

Pensionnews

2015



IN THIS ISSUE –

- 02 – 2016 pension increase*
- 02 – 2016 paydays*
- 03 – Tax*
- 04 – Are you protecting your loved ones?*
- 06 – LGPS 2015*
- 06 – Returning to local government work?*
- 07 – The new state pension*
- 08 – Freedom and Choice*
- 08 – National fraud initiative*
- 09 – Membership*
- 09 – Funding position*
- 10 – Investments*
- 11 – Fund accounts*
- 12 – Our new website*
- 12 – Contacting us: please tell us if you move*



Audrey Boyce
 Payments Service Manager
 Strathclyde Pension Fund Office

NO CHANGE

There will be no annual pension increase from April 2016, but there will be no reduction either. The September Consumer Prices Index (CPI) figure was -0.1% but the rules for local government pension increases are that a pension cannot be reduced even if inflation is negative.

Some of you will remember that there was no pension increase in April 2010 – the first time ever that CPI fell over a year to 30 September. Pension Increases since then have been:

- 2011 +3.1%
- 2012 +5.2%
- 2013 +2.2%
- 2014 +2.7%
- 2015 +1.2%



CPI FUN FACTS

- **In** for 2015: protein powders
- **Out** for 2015: white emulsion paint

CPI

CPI is made up of a shopping basket of over 700 items. The basket is reviewed every year.

Some items are taken out of the basket and some are brought in to reflect changes in the market and to make sure the index is up to date and representative of consumer spending patterns.

We've popped some CPI FUN FACTS in this Pensionnews, as we thought they might make you smile.

It's worth noting that, while some items change each year, many staple household goods and services have been in the basket for a very long time. Bacon, milk, bread, tea and petrol, for instance, made the inaugural basket back in 1947.

2016 PAYDAYS

15 January	2016	15 July	2016
15 February	2016	15 August	2016
15 March	2016	15 September	2016
15 April	2016	14 October	2016
13 May	2016	15 November	2016
15 June	2016	15 December	2016

Our office is closed from Dec 25 to Jan 4 inclusive, but this will not affect our regular payment of your pension on 15 Dec 2015 or 15 Jan 2016.

SPFOnline

SPFOnline allows you to access pensioner payslips / P60s

TAX



TAX

Any changes in income tax allowances, tax rates and tax thresholds for the 2016 / 2017 tax year affect your April 2016 pension.

HMRC will tell us in March what income tax code to apply to your pension from April 2016. HMRC will take account of all of your income sources.

If you want to challenge the tax coding we have been told to apply, you must contact HMRC direct (0300 200 3300).

NEW TAX CODE?

If HMRC notify you of a new tax code, please allow time for them to tell us and for us to feed it into the next available payday.

If we do not issue you with a pensioner payslip, please assume that we have not been told to apply any new tax code to your pension.

As your own tax position is your responsibility, you should keep all

your P60s, as you may need them to resolve any questions about your tax code with HMRC or to complete a self-assessment tax form.

SCOTTISH RATE OF INCOME TAX

The new Scottish Rate of Income Tax (SRIT) comes into force on 6 April 2016 for Scottish taxpayers.

The vast majority of our pensioners will not need to do anything, as HMRC will identify Scottish taxpayers and inform us of the relevant tax code to use.

A Scottish taxpayer is someone who is resident in the UK for tax purposes and who has their sole or main place of residence in Scotland for more of the tax year than any other part of the UK.

Scottish taxpayers will have their tax codes prefixed by the letter 'S'.

We recommend that you keep HMRC informed of any change to your address, as that could affect whether HMRC tell us that you are a Scottish taxpayer.

TAX HELP FOR OLDER PEOPLE

Tax Help for Older People is a service from the charity Tax Volunteers providing free, independent and expert help and advice for older people on lower incomes who cannot afford to pay for professional tax advice.

www.taxvol.org.uk

CPI FUN FACTS

- In for 2015: e-cigarettes
- Out for 2015: sat navs

ARE YOU PROTECTING YOUR

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.

REGISTERING DEATHS

If the Registry Office promise to advise "pensions" of a death, they mean that they will advise the DWP (who provide State pensions), not us (who provide LGPS pensions). We need to be informed separately.

NOMINATED COHABITATING PARTNER

If you were an active (employee) member between 1 April 2009 and 31 March 2015 and are living with someone that you are not married to, make sure you have filled in a **Nomination of cohabiting partner for survivors pension form**. The form is available from the **Publications > Members > Forms** area of our website.

If you were an active member after 31 March 2015, there is no need to nominate a cohabiting partner.

If you ceased to be an active member before 1 April 2009, we do not pay a cohabiting partner's pension.

Our **Guide to the LGPS** is available from our website and details what is payable if you die on pension.

NOMINATION OF COHABITATING PARTNER FOR SURVIVOR'S PENSION Apr 15

As a member of a pension scheme, you are entitled to an active member's pension. If you die on pension, we will pay a survivor's pension to your nominated cohabiting partner. AND this form has been completed prior to the member's death. If the member is an active member before 31 March 2015, it also has to be completed after 31 March 2015, it is not necessary for this form to be completed.

ABOUT THIS FORM

- Only use this form if you want to nominate a cohabiting partner. A spouse, registered civil partner or qualifying civil partner is automatically entitled to a pension on your death.
- You may also nominate who you would like to benefit from any lump sum payable on your death by completing a separate Nomination Form.
- On receipt of this form we will send you a letter of confirmation that your nomination has been registered.
- If your circumstances change or you wish to cancel your nomination, please write to inform us.

YOUR DETAILS

Form Pensions 1

Home address:	Partner's name:
Postcode:	Partner's date of birth:
	National Insurance No.:
	Employer:
	Employee payroll number:

DECLARATIONS

We confirm that the information provided on this form is true and correct to the best of our knowledge and belief. We have read the information provided on this form and agree to the terms and conditions of the pension scheme. I declare that I am not a member of any other pension scheme. I declare that I am not a member of any other pension scheme. I declare that I am not a member of any other pension scheme.

SIGNATURES

Signature of member _____ Date _____

Signature of nominated cohabiting partner _____ Date _____

Please return this form to Strathclyde Pension Fund Office, P.O. Box 27001, Glasgow G2 9EW.

LOVED ONES?



Office of the
Public Guardian (Scotland)

POWER OF ATTORNEY (POA)

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](http://www.publicguardian-scotland.gov.uk)

LUMP SUM PAID ON DEATH

If you die before you have received 5 years of pension (10 years pension if you were an employee member of the LGPS after 31 March 2009), the balance is paid out as a lump sum in addition to any dependants' pensions that are payable.

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.

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



**NO ONE
NOMINATED?**

REJOINING THE LGPS



If you re-join the LGPS, the death grant payable is the higher of your death grants. These amounts will not be added together.

All of your memberships with all Scottish LGPS Funds will be taken into account in calculating any LGPS death grant paid on your death if you have re-joined.

MORE INFORMATION

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



RETURNING TO LOCAL GOVERNMENT WORK?



You must notify us immediately in writing if you retired on redundancy or efficiency of service grounds and become re-employed by an organisation that participates in the LGPS.

In fact, we recommend that you check back with us before becoming re-employed, so that we can make you aware of any pension implications.

Retirement benefits already paid can become subject to “unauthorised payment” tax

charges at 55% if you are under 55 and become re employed within 6 months in a job that is NOT materially different to the job you retired from.

If you retired on redundancy or efficiency grounds with additional service granted by your employer and you return to local government work, your additional service pension may be reduced and / or permanently suspended.

If you are in any doubt about whether an employer participates

in the LGPS, you could ask them before accepting a new job. The UK LGPS website contains details of every UK LGPS fund’s website from which you can obtain annual reports listing a fund’s participating employers, see: <http://www.lgps.org.uk/lge/core/page.do?pagelId=117905>

CPI FUN FACTS

- In for 2015: headphones
- Out for 2015: frozen pizzas

THE NEW STATE PENSION



The new state pension starts on 6 April 2016.

If you have already reached state pension age you will be unaffected.

If you reach state pension age after 5 April 2016, the single state pension will replace the current basic state pension and its earnings related additions.

For each year that you were contracted out as a member of the LGPS, a deduction will be made from the new state pension as the LGPS is providing you with more pension. The DWP has prepared a **leaflet** about this.

As the new state pension is more than the current basic state pension, these deductions are not designed to leave you worse off at state pension age if you have a 30 year NI record.



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).

Two of the four Board members representing members' interests are LGPS pensioners.

The Board meets quarterly alongside the Strathclyde Pension Fund Committee.



FREEDOM AND CHOICE

Reforms offering greater flexibility, Freedom and Choice, 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 can transfer their pension rights out of the LGPS to a DC arrangement offering 'flexible benefits'.

As an LGPS pensioner Freedom and Choice does not apply to you.

CPI FUN FACTS

- **In** for 2015: phone chargers
- **Out** for 2015: oven-ready joints

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.

CPI FUN FACTS

- **In** for 2015: streaming music subscriptions
- **Out** for 2015: foreign exchange commissions

OUR MEMBERSHIP

Members



Employee Members



Deferred Members



Pensioners

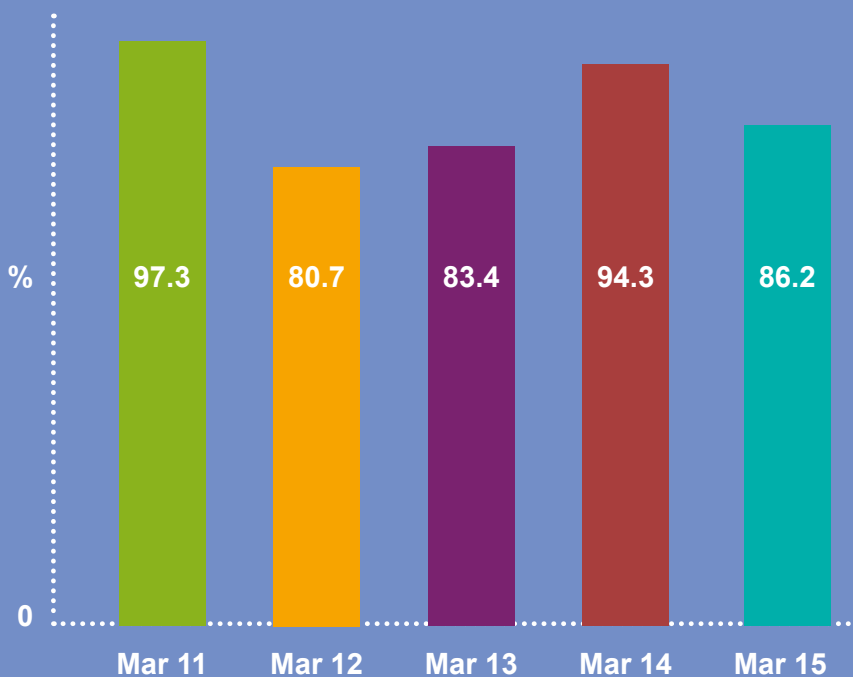


SPFOnline

9,000
of our pensioners
have gone digital
by registering for
SPFOnline.

FUNDING POSITION

Our 2014 actuarial valuation report is available from the [Publications > Reports > Actuarial valuation reports](#) area of our website.



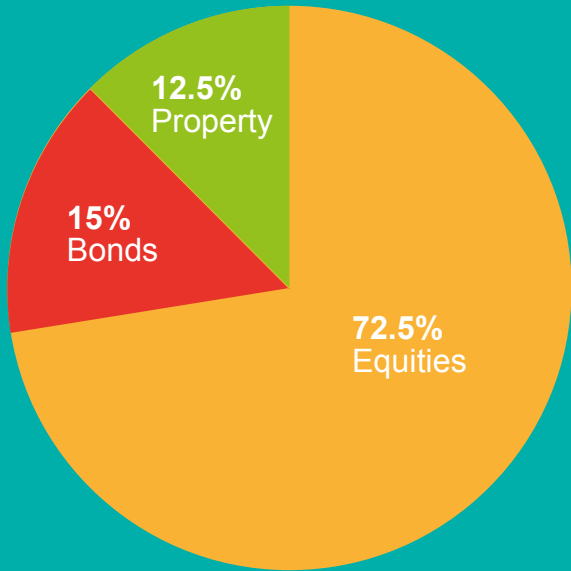
Funding position = assets as a % of liabilities.

CPI FUN FACTS

- In for 2015: phone covers
- Out for 2015: yoghurt drinks

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 **our website**.



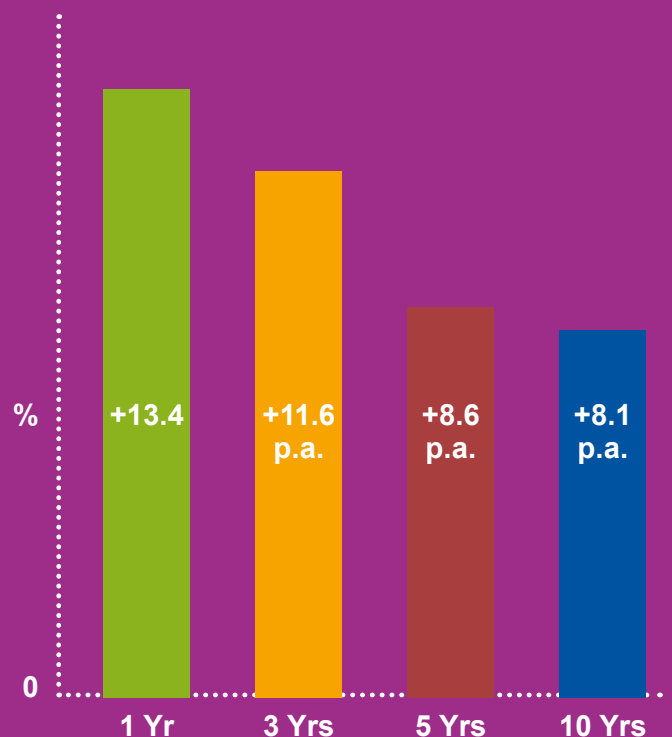
GLOBAL

We have over 1,600 different lines of stock invested in companies around the world.

ANNUAL MEETING 2015

The slides are available from the News area of our website.

PERFORMANCE TO 31 MARCH 2015



FUND ACCOUNTS



Our annual report provides detailed financial information about our scheme year 2014 / 2015 and is available from the **Publications > Reports > Annual reports** 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

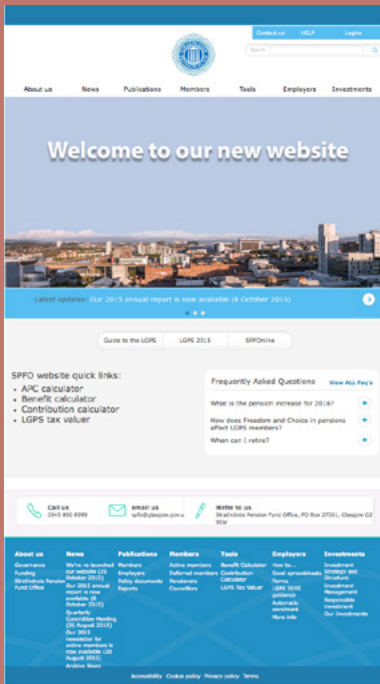
2013 / 2014 £££££££££ £794m

Net assets

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

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

OUR NEW WEBSITE



We hope that you like our re-launched website.

The new site has:

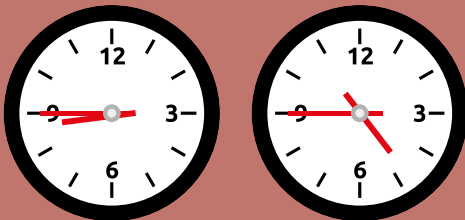
- Better content
- Easier navigation
- More visual appeal.

You can Contact us with your feedback to let us know in confidence what you think about it and to suggest how we can improve it.



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



Please tell us if you move house.

CPI FUN FACTS

- In for 2015: games consoles online subscriptions
- In for 2015: sweet potatoes
- In for 2015: craft beers

STRATHCLYDE PENSION FUND OFFICE
 MANAGING THE LOCAL GOVERNMENT PENSION SCHEME IN THE WEST OF SCOTLAND