



Strathclyde  
Pension Fund



## PENSION NEWS 2022 YOUR NEWSLETTER

From Strathclyde Pension Fund  
[www.spfo.org.uk](http://www.spfo.org.uk)

# PENSION NEWS 2022

## This year's Pension News 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 2021/22

Very well, in spite of COVID, the situation in Ukraine and the economic problems which have resulted. See Annual Report 2022.

### News about your 2023 pension increase and pay dates

See page 5.

## MARKET UPDATE

There has been a quantity of news coverage since late September about the impact of market turbulence on pension funds- the FT described it as a "pension fund shock", the BBC talked about "pension fund panic".

This really doesn't apply to SPF. The Fund has actually benefited from weak sterling (which means our overseas investments are worth more) and falling bond yields (which have increased our funding level to new highs). It's fair to say that the economic outlook at this stage is very uncertain, but this does not affect the value or security of our members' pensions which are guaranteed by law.



## IF YOU NEED INFORMATION:

- Our website has lots of general information. Our Frequently Asked Questions ([FAQs](#)) section for pensioner members is a good starting point. You should be able to find most answers there.
- You can use [SPFOnline](#) to view your payment history, change your bank details and update your contact and nomination details.
- The news area of our website [www.spfo.org.uk](http://www.spfo.org.uk) is updated regularly with any important changes.

## IF YOU NEED TO CONTACT US:

Email us at [spfo@glasgow.gov.uk](mailto: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 **6.9 million members**, over **17,000 employers**, and assets totalling over **£332 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 1974. 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 2022 the Strathclyde Pension Fund had **266,600 members**, **159 participating employers** and investment assets of **£28.4 billion**.

## FAQs

How is my pension taxed?

How will my pension be paid?

Do I get a pay advice slip every month?

Will my pension increase?

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

# ANNUAL REPORT 2022

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

- **+7.7%** investment return for the year
- **+£2.0 billion** investment gain for the year
- **£28.4 billion** closing value of the Fund as at 31st March 2022
- **+9.8% p.a.** investment return over last 5 years
- **£699 million** total pensions and lump sums paid over the year
- Total membership increased to **266,600**
- **A+** rating for responsible investment (PRI)
- Signatory of the **UK Stewardship Code** 2021
- Signatory of the **Paris Aligned Investment Initiative** (PAII)



SCHEME YEAR	2017/18	2018/19	2019/20	2020/21	2021/22
CONTRIBUTIONS RECEIVED	£542m	£569m	£632m	£644m	<b>£684m</b>
PENSIONS PAID	£423m	£452m	£479m	£507m	<b>£523m</b>
TAX FREE LUMP SUMS PAID	£125m	£138m	£170m	£135m	<b>£160m</b>
OTHER PAYMENTS	£139m	£156m	£127m	£231m	<b>£160m</b>
INVESTMENT INCOME	£285m	£282m	£332m	£327m	<b>£378m</b>
INVESTMENT GROWTH	£967m	£1,025m	£-1,185m	£5,315m	<b>£1,791m</b>
<b>CLOSING VALUE</b>	<b>£20,806m</b>	<b>£21,936m</b>	<b>£20,941m</b>	<b>£26,354m</b>	<b>£28,364</b>

Our audited [Annual Report](#) is now available on the website.

# YOUR 2023 PENSION INCREASE

Your annual increase ensures that your pension is protected against inflation and keeps its value. That's a great benefit, especially in the current cost-of-living crisis.

Based on Consumer Price Inflation (CPI) at the end of September 2022, the **pension increase in 2023 is expected to be 10.1%**.

The increase is payable once you are 55 or if you retired on ill health.

The increase takes effect from **Monday 10th April 2023**, not from 1 April 2023. So your April 2023 payment will reflect about 66% of the increase.

**Your May payment will reflect the increase in full.**

The increase will be formally confirmed in the UK government's Pension Increase order early in 2023.



13 January 2023

15 February 2023

15 March 2023

14 April 2023

15 May 2023

15 June 2023

14 July 2023

15 August 2023

15 September 2023

13 October 2023

15 November 2023

15 December 2023

# PROTECTION FOR YOUR FAMILY

## 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.

Note that, if you marry after retiring, not all of your service may be used in calculating your spouse's / civil partner's pension.

A child's pension is only payable to a child who is eligible under the LGPS regulations.

## COHABITING PARTNERS' PENSIONS

If you 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 life insurance**

## LUMP SUM DEATH GRANT

There may be no lump sum payable on your death.

Our website's lump sum payable on death in retirement [chart](#) provides more information on the death grant that may be paid.

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 made a will. However, by completing a nomination form you can help us to pay any lump sum quickly and in line with your wishes.

Remember to update it if your circumstances change or have already changed. Our nomination form is available from the Publications > Members > Forms area of our website and you can change your nomination using [SPFOnline](#).

# PERSONAL TAX ACCOUNT

Your pension is taxable.

We do not set your tax code: all we can do if you question your tax code with us is to suggest that you contact HM Revenue & Customs (HMRC) (0300 200 3300).

HMRC sets or amends your tax code based on where you live and your total income, including the state pension and any other income you have.

HMRC uses real time data to make adjustments to people's tax codes throughout the year, so they are more likely to pay the right amount of tax on their income as they earn it.

Scottish tax codes have a letter S before the tax code.

You can check your tax code online or notify HMRC of your correct address by setting up a Personal Tax Account.

To do this, go to [www.gov.uk/personal-tax-account](https://www.gov.uk/personal-tax-account) after setting up a Government Gateway account.



## POWER OF ATTORNEY

Anyone who is worried about whether they will be able to continue to manage their affairs in the future might find the Power of Attorney information provided by the Office of the Public Guardian (Scotland) of use.

**Please note that their staff cannot:**

- **provide an LGPS nomination form (these are available from SPFO)**
- **assist in drafting a POA**
- **provide legal advice**

Their primary function is to register POAs once they have been drafted.

**Their contact details are:**

**01324 678300**

**[www.publicguardian-scotland.gov.uk](https://www.publicguardian-scotland.gov.uk)**



## WORKING AFTER A REDUNDANCY RETIREMENT

**As explained in the letter we sent you when you retired, it is important to contact us if you return to work in local government.**

If you are under 55 and have retired from one post on redundancy grounds and remain in another post, you will become subject to “unauthorised payment” tax charges.

Returning to work within local government, or with another organisation that participates in the LGPS, after retiring on redundancy grounds may also have significant implications for you.

You should contact the SPFO if you return to work after retiring on redundancy or efficiency.

### 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](#).

### McCloud Judgement

When the LGPS changed from a final salary to a career average pension scheme in 2015, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes.

The Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them.

The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often called the 'McCloud judgement'.

The Government have consulted on the proposed changes required to remove the discrimination from the LGPS. The Latest position is that we are waiting for legislation to come into force.

If you qualify for protection it will apply automatically – you do not need to make a claim. For more information, see the [FAQs](#) on the Scottish LGPS website.

Note that career average benefits apply from April 2015 in Scotland.





# MEMBERSHIP

Members	2017/18	2018/19	2019/20	2020/21	2021/22
Employee Members	98,870	100,441	107,677	109,359	111,804
Deferred Members	57,759	62,599	64,677	65,334	67,744
Pensioners	76,683	79,234	80,668	83,685	87,052
<b>Total Members</b>	<b>233,312</b>	<b>242,274</b>	<b>253,022</b>	<b>258,378</b>	<b>266,600</b>
Employers	178	172	168	164	159

Membership has increased in each of the last 5 years to a new high of 266,600.

## 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 2020 and was completed by March 2021. 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:

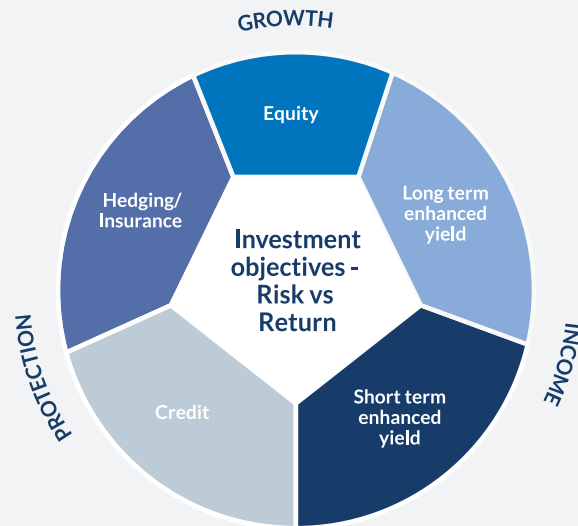
<b>31st March 2020</b>	<b>106%</b>
<b>31st March 2021</b>	<b>126%</b>
<b>31st March 2022</b>	<b>128%</b>

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:

775

Shares in different companies in more than 50 countries

173

Pooled funds which own shares in thousands more companies

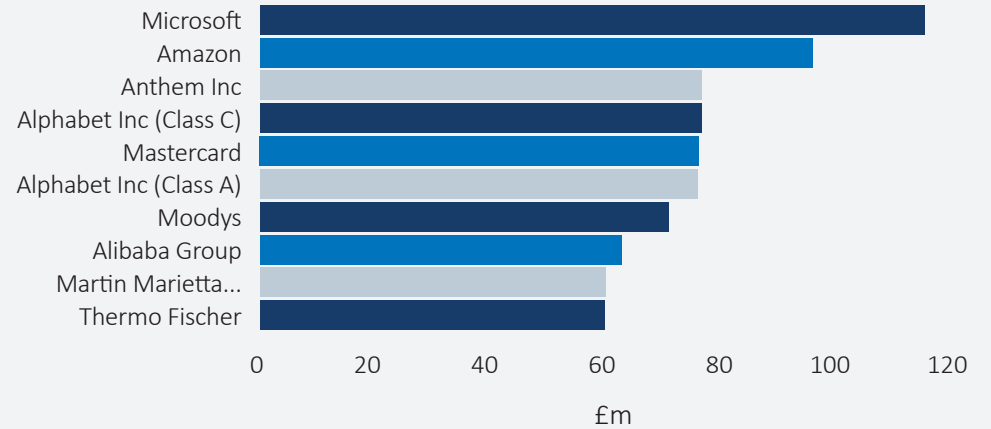
57

UK properties including shops, offices, warehouses, housing and leisure

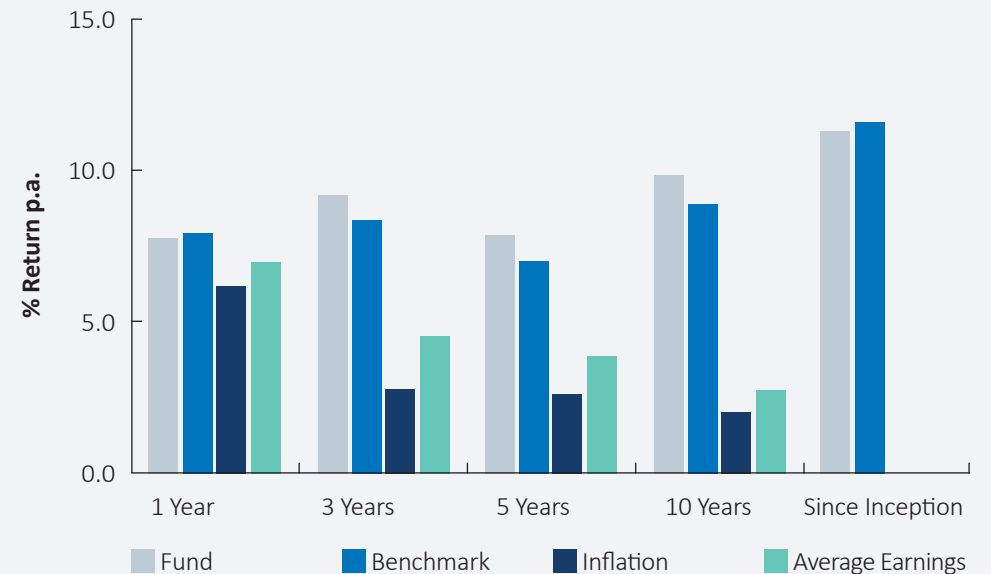
And our Strathclyde Direct Impact Portfolio which targets Scottish and UK investments with a positive local, environmental, social or governance impact

## Largest Shareholdings

As at 31st March 2022



## Investment Performance to 31st March 2022



## 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.



**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.



Read our Stewardship Report [here](#).

SPF has also just been confirmed as a signatory for 2022.

## 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)**.



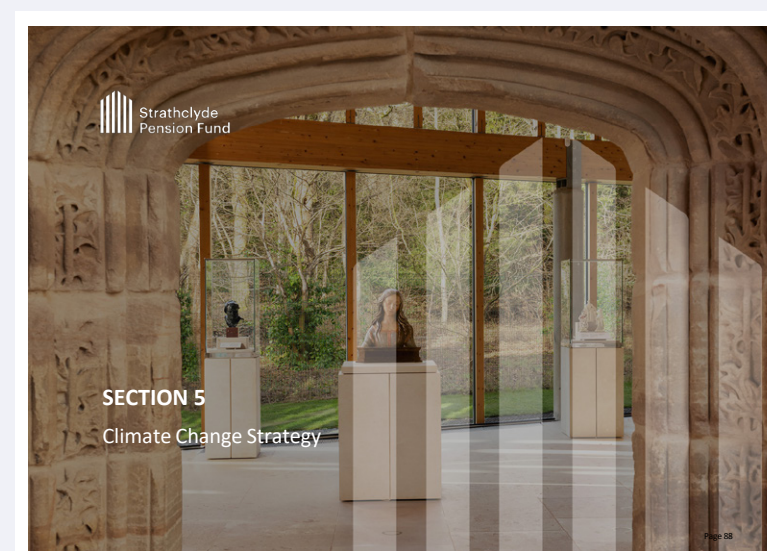
Our Climate Change strategy sets out our approach in the format recommended by the TCFD.



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](#).







## SPFOnline

Your pension account

Join our **110,000** members already registered for SPFOnline to be able to:

- View your payment history
- Update your contact and nomination details
- Change your bank details

### CONTACTING US

Our normal office hours are weekdays 08:45 to 16:45 (to 15:55 on Fridays).

**Web:** [www.spfo.org.uk](http://www.spfo.org.uk)

**Email:** [spfo@glasgow.gov.uk](mailto: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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