



IN TOUCH 2024 YOUR NEWSLETTER

From Strathclyde Pension Fund
www.spfo.org.uk

IN TOUCH 2024

This year's In Touch includes:

A reminder of who we are and what Strathclyde Pension Fund (SPF) does

See Fund Facts, Investments, Funding.

An update on how we got on in 2023/24

This was one of our best years ever. At the start of the year we completed an actuarial valuation which confirmed a funding level of **147%** – our highest ever. And at the end of the year the Fund's total value had reached **£30.6 billion** – our highest ever. Membership increased to over **286,000** – our highest ever. All of that should reassure you that your pension is absolutely secure with us.

Some important information about your deferred pension

This year, the most important thing is probably to remind you that your pension is fully protected against inflation – see opposite. You'll also find information about FAQs, avoiding pension scams, protecting your family, and how much money you might need in retirement.

IF YOU NEED INFORMATION:

- Our website has lots of general information. Our Frequently Asked Questions ([FAQs](#)) section for members who are no longer paying into the scheme is a good starting point. You should be able to find most answers there.
- You can use [SPFOnline](#) to view your own pension updates, carry out calculations and update your personal details.
- The news area of our website www.spfo.org.uk is updated regularly with any important changes.

KEEPING PACE WITH INFLATION

As well as being completely secure, your pension is fully protected against inflation by an annual increase. This is added every April. The amount is based on the rate of inflation (CPI) the previous September.

- April 2024's inflation increase was **+6.7%**
- But CPI had fallen to **+2.0%** in June 2024.
- So, April 2025's increase is likely to be a lot smaller than the last couple of years
- The annual increase ensures that your pension keeps its value until it comes into payment and then for all the years it remains in payment
- Your increase depends on the date your benefits were deferred
- Your pension update shows your yearly pension when you became a deferred member as well as the current value



IF YOU NEED TO CONTACT US:

Email us at spfo@glasgow.gov.uk or phone us on **0345 890 8999**

WHO MANAGES THE STRATHCLYDE PENSION FUND?

Glasgow City Council's **Strathclyde Pension Fund Committee** is the main decision-making body for the Fund. But a lot of other people are involved. You can find out more in the Governance section of our website or [Annual Report](#).



FUND FACTS

- Strathclyde Pension Fund (SPF) is part of the Local Government Pension Scheme (LGPS)
- The (LGPS) is the largest defined benefit (DB) pension scheme in the UK, and one of the biggest in the world. Recent figures show that it has over **7 million members**, over **15,000 employers**, and assets totalling over **£400 billion**
- SPF is one of **11 LGPS** funds in Scotland and around **100** in the UK
- SPF is the biggest Scottish fund and the second biggest of the UK LGPS funds
- The LGPS is a statutory scheme established under primary legislation – the Superannuation Act 1972 and Public Service Pensions Act 2013. That means your scheme benefits are set out and protected by law
- The scheme rules take the form of a series of regulations – the Local Government Pension Scheme (Scotland) Regulations. The regulations are Scottish Statutory Instruments (SSIs)
- There are separate sets of regulations to set out the scheme benefits, investment arrangements and governance requirements
- The LGPS is a multi-employer, defined benefit scheme. The benefits are based on final salary for all service to 31st March 2015 and career average earnings for benefits from 1st April 2015
- The Strathclyde Pension Fund was created in 1975. It has been managed by Glasgow City Council since 1996
- The Fund is a pool into which member and employer contributions are paid. The money is invested so that pension benefits can be paid as they fall due
- Participating employers include the 12 local authorities in the west of Scotland; Police Scotland, Scottish Fire and Rescue, and Scottish Water; a number of universities and colleges; local authority subsidiary companies and contractors; and a wide range of other organisations with funding or service links to the local government sector
- As at 31st March 2024 the Strathclyde Pension Fund had **286,000 members**, **146 participating employers** and investment assets of **£30.6 billion**

FAQs

When will my deferred benefits be paid?

How do I request for my deferred benefits to be paid?

Can I convert pension to lump sum?

Can I take a lump sum after age 55 without accessing all of my pension?

What is my State Pension Age?

Answers to these and many other Frequently Asked Questions are provided in the [FAQs](#) area of our website.

ANNUAL REPORT 2024

Some key figures and messages from this year's report:

- **+9.9%** investment return for the year
- **£2.7 billion** increase in value in the year
- **£30.6 billion** closing value as of 31st March 2024
- **+8.5% p.a.** investment return over last 10 years
- **£827 million** total pensions and lump sums paid over the year
- Total membership increased to **286,000**
- **+10.1%** inflation increase applied to all members at the start of the year
- **+6.7%** inflation increase applied shortly after the year end
- **£2 billion total** investments in our UK Direct Impact Portfolio (DIP)
- DIP investments now produce enough green energy to fuel over **317,000** homes

Other key developments included:

- **A+** rating for responsible investment (PRI)
 - Signatory of the **UK Stewardship Code** 2021, 2022 and 2023
 - Signatory of the **Paris Aligned Investment Initiative (PAII)**
 - The actuarial valuation of SPF as at 31st March 2023 confirmed a funding level of **147%**
- Our unaudited **Annual Report and Financial Statements for the Year to 31st March 2024** is available [here](#).

SCHEME YEAR	2019/20 (£m)	2020/21 (£m)	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)
CONTRIBUTIONS RECEIVED	632	644	684	722	826
PENSIONS PAID	479	507	523	560	618
TAX FREE LUMP SUMS PAID	170	135	158	169	210
OTHER PAYMENTS	127	231	161	162	176
INVESTMENT INCOME	332	327	378	408	499
INVESTMENT GROWTH	-1,185	5,315	1,792	-733	2,373
CLOSING VALUE	20,941	26,354	28,366	27,872	30,566

PICTURE YOUR FUTURE

Your annual pension update shows how much your pension from **Strathclyde Pension Fund** will be.

You will also have a state pension and you might have other pension arrangements.

But how much will you need? What's the minimum you can get by on in retirement? How much would make you comfortable?

If you don't know, you're not alone. Research shows that 77% of savers don't know how much they'll need in retirement.

The PLSA provide the Retirement Living Standards website to help answer those questions: www.retirementlivingstandards.org.uk

The standards show you what life in retirement looks like at three different levels, and what a range of common goods and services would cost for each level.

They are designed to help everyone to plan ahead for their retirement.

WHAT STANDARD OF LIVING COULD YOU HAVE?

- **MINIMUM** – Covers all your needs, with some left over for fun
- **MODERATE** – More financial security and flexibility
- **COMFORTABLE** – More financial freedom and some luxuries

#PICTUREYOURFUTURE

www.retirementlivingstandards.org.uk

REJOINING

If you have the option to join the LGPS again now or in the future, that might be a great way to increase your retirement income. Rejoining could enable your deferred pension to be linked to your final pay before you retire. If you do rejoin the LGPS, it is important that you contact us and also any other LGPS fund that you become a member of. There are rules that we have to apply to your deferred benefits if you do not give us any instructions. Applying these rules may not be to your advantage.

50/50

If you have the chance to rejoin, you could consider the 50/50 option. It offers half pension for half contributions, but with full death and ill-health protection for you and your loved ones.



PENSION SCAMS DESTROY LIVES

Fraudsters are singling out people like you and claiming that they can:

- help you access your pension fund
- offer immediate access to cash
- provide a pension loan

Keep your pension safe.

If you are cold-called or text messaged with a deal to unlock or review your pension, don't touch it.

For more information about the dangers of pension scams view the pension consumer leaflet [here](#).

Please also visit the Pensions Regulator's website for more information at:

www.thepensionsregulator.gov.uk/en/pension-scams



McCLOUD REMEDY

When the LGPS changed from final salary to career average scheme in 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 1st October 2023 removes the discrimination, these changes are called the McCloud remedy. Remediation work is ongoing which means it has not been possible to reflect the impact of the remedy in your annual benefit statement this year.

Next Steps

You don't need to do anything. We will contact you if you are affected. Most members will not be affected as the vast majority are better off in the Career Average Scheme.

We will work out if your pension is due to increase and you'll automatically receive an addition to your pension when you are due to take it.

For more information, see [here](#).

PROTECTING YOUR FAMILY

Our [Brief Guide](#) to the LGPS is available from our website. It details what we would pay if you die before receiving your deferred benefits.

WHO WOULD WE MAKE A PAYMENT TO?

The LGPS regulations do not specify who a lump sum is paid to on death, and the lump sum does not form part of your estate even if you have a will. By completing a nomination you can help us pay any lump sum quickly in line with your wishes. Your current nomination is shown on your 2024 pension update.

Remember to update it if your circumstances change or have already changed. You can change your nomination using [SPFOnline](#) or the nomination form which is available from the Member Forms area of our website.

HOW MUCH?

- If you left service before 1 April 2009 and die before we start to pay your deferred benefits, we will pay a lump sum, equal to three times your deferred pension.
- If you left service after 31 March 2009, the lump sum is five times your deferred pension. If you are also an employee member of the LGPS in Scotland, the two death grants will not be added together. Only one death grant will be paid, and it will be whichever is higher.



COHABITING PARTNERS' PENSIONS

If you stopped being an active (employee) member before 1 April 2009, we do not pay a cohabiting partner's pension.

If you were an active member after 31 March 2009 and are living with someone that you are not married to, we may pay a cohabiting partner's pension. At your date of death, you and your partner must have been free to marry or form a civil partnership. In addition your partner will need to provide evidence for at least 2 continuous years prior to your date of death that:

- You were living together as husband and wife or civil partners
- Your partner was financially dependent on you or you were financially interdependent

THE TYPES OF DOCUMENTARY EVIDENCE THAT WE WOULD ACCEPT ARE:

- Joint tenancy or mortgage arrangement
- Joint council tax bill
- Joint utilities
- Joint bank accounts or proof of a transfer of funds between your individual bank accounts
- Joint savings accounts or investments
- Joint credit arrangements
- You are the beneficiary of your partners will or life insurance

AUTOMATIC SPOUSE'S/CHILDREN'S PENSIONS

There is no need to nominate your husband, wife, civil partner or dependent children for a pension payable on your death, but you should make a nomination for the lump sum.

ACCESSING YOUR BENEFITS FROM 55

Deferred members can access their benefits from age 55. However, if you access your benefits before normal pension age, your benefits are reduced for being paid longer. When you do access your benefits, you will still have the option to take tax-free cash. Being signed up for [SPFOnline](#) will allow you to calculate your potential benefits to a chosen date. Pensions are still index linked with continuing pensions for your spouse/eligible partners after your death.

FREEDOM & CHOICE AVCs

With our AVC provider Prudential, we have added flexibility to our in-house AVC facility. It is now possible to take all or part of your AVC fund from age 55 as a lump sum without taking your LGPS benefits at the same time. You can contact [Prudential](#) about this. Only 25% of such lump sum withdrawals are likely to be tax-free.



TRANSFERS

Before retiring, members usually have the right to transfer all of their pension rights out of the LGPS to a DC arrangement offering 'flexible benefits' to then access their benefits from 55. Members must elect for a transfer to proceed at least 12 months before their normal pension age (NPA) in the LGPS (their earliest NPA if they have more than one period of membership).

If you are contacted by a legitimate pensions company about taking more of your benefits as a lump sum, don't give up your benefits lightly. A transfer out of the LGPS is a major financial decision. It needs careful consideration and can only be done after taking advice. We suggest that any members considering this course of action should first read our [Freedom and Choice Q&A](#) for LGPS members.

GDPR

Strathclyde Pension Fund is administered by Glasgow City Council. Glasgow City Council is a Data Controller under the General Data Protection Regulation (GDPR). We store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. 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.

To find out more visit our [website's privacy notice](#).

MEMBERSHIP

Members	2019/20	2020/21	2021/22	2022/23	2023/24
Employers	166	164	159	152	146
Employee Members	108,492	109,359	111,804	114,178	113,988
Deferred Members	63,796	65,334	67,744	72,811	78,219
Pensioners	81,470	83,685	87,052	90,102	93,962
Total Members	253,758	258,378	266,600	277,091	286,169

Membership has increased in each of the last 5 years to a new high of **286,169**.

FUNDING

Our [Funding Strategy](#) makes sure we always have enough money in the Fund to pay all pensions as they become due. We check this every 3 years with an Actuarial Valuation of the Fund.

The most recent fund valuation was carried out as at 31st March 2023. Our [Funding Strategy](#) and [Valuation Reports](#) are published in the [Publications](#) area of our website.

The funding target is 100% (assets/liabilities).

- Summary results are:**
31st March 2020 106%
31st March 2023 147%
31st March 2024 159%*

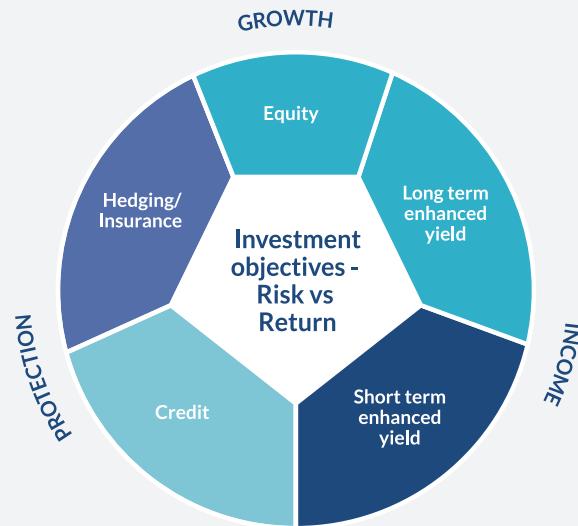
* Estimate.

The funding level doesn't affect the level of your pension, but it provides further reassurance that it is completely secure.



INVESTMENTS

The Fund's strategy uses many different types of investment to generate returns and spread risk.

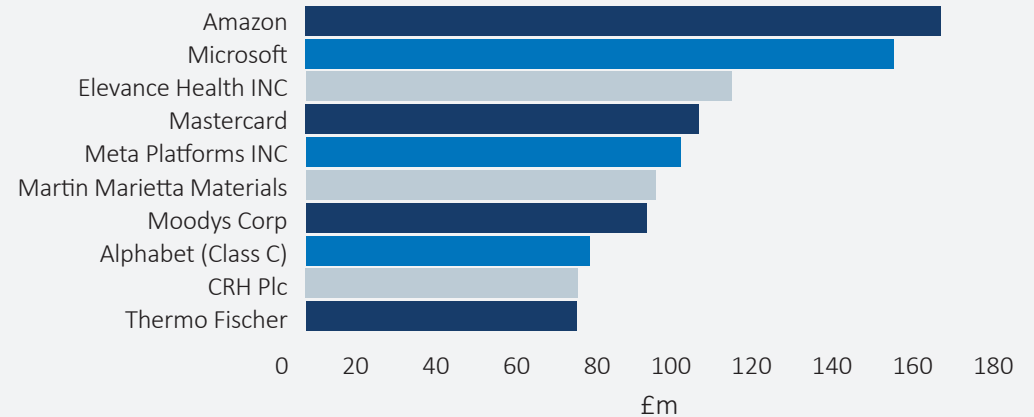


Our investments include:

<p style="font-size: 2em; font-weight: bold;">800</p> <p>Shares in different companies in more than 50 countries</p>	<p style="font-size: 2em; font-weight: bold;">186</p> <p>Pooled funds which own shares in thousands more companies</p>	<p style="font-size: 2em; font-weight: bold;">57</p> <p>UK properties including shops, offices, warehouses, housing and leisure</p>	<p>And our Strathclyde Direct Impact Portfolio which targets Scottish and UK investments with a positive local, environmental, social or governance impact.</p>
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Largest Shareholdings

As at 31st March 2024



Investment Performance to 31st March 2024



RESPONSIBLE INVESTMENT

SPF is a signatory to the United Nations Principles for Responsible Investment (PRI) and has adopted the principles as its responsible investment policy.

Signatory of:



We continue to perform in the top tier of global PRI signatories and received the maximum A+ score in the latest PRI survey.

STEWARDSHIP

In September 2021, the Financial Reporting Council (FRC) published a list of successful signatories to the UK Stewardship Code.

SPF was one of only 23 asset owner signatories.

One third of applicants were unsuccessful.



In 2022, 2023 and 2024 we were again confirmed as a signatory after FRC assessment. Read our Stewardship Report [here](#).

CLIMATE CHANGE

We believe that Climate Change is a systemic risk and a material long-term financial risk.

We support the recommendations of the **Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)**.



Our Climate Change strategy sets out our approach in the format recommended by the TCFD.



We have set a target of net-zero carbon emissions across our portfolios by 2050.

In 2022 we became a signatory of the **Paris Aligned Investment Initiative (PAII)**

More details of SPF's [responsible investment](#) and [climate change](#) strategies are available on our website and in our [Annual Report](#).

In March 2023 we published our [Climate Action Plan](#).

The plan sets out the most immediate priorities for us to ensure that Climate Change is addressed across all our investments and portfolios.





Would you like to manage your pension online? Register for SPFOnline to be able to:

- View your pension updates online
- View your retirement calculation documents online
- Calculate your benefits at your chosen retirement date
- See how much pension you could exchange for extra tax-free cash at retirement
- Update your contact and nomination details



CONTACTING US

Our switchboard opening hours are Monday to Friday 10:00 to 15:30.

Web: www.spfo.org.uk

Email: spfo@glasgow.gov.uk

Tel: 0345 890 8999

Write to: Strathclyde Pension Fund Office, P.O. Box 27001, Glasgow G2 9EW

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