

Pensionnews

2018

www.spfo.org.uk



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SPFOnline
Your pension account

Did you know that on SPFOnline you can:

- Change your bank account details
- View your P60 and individual pension payments
- Amend your nomination and contact details

To sign up for SPFOnline, just click on SPFOnline on our website's homepage.

WELCOME TO PENSIONNEWS



Audrey Boyce
Payments Service Manager
Strathclyde Pension Fund Office

As usual this year's Pensionnews has items about us and about you.

About us:

- Gains of £1.1 billion took the Fund to a new high of £20.8 billion
- Our pensioners reached an all-time high of 76,000 with 17,000 registered for SPFOonline

£20,806m



YEAR-END HIGH

2019 PAYDAYS

- 15 January 2019
- 15 February 2019
- 15 March 2019
- 15 April 2019
- 15 May 2019
- 14 June 2019
- 15 July 2019
- 15 August 2019
- 13 September 2019
- 15 October 2019
- 15 November 2019
- 13 December 2019

About you: some reminders to make sure you

- Contact HMRC with any tax questions
- Keep your nominations up to date
- Tell us if you are considering working after a redundancy retirement
- Consider arranging a power of attorney

More details inside or on our website at www.spfo.org.uk

YOUR 2019 PENSION INCREASE

The pension increase for 2019 will be 2.4%.

This follows increases of 3.0% for 2018, 1.0% for 2017, 0.0% for 2016, 1.2% for 2015 and 2.7% for 2014.

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

The increase takes effect from Monday 8 April 2019, not from 1 April 2019. So your April 2019 payment will reflect about 70% of the increase.

Your May payment will reflect the increase in full.

2.4%



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 HMRC (0300 200 3300).

HM Revenue & Customs (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

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 retire from one post on redundancy grounds and have another post with a scheme employer, 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.

In other words you must contact us if either may apply to you.

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>



As we have a statutory obligation to participate in the National Fraud Initiative, your pension data will be shared with other public bodies.

This means that other public bodies will be able to check that your pension, even an ill health pension from us, has been taken into account in any Social Security benefits you have received.

Strathclyde Pension Fund Office is part of 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 about:

- what information we hold about you
- what we do with it
- who we share it with
- how long we keep it for
- your rights in relation to the data
- why we are allowed to collect it

visit our website's privacy notice at <https://www.spfo.org.uk/index.aspx?articleid=14527>

If you would like a hard copy, please contact us and we will post one to you.

PROTECTION FOR YOUR FAMILY

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.

If you were an active member after 31 March 2009 and if you are not married or are not in a civil partnership, but have:

- lived with someone for 2 years at the time of your death
- whilst both of you have been free to marry
- whilst you have been financially interdependent

a cohabiting partner can receive a survivors pension provided s/he meets the criteria under the LGPS regulations.

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 spell out who a lump sum is paid to on death. By making a nomination you can help us to make quick and accurate payment of the lump sum paid on your death.

Your current nomination is shown on SPFOne and you can change your nomination using SPFOne.

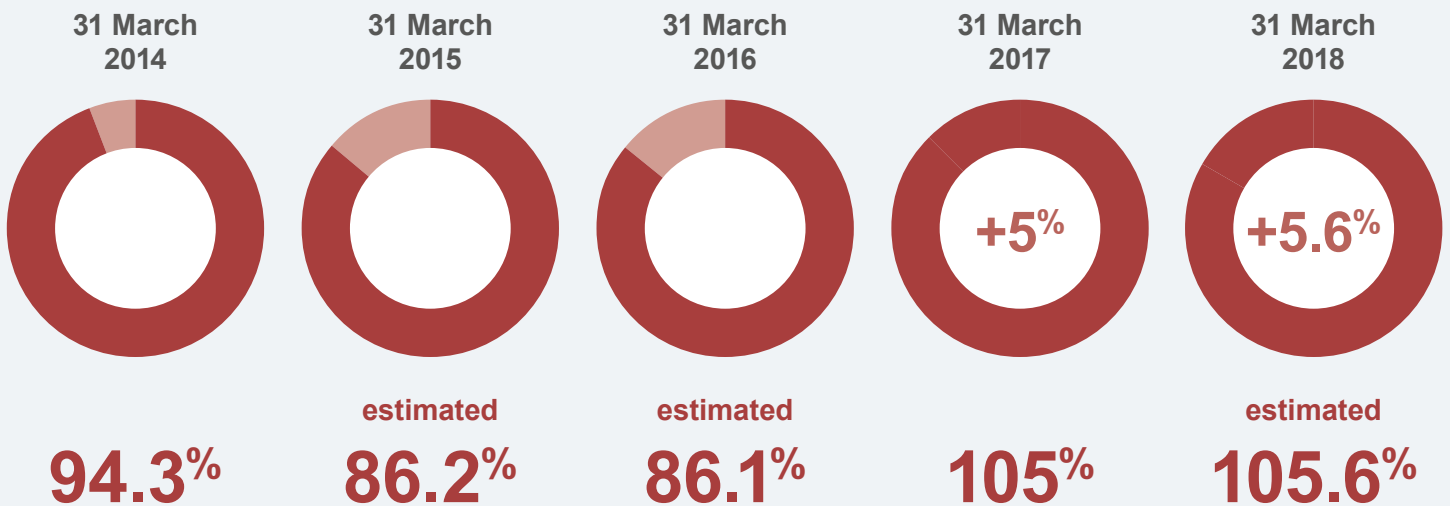
Our nomination form is also available from the **Publications > Members > Forms** area of our website.



MEMBERS

31 March	2014	2015	2016	2017	2018
Total Members	204,844	210,877	216,274	222,860	233,312
Employee Members	87,197	90,057	92,717	94,647	98,870
Deferred Members	47,243	49,215	50,545	53,465	57,759
Pensioners	70,404	71,605	73,012	74,748	76,683

FUNDING POSITION



Our 2017 valuation report is available from the [Publications > Reports > Actuarial Valuation Reports](#) area of our website.

AGM 2018

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



GOVERNANCE

Given our scale and level of activity, a robust governance structure is essential. You can find out more about our governance structure in the **About us** area of our website. Our latest decisions are summarised in our Quarterly Committee meeting stories in the **News** area of our website.



INVESTMENTS

INVESTMENT PERFORMANCE

2017/18 was our 9th consecutive year of positive returns, achieving our highest ever Fund value at year-end. We spent the year developing strategy and actively de-risking and diversifying our investments.

The Fund's total investment return for the year was **+6.0%**.

This may pale in comparison to the exceptional return of over +23% the previous year, but is still remarkable, as:

- it consolidated 2016 / 2017's gains in another consecutive year of growth, rather than paying them back which is always a possibility in investment markets

- market returns were quite modest. The FTSE all share index returned a little over +1% for the year, global market indices a little over +2% but our strategy and managers added a lot of value on top of this.

The Fund value at 31 March 2018 was a new high of **£20,806 million**, with performance highlights including:

- global small companies +17.2%
- UK property +11.2%
- private equity +11.0%
- emerging market equity +10.2%

INVESTMENT RETURNS TO 31 MARCH 2018

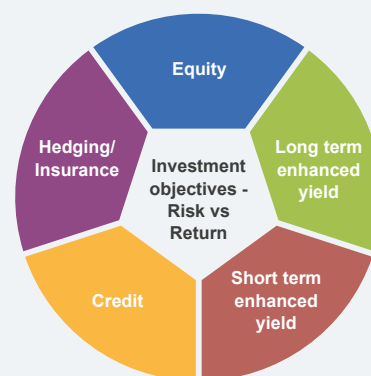
1 Year	3 Years	5 Years	10 Years
6.0%	10.0% p.a.	10.1% p.a.	8.1% p.a.

INVESTMENT STRATEGY

Our investment strategy has clearly worked very well to deliver these returns. Markets can't go up for ever so we spent much of the year adjusting the strategy to give us more certainty and some protection for the future. Changes included:

- Selling £2 billion of growth assets (equities). We are investing the proceeds in income-producing assets including property, corporate lending, and emerging market debt

- Agreeing and implementing a currency hedging programme to lessen our exposure to foreign currency markets
- Agreeing a 3-year plan which will see new investments in areas including global infrastructure, absolute return (capital protection) strategies, and real estate debt



DIRECT INVESTMENT PORTFOLIO

This is our portfolio for local, environmental, and social investments.

It made 6 new investments in the year including £180m in UK infrastructure, £50m in UK renewable energy and £30m in UK regional lending to small companies.

This took the total number of investments by the portfolio to 35, and capital committed to over £900 million.

INVESTING RESPONSIBLY

In 2017 / 2018 we engaged on a wide range of topics including executive remuneration and cyber security.

You can find more information on all aspects of our investments from the **Investments** area of our website.

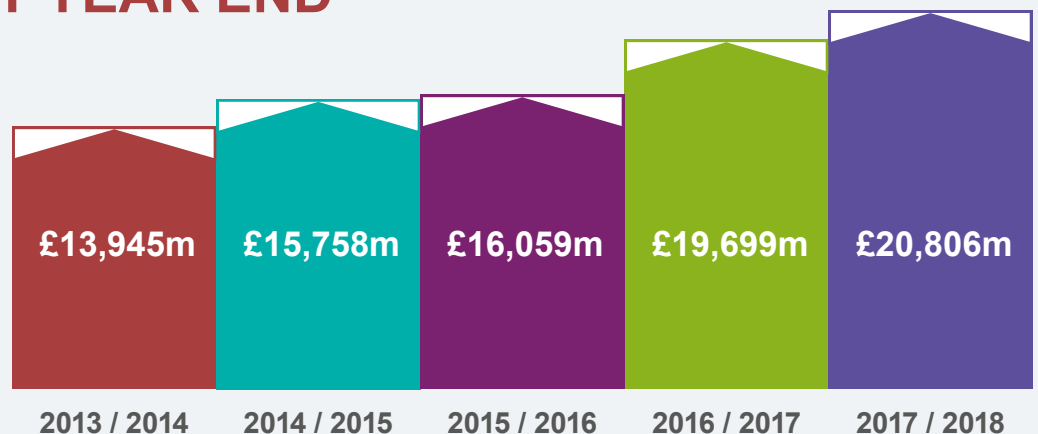


FUND ACCOUNTS

Our annual report provides detailed financial information about our scheme year 2017 / 2018 and is available from the **Publications > Reports > Annual Reports** area of our website.

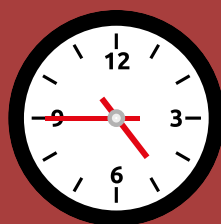
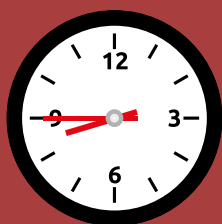
Scheme year	2013 / 2014	2014 / 2015	2015 / 2016	2016 / 2017	2017 / 2018
Contributions received	£479m	£486m	£508m	£520m	£542m
Pensions paid	£371m	£389m	£397m	£411m	£422m
Tax free lump sums paid	£96m	£99m	£104m	£121m	£125m
Other payments	£121m	£148m	£109m	£120m	£139m
Investment income	£194m	£200m	£229m	£252m	£285m
Investment growth	£794m	£1,763m	£174m	£3,520m	£966m

NET ASSETS AT YEAR END



CONTACTING US

Our normal office hours are weekdays
8:45 to 16:45 (15:55 on Fridays).



Web: www.spfo.org.uk



Email: spfo@glasgow.gov.uk



Tel: 0345 890 8999



Write to:
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