

In Touch

2015



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FREEDOM AND CHOICE

Reforms offering greater flexibility in the way that individuals aged 55 and over can access their defined contribution (DC) pensions became effective on 6 April 2015.

As the Local Government Pension Scheme (LGPS) is a public sector defined benefit (DB) scheme, Freedom and Choice does not apply to it.

However, before retiring, members do have the right to transfer their pension rights out of the LGPS to a DC arrangement offering 'flexible benefits'.

A transfer out of the LGPS is a major financial decision. It requires careful consideration and can only be done after taking advice. We suggest that any members contemplating this course of action first read our Freedom and Choice Q&A for LGPS members available from the **Deferred members** area of our website.

You can have your benefits at...

60

Your deferred benefits can usually be paid from your 60th birthday onwards and our current process is to write to our deferred members as they approach 60.

If you take your benefits before the Local Government Pension Scheme (LGPS) normal retirement age of 65, they may be reduced by about 5% for each year early if you are not protected by the rule of 85.

Your benefits are keeping pace with inflation

1.2%

The Consumer Prices Index rose by 1.2% in the year to 30 September 2014. This was the basis for the increase to your deferred benefits from April 2015.

The exact increase depends on the date your benefits were deferred.

Page 1 of your deferred benefit statement shows what your yearly pension when you became a deferred member was and what it is now.

TELL US IF YOU REJOIN THE LGPS

It is important that you contact us if you rejoin the LGPS.

There are new LGPS rules that we have to apply if you do not provide us with any instructions and applying these rules may not be to your advantage.

THE LGPS IS VALUABLE

If you have the option to join the Local Government Pension Scheme (LGPS) scheme again, we would suggest that you consider getting back in to build up further benefits right away.

Why be someone who only realises at retirement that you've made the wrong decision?

The LGPS is one of the best pension schemes there is. Your employer will pay most of the cost of the LGPS. And tax breaks will cut the cost of your own contributions.



BEWARE OF FRAUDSTERS

Don't let your benefits become prey to fraudsters.

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

- help you cash in your pension early
- provide you with a pensions review

What they don't say is that you could face a significant tax bill.

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 visit: <http://www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx>

Scamproof your savings



Pension scams. Don't get stung.
The Pensions Regulator
Action Fraud

Hold on to your benefits

Even 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.

You can take tax-free cash from the LGPS.

You would be giving up an index-linked pension for life.

And LGPS pensions continue to spouses or nominated cohabiting partners on your death.

IT PAYS TO BE IN





The LGPS changed to a career average scheme – LGPS 2015 - on 1 April 2015.

LGPS 2015 will not impact on your deferred benefits unless you rejoin.

However, rejoining could enable your deferred benefits to be linked to the final pay in your new job.

If you rejoin, the death grant payable is the higher of the active and deferred death grants. These amounts will not be added together.



New Governance Arrangements

To help us to take account of all stakeholders' interests in LGPS 2015 we have formed a Pension Board.

It replaces our Representative Forum and has eight members. Four of the Board represent employers' interests (3 from local authorities and 1 from other employers). Four of the Board represent members' interests (and are from 4 separate trade unions).

The Board meets quarterly alongside the Strathclyde Pension Fund committee.

MORE INFORMATION

You can view a video and find out more about LGPS 2015 at <http://www.scotlgps2015.org>



If you are still eligible to rejoin the LGPS, you may like the 50/50 option in the new scheme.

It offers half pension for half contributions with full death and ill-health protection for your loved ones.

NATIONAL FRAUD INITIATIVE (NFI)



NFI is a counter-fraud exercise led by Audit Scotland.

It collects information about individuals held by different public bodies on their different computer systems.

NFI seeks to identify incorrect payments of social security benefits,

housing benefits or pensions.

As we have a statutory obligation to participate in NFI, we will share your data with other public bodies.

A fair processing notice that provides further information on data matching is on Glasgow

City Council's website at: <http://www.glasgow.gov.uk/index.aspx?articleid=5166>

This site also provides a link to Audit Scotland's website that contains further information.

For further information on data matching, contact us.

Are you protecting your loved ones?

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.

LUMP SUM PAID ON DEATH

Your current nomination is shown at the bottom of page 1 of your 2015 deferred benefit statement.

If you have not made a nomination, the words "no one nominated" appear there.

If you left service before 1 April 2009 and die before becoming a pensioner, we pay out 3 times your deferred pension.

If you left service after 31 March 2009, we pay out 5 times your deferred pension.

The LGPS regulations do not spell out who a lump sum is paid to on death.

By completing a nomination form you can ensure quick and accurate payment after your death to the person or persons that you would like the lump sum to be paid to.



Nominated Cohabiting Partner

If you became a deferred member after 31 March 2009 and you are living with your partner and you want them to have a pension after you die, they may qualify for a pension if:

1. they meet certain conditions and
2. you filled in a nomination of cohabiting partner for survivor's pension form and
3. they can provide the evidence we require

Our nomination form and nominated cohabiting partner form are available from the **Publications : Forms** area of our website.

Our **Guide to the LGPS** is available from our website and details what is payable if you die before receiving your deferred benefits.





OUR MEMBERSHIP

Members



Employee Members



Deferred Members



Pensioners



SPFOnline

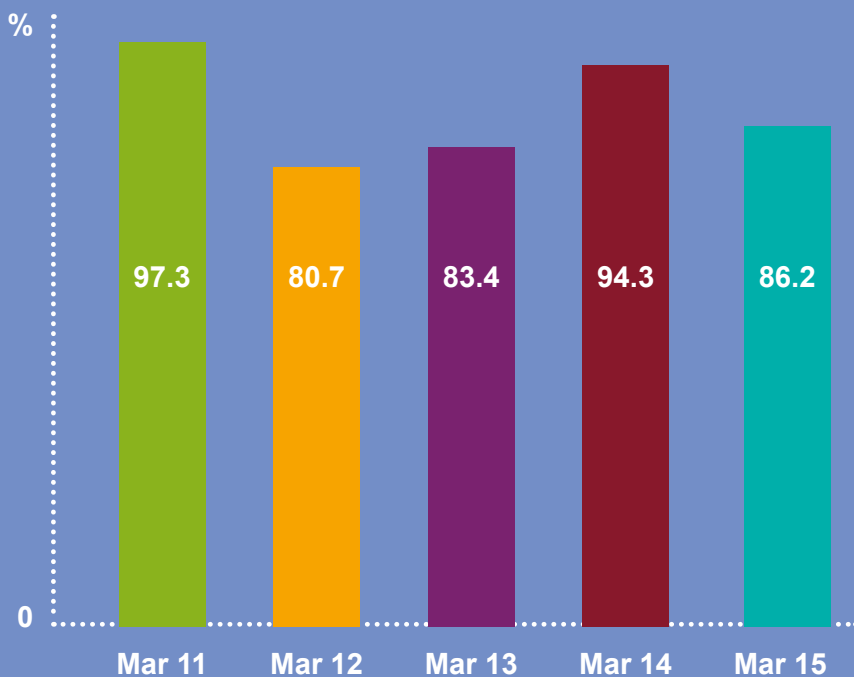
6,000+

of our deferred members have gone digital by registering for SPFOnline.

Our quarterly administration reports to Committee are available from the **News** area of our website.

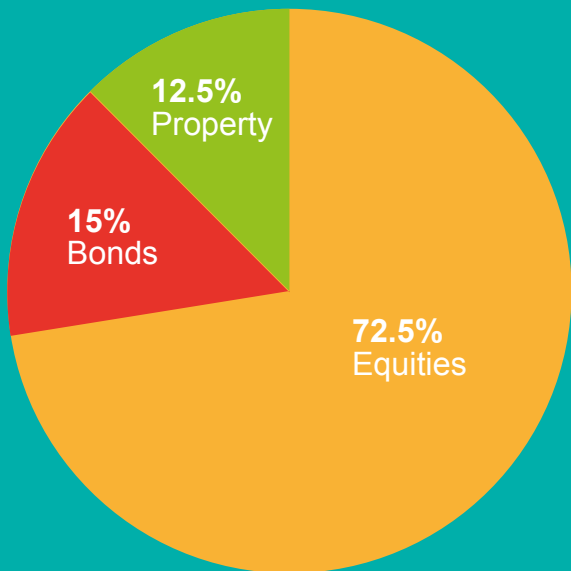
FUNDING POSITION

Our 2014 actuarial valuation report is available from the **Publications / Valuation Reports** area of our website.



Investments

Comprehensive information about our investments can be found in the **Investments** area of our website.



Investment Strategy

Responsible Investment



Our quarterly responsible investment reports are available from the News area of our website.



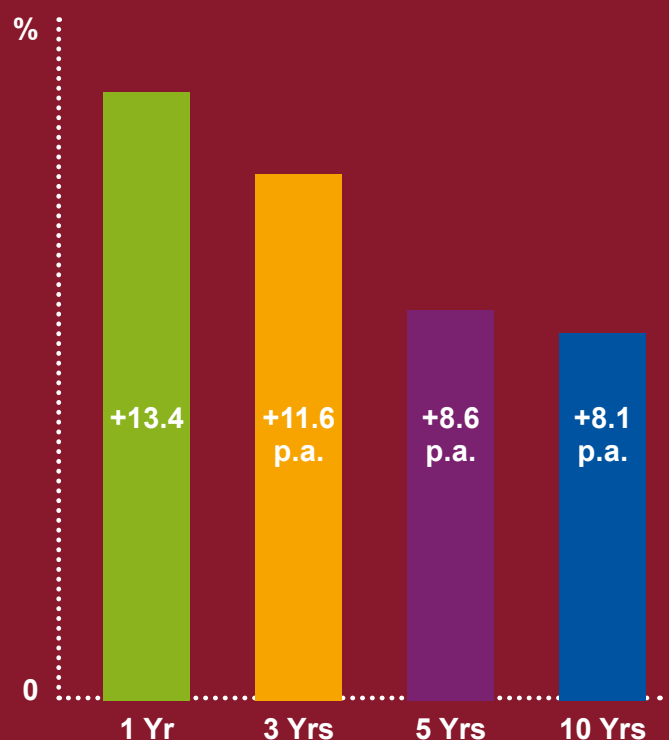
A Global Approach to Equities

We invest in over 1,600 companies around the world.

AGM 2015

A full set of the slides used at the meeting on June 19 is available in the News area of our website.

Performance to 31 Mar 15



FUND ACCOUNTS



Our annual report provides detailed financial information about our scheme year 2014 / 2015 and is available from the **Publications** area of our website.

Contributions

2014 / 2015 ££££££££££££££££ £486m

2013 / 2014 ££££££££££££££££ £478m

Pensions paid

2014 / 2015 ££££££££££££££ £389m

2013 / 2014 ££££££££££££££ £371m

Tax free lump sums paid

2014 / 2015 £ £99m

2013 / 2014 £ £96m

Investment income

2014 / 2015 £££ £201m

2013 / 2014 £££ £194m

Investment growth

2014 / 2015 ££££££££££££££££££££££££££££ £1,763m

2013 / 2014 ££££££££££ £794m

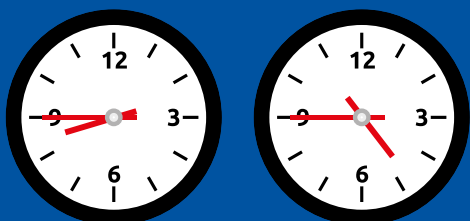
Net assets

31 Mar 2015 ££££££££££££££££££££££££££££ £15,758m

31 Mar 2014 ££££££££££££££££££££££££££££ £13,945m

CONTACTING US

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



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

