pension.
- You continue to receive valuable life cover.
- Survivor benefits for your family remain fully protected.
- You remain eligible for full ill-health protections where applicable.

The 50/50 section allows you to maintain membership of the LGPS while reducing the cost of contributions. When your financial circumstances improve, you can move back into the main section of the scheme.

Before opting out completely, consider whether the 50/50 section could be a better solution.

Changes in LGPS Pension regulations

The Local Government Pension Scheme (Miscellaneous Amendments) (Member Benefits) Regulations 2026

The Government has introduced changes to the LGPS to make the Scheme fairer for all members. Most changes take effect from 1 April 2026, and some improvements apply retrospectively.

Fairer survivor benefits

The LGPS provides valuable benefits when you die. Your spouse, civil partner or eligible cohabiting partner will receive a part of your pension – this is paid as a survivor pension. It will be paid for the rest of their life.

From 1 April 2026, survivor pensions will be calculated more consistently to ensure equal treatment regardless of the sex of the member or their survivor.

Some survivor pensions will be increased as more of the member's service before April 2014 will now count. Some survivor pensions will become payable for the first time – this is most likely to affect male survivors of female members who left the LGPS before April 1988.

Changes to death grants

Removal of the age limit

The age limit for paying a lump sum death grant has been removed. A death grant can now be paid even if a member dies after age 75. This change is backdated to cover deaths from 1 April 2014.

More discretion over who receives the death grant

We no longer have to pay late death grants to personal representatives. Instead, the pension fund can use its discretion to choose the most appropriate beneficiaries. This means the death grant will be taxed at each beneficiary's marginal rate of tax, rather than the 45% charge that applies when it is paid to personal representatives. Some older AVC arrangements are excluded from this change.

A 'late' death grant is usually one that is not paid within two years of the date of death. Before 1 April 2026, a 'late' death grant could only be paid to personal representatives.

Stronger protection when you are away from work

In the LGPS, women typically receive lower pensions than men – this is called the gender pensions gap. One of the reasons for the gap is that women are more likely to take breaks from work due to childcare and other caring responsibilities. The changes below were introduced from 1 April 2026 to help reduce the gender pensions gap by strengthening pension protection when members are away from work.

Child related leave

You will not need to buy back lost pension for any period of unpaid additional maternity leave, unpaid additional adoption leave (weeks 27 to 52) or unpaid shared parental leave that starts from 1 April 2026 or later. You will continue to build up pension as if you were receiving normal pay.

Short authorised breaks

From 1 April 2026, if your employer allows you to take unpaid leave that lasts less than 15 days, your pension will continue to build up in this period. You and your employer will both pay the pension contributions that would have been paid if you were at work receiving your normal pay. This change does not apply if you were unpaid because you were on strike. A strike break does not automatically count for pension purposes regardless of its length.

Changes in LGPS Pension regulations - continued

Unpaid leave of 15 days or more

If your employer allows you to take unpaid leave that lasts 15 days or more, the break will not automatically count for pension purposes.

You can elect to buy some or all of the pension you lost during the unpaid period by paying extra contributions. The contributions can be paid by lump sum or regular deductions from your pay. Your employer will inform you of the cost and your payment options.

An arrangement called a Qualifying Additional Pension Arrangement (QAPA) applies to unpaid leave that starts from 1 April 2026 or later.

Improvements include:

- more time to decide whether to buy back the lost pension – the deadline has increased from 30 days to 1 year after returning to work, or the date you left the employment you were in during the unpaid leave, if this is earlier. Your employer can allow a longer deadline. If you miss the deadline, the old rules apply
- contributions are based on your normal contribution rate – and on the pay you would have received if you had been at work. Your employer also pays the contributions they would have paid if you had not been absent
- the pension you buy mirrors the pension you would have built up if you had been at work – it counts towards the calculation of survivor pensions and is not reduced for early payment if your pension is paid early due to redundancy or efficiency
- no medical report is required – your pension fund or employer cannot ask for a medical report before allowing you to start a QAPA

More information about the Kent Pension Fund can be found on our website at www.kentpensionfund.co.uk.

Important: Be Cautious When Using Artificial Intelligence (AI) for Pension Information

Artificial intelligence (AI) tools, such as ChatGPT, Copilot and other online chatbots, are becoming increasingly popular for answering questions and providing guidance.

However, Kent Pension Fund members should be aware that AI-generated responses may be inaccurate, incomplete or based on outdated information. Local Government Pension Scheme (LGPS) benefits are complex and can vary depending on your individual circumstances, employment history and scheme membership details.

AI tools do not have access to your pension record and cannot provide personalised pension calculations or definitive information about your benefits.

Before making any decisions about your pension, we strongly recommend that you:

- Refer to information provided directly by Kent Pension Fund and the Local Government Pension Scheme.
- Use the pension calculators and tools available through your member self-service account (where applicable).
- Contact Kent Pension Fund if you need information about your specific pension benefits or options.

Relying solely on information generated by AI could lead to misunderstandings or incorrect financial decisions. Always seek information from official LGPS sources when considering matters relating to your pension.

Kent Pension Fund cannot accept responsibility for decisions made based on information obtained from third-party AI tools.

Your Annual Benefit Statement (ABS)

Your Annual Benefit Statement (ABS) provides a snapshot of your LGPS benefits and is one of the most important documents you receive each year.

The statement is issued annually and is available through MyPension Online. It shows:

- The pension you have built up to the previous 31 March.
- An estimate of benefits at your Normal Pension Age.
- The death grant payable if you die whilst an active member.
- Your pensionable pay figures.
- Information relating to pension tax allowances.

How to access your ABS on MyPension Online

- Log in to MyPension Online.
- Open the Annual Benefit Statements section.
- You can also see, download and print your statement by going to the 'Documents and uploads' section, where you can access it under 'Files sent to me'

How to read your ABS

Focus on these key areas:

Total annual pension

This shows the benefits built up so far.

screenshot of ABS on MyPension Online

Projected pension value

This gives an indication of what your pension could be worth at your Normal Pension Age if assumptions are met.

screenshot of ABS on MyPension Online

Pensionable pay

Review the pay figures supplied by your employer and raise any concerns with them. You can find your pensionable pay provided by your employer under the section 'Detailed info and breakdowns'.

Be sure to read the accompanying notes alongside your statement, as they contain important explanations of the figures shown.

Annual CARE Revaluation Explained

Each year, the pension you build up in the Career Average Revalued Earnings (CARE) scheme is increased in line with Treasury Orders linked to the cost of living. This process is known as CARE revaluation.

The pension earned during previous scheme years is revalued every April before new pension is added for the current year. This helps protect the value of your pension against inflation and ensures that benefits keep pace with increases in the cost of living.

Revaluation is one of the valuable features of the LGPS and helps maintain the long-term value of your retirement income. The revaluation percentage applicable from 6 April 2026 has been confirmed at 3.8%.

Pension Scam Alert, Protect Your Future

Pension scams continue to target pension savers across the UK, often promising high returns, free pension reviews or opportunities to access pensions early.

Remember:

- Legitimate pension providers will not pressure you into making quick decisions.
- Be cautious if someone contacts you unexpectedly about your pension.
- Check that financial advisers are authorised by the Financial Conduct Authority (FCA).
- Never provide personal or financial information unless you are certain who you are dealing with.

If an offer sounds too good to be true, it probably is.

Scammers may use sophisticated websites, emails and social media adverts to appear genuine.

Taking a few extra minutes to verify information could protect your retirement savings. If you're unsure, seek guidance before making any decisions.

Understanding Your Contributions

As a member of the LGPS, the amount you contribute depends on your pensionable pay.

Contribution rates range from 5.5% to 12.5% and are set nationally through LGPS regulations. Your employer determines which contribution band applies based on your pensionable pay.

Your contributions provide excellent value because:

- You receive tax relief.
- Your employer also contributes towards the cost of your pension.
- Benefits are backed by regulations and are not dependent on investment performance.

Remember to check your payslip regularly to ensure pension contributions are being deducted correctly.

For more information please visit www.kentpensionfund.co.uk/contributions

Pension Transfers – Important Information

Bringing previous pension benefits into the LGPS can be a valuable way to consolidate your retirement savings.

Normally, members have 12 months from joining the LGPS to express an interest in transferring previous pension rights into the scheme.

Kent Pension Fund recognises that some members of the Civil Service Pension Scheme (CSPS) may have experienced delays during the transition to their new administration arrangements. We are allowing additional flexibility for members who may have been unable to pursue transfer enquiries within the usual timeframe.

Members who believe they may have been affected should contact the Fund as soon as possible to discuss their circumstances.

MyPension Online corner

Calculate Your Own Estimates

Did you know you can calculate some retirement estimates yourself?

1. Log in to MyPension Online and on your dashboard choose 'Benefit calculators' option.

Benefit calculators

Our online retirement calculators will help you work out what you're likely to receive when you retire.

Calculate my benefits

2. Choose from the available options:

Active to deferred
The value of your pension if you were to leave your job before retirement.

Retirement calculator
Calculate how much you could receive when you retire.

3. You will see the Pension Reference number of the post you are calculating.

What pension are you calculating?

MPO-ST1-2

4. You can choose different dates to see how this affects your retirement:

What date do you want to retire?
14 12 2039

5. Once you have input your chosen retirement date, click on 'Calculate my results'.

Calculate my results

6. This will then show you your voluntary retirement results and the options available to you regarding your annual pension and lump sum.

Your retirement results

Maximum annual pension option:

Your annual pension would be:
£32,663.53 a year

You would receive a lump sum of:
£17,165.75

7. You can also use the slider to explore different pension or lump sum options by using the slider in the Personalise your pension area:

An annual pension of

£ 31588.93

More annual pension

AVCs: Building Extra Savings for Retirement

If you're looking to boost your retirement savings, paying Additional Voluntary Contributions (AVCs) could be a great option. AVCs allow Local Government Pension Scheme (LGPS) members to build up extra savings alongside their main pension, helping provide greater financial flexibility when they retire.

What are AVCs?

AVCs are additional contributions that you choose to pay on top of your normal pension contributions. The money is invested through an AVC provider and builds up in a separate fund that can be used to provide extra retirement benefits. Kent Pension Fund currently offers AVC arrangements through Prudential and Standard Life.

Why consider paying AVCs?

There are several potential benefits:

- **Boost your retirement savings** – AVCs can help increase the amount of money available to you when you retire.
- **Tax relief** – Contributions are deducted from your pay before tax is calculated, meaning most members receive tax relief automatically.
- **Investment choice** – You can choose from a range of investment funds offered by the AVC provider, allowing you to select an approach that suits your retirement goals and attitude to risk.
- **Flexible retirement options** – When you retire, there may be several ways to use your AVC fund, including taking benefits as cash (subject to HMRC limits and regulations), transferring the fund, or using it to provide additional retirement income.

Important consideration when planning your retirement

While AVCs can provide valuable additional savings, it's important to be aware that having an AVC fund may affect the timescales for putting your pension into payment.

If you choose an AVC retirement option that requires Kent Pension Fund to request payment from your AVC provider, your main pension benefits and AVC benefits must be paid at the same time. Before this can happen, the AVC provider needs to receive your final contribution, disinvest your AVC holdings where necessary, and release the funds to Kent Pension Fund. This process can take time and may delay the payment of your pension benefits. For members who are planning to retire, it is worth factoring this into your retirement planning and ensuring that all required paperwork is completed as early as possible.

Find out more

Before deciding whether AVCs are right for you, it's important to understand the benefits, risks and retirement options available. Kent Pension Fund cannot provide financial advice, so you may wish to seek guidance from an independent financial adviser if you're unsure what is best for your circumstances.

For more information about AVCs, visit www.kentpensionfund.co.uk

Additional Pension Contributions (APCs) - Boost Your LGPS Pension

Want to increase your retirement income? Additional Pension Contributions (APCs) could help.

APCs allow you to buy extra annual pension within the Local Government Pension Scheme (LGPS). Unlike AVCs, which build up a separate investment pot, APCs purchase additional guaranteed pension that is paid alongside your main LGPS benefits.

Some of the benefits of paying APCs include:

- Increasing your guaranteed annual pension in retirement.
- Receiving tax relief on contributions.
- The additional pension increases in line with the cost of living both before and after retirement.
- Flexibility to pay by regular instalments or, in some cases, by a lump sum.

You can start an APC contract at any time up until one year before your Normal Pension Age, and you can decide how much additional pension you would like to purchase (subject to scheme limits). Before making a decision, remember that if you retire early, any APC pension you've purchased may be reduced in the same way as your main LGPS benefits.

Understanding the Redundancy Retirement Process

If you are made redundant or retired on business efficiency grounds, your pension benefits may be affected depending on your age and length of LGPS membership.

If you are aged 55 or over and have at least two years' membership, your pension is normally paid immediately without any early retirement reductions.

If redundancy is being considered:

- Speak to your employer as early as possible.
- Your employer should obtain a pension estimate from Kent Pension Fund to take into account any potential strain cost that may be payable by them.
- Review the information provided and consider the implications before any decisions are made.

Once a retirement date is agreed, your employer will guide you through the process and provide the forms needed for your pension to be brought into payment.

Planning ahead and ensuring paperwork is completed promptly can help your retirement benefits be processed as smoothly as possible.

Free Webinars and Pre-Retirement Courses

Whether you're new to the LGPS or approaching retirement, Kent Pension Fund offers a range of free learning opportunities.

Our member webinars cover topics including:

- MyPension Online
- Understanding your LGPS pension
- Retirement processes
- Pension transfers
- Annual Benefit Statements
- Increasing your pension through AVCs and APCs

For members within 10 years of retirement, we also offer free pre-retirement courses delivered by Affinity Connect.

The sessions cover:

- Retirement planning
- Pension options
- State Pension information
- Tax considerations
- Managing finances in retirement

To book your place please visit www.kentpensionfund.co.uk/memberwebinars

Our contact details

You can find more information about the LGPS on our website (including details of webinars and videos about the LGPS): www.kentpensionfund.co.uk

Online form: www.kentpensionfund.co.uk/contact
MyPension Online: www.kentpensionfund.co.uk/mypension-online

Tel: **03000 41 34 88**
Mon - Fri from 9am to 3pm

This newsletter is available in alternative formats and can be explained in a range of languages.