



Strathclyde
Pension Fund

PENSION NEWS 2021

Your newsletter from Strathclyde Pension Fund
www.spfo.org.uk

During the last year and a half of COVID restrictions we have had to make frequent changes to the way we deliver our service. At times this has been quite challenging for us. But it shouldn't really matter to you, our members. The service you receive should be as good as ever, even if we are still working from our kitchens and bedrooms. Since long before COVID, we have been working to make as much as possible available online. That's still the best way to get in touch.

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, update your contact/nomination details and change your bank details.
- The News area of our website www.spfo.org.uk is updated regularly with any important changes.

IF YOU NEED TO CONTACT US:

- Email us at spfo@glasgow.org.uk
- Or phone us on 0345 890 8999

PENSION NEWS 2021

In spite of the difficulties and disruption caused by COVID, the Fund had a very good year. It increased in value by more than +25%- see the highlights from our annual report on p.3.

To make the most of your pension, you should view:

- News of your 2022 pension increase - see page 4
- 2022 paydays - see page 4

AGM-2021

We held our annual general meeting for employers of the scheme online on the 23/06/2021. Slide presentations and recording of the event can be found in the [news section](#) of our website.



- Strathclyde Pension Fund (SPF) is part of the **Local Government Pension Scheme (LGPS)**.
- It is one of **11 LGPS funds in Scotland** and around 100 in the UK.
- Strathclyde is the **second largest** 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 2021 the Strathclyde Pension Fund had **258,000 members**, **164** participating employers and investment assets of **£26.3 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.

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/Committee Reports](#).

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

- **+25.1%** investment return for the year
- **+£5.6 billion** investment gain for the year
- **£26.3 billion** closing value of the Fund as at 31st March 2021
- **+10.8% p.a.** investment return over last 5 years
- More than **£500 million** total pensions paid over the year
- **£135 million** of lump sum payments over the year
- Total membership increased to **258,000**
- **A+** rating for responsible investment (PRI)

Our unaudited **Annual Report and Financial Statements for the Year to 31st March 2021**

is available at: <https://www.spfo.org.uk/index.aspx?articleid=27202>



SCHEME YEAR	2016/2017	2017/2018	2018/2019	2019/2020	2020/21
CONTRIBUTIONS RECEIVED	£520m	£542m	£569m	£632m	£644m
PENSIONS PAID	£411m	£423m	£452m	£479m	£507m
TAX FREE LUMP SUMS PAID	£121m	£125m	£138m	£170m	£135m
OTHER PAYMENTS	£120m	£139m	£156m	£127m	£231m
INVESTMENT INCOME	£252m	£285m	£282m	£332m	£327m
INVESTMENT GROWTH	£3,520m	£967m	£1,025m	£-1,185m	£5,315m
CLOSING VALUE	£19,699m	£20,806m	£21,936m	£20,941m	£26,354m

We have set a net-zero target for the Fund and published our climate change strategy – also in our annual report.

We will continue to develop the strategy, particularly in light of policy changes agreed at this year's COP 26 which was held in Glasgow.

YOUR 2022 PENSION INCREASE

The pension increase for 2022 will be **3.1%** (based on September's inflation figure).

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

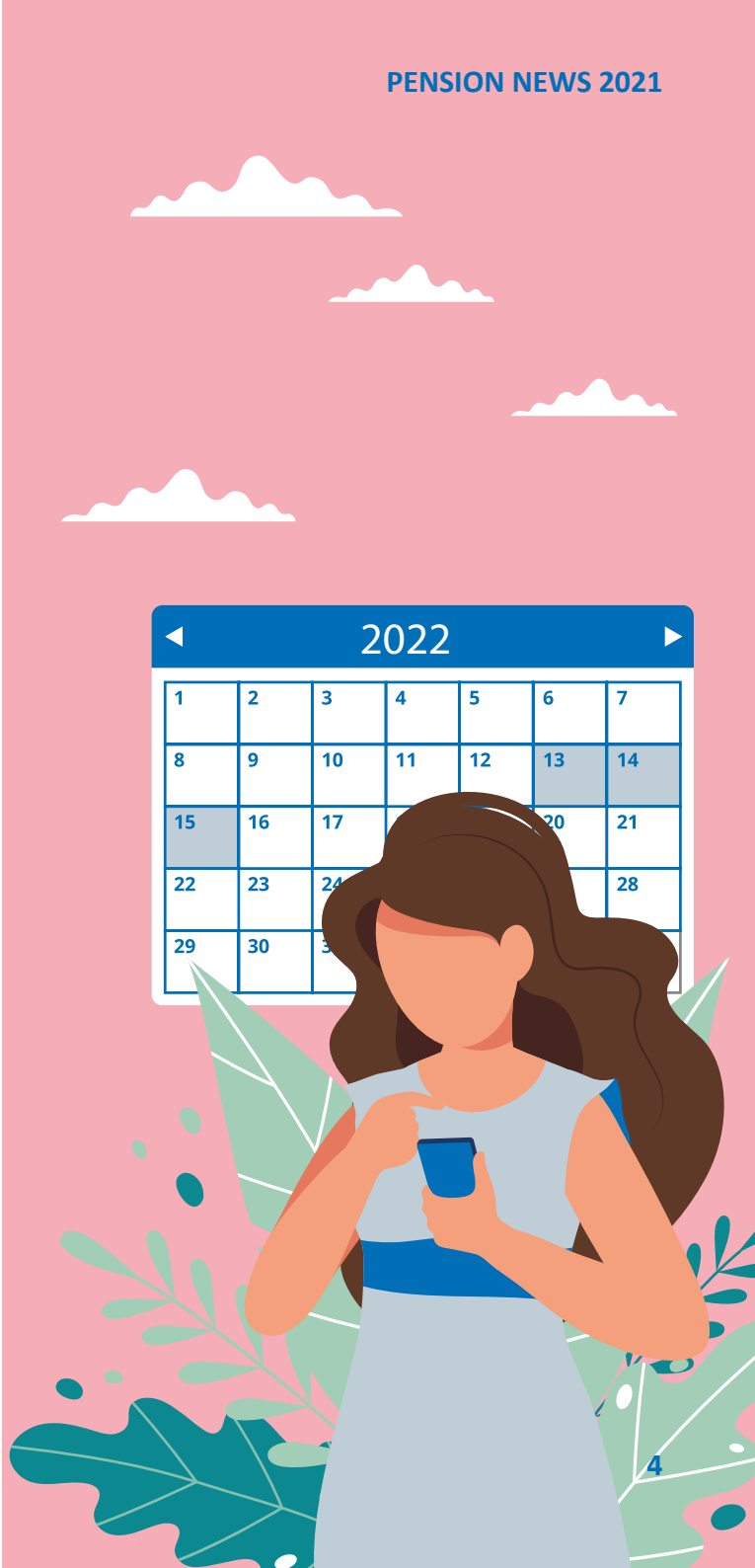
Only those who took their Local Government pension or became a deferred pensioner on or before 26 April 2021 will receive the full 3.1% increase.

The increase takes effect from Monday 11th April 2022, not from 1 April 2022. So your April 2022 payment will reflect about 67% of the increase.

Your May payment will reflect the increase in full.

2022 Paydays

- 14 January 2022
- 15 February 2022
- 15 March 2022
- 14 April 2022
- 13 May 2022
- 15 June 2022
- 15 July 2022
- 15 August 2022
- 15 September 2022
- 14 October 2022
- 15 November 2022
- 15 December 2022



2022						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

PENSIONS

There is no need to nominate your husband, wife, civil partner, or dependent children for a pension payable on your death.

However, 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
- Beneficiaries of your partner's will or 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](#).

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.

MCLOUD 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 [frequently asked questions on the Scottish LGPS website](#).

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

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 after setting up a Government Gateway account.



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.

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

<http://www.publicguardian-scotland.gov.uk>

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	2016/17	2017/18	2018/19	2019/20	2020/21
Employee Members	94,647	98,870	100,441	107,677	109,359
Deferred Members	53,465	57,759	62,599	64,677	65,334
Pensioners	74,748	76,683	79,234	80,668	83,685
Total Members	222,860	233,312	242,274	253,022	258,378
Employers	183	178	172	168	164

Our membership continues to grow. The total membership figure has increased in each of the last 5 years.

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 in March 2021. Our [Funding Strategy](#) and [Valuation Reports](#) are published in the [Publications](#) area of our website.

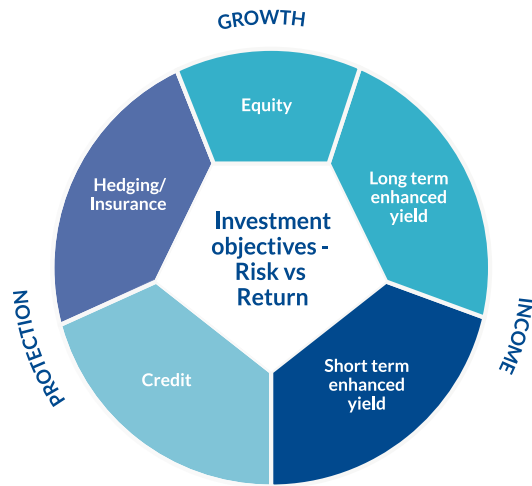
The funding target is 100% (assets/liabilities).

Recent results are:

31st March 2017	105%
31st March 2020	106%
31st March 2021	126% (estimated)



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

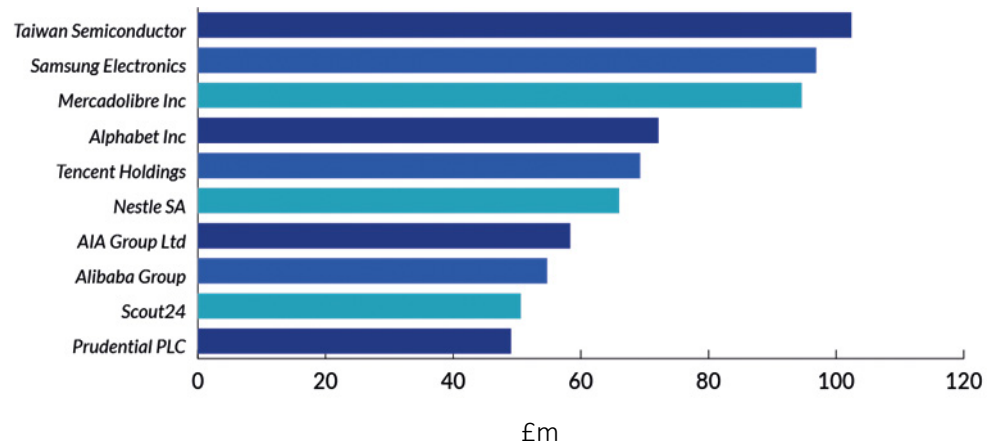


OUR INVESTMENTS INCLUDE:

<p>770 Shares in different companies in more than 50 countries</p>	<p>150 Pooled funds which own shares in thousands more companies</p>	<p>57 UK properties including shops, offices, warehouses, housing and leisure</p>	<p>And our Strathclyde Direct Investment Portfolio which targets Scottish and UK investments with a positive environmental, social or governance impact.</p>
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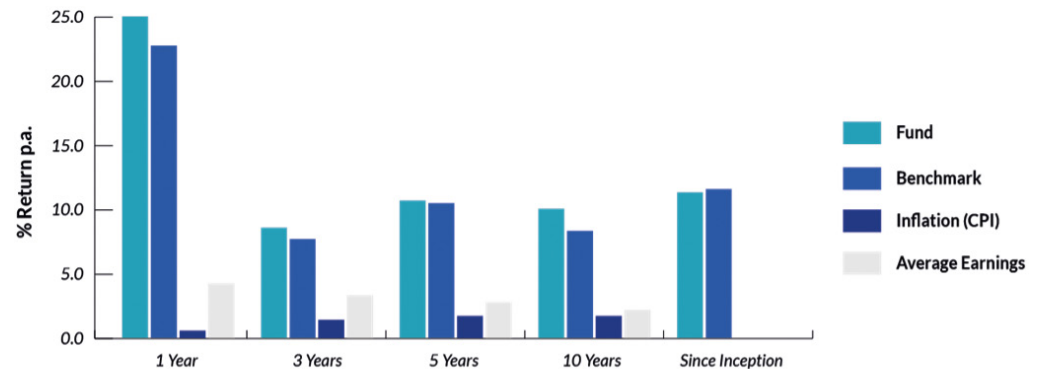
LARGEST SHAREHOLDINGS

As at 31st March 2021



INVESTMENT PERFORMANCE

To 31st March 2021



The Fund 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 2020 PRI survey.

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.

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



SPFONLINE

SPFOnline

Your pension account

With over **96,000** of our members registered, our member self- service platform has been available since long before COVID. During the last year and a half there has been a demand to do more online and an additional **12,500** members signed up.

Like most businesses we have adapted some of our processes to meet your needs and expectations.

YOU CAN NOW SECURELY:

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

To access your account sign up for SPFOnline here:

<https://www.spfonline.org.uk/home/registration/sign-up.html>

CONTACTING US

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

Web: www.spfo.org.uk

Email: spfo@glasgow.gov.uk

Phone: 0345 890 8999

Write: Strathclyde Pension Fund

STRATHCLYDE PENSION FUND OFFICE

P.O. Box 27001,

Glasgow

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