

Pensioner

Members Newsletter 2020



For more information visit our website at: www.worcestershirepensionfund.org.uk | Issue: 02

>Welcome to our annual pensioner newsletter

We know that the past few months have been an uncertain time for everyone and hope that you keep safe and well. In the new normal we would encourage you to contact us by email or phone in the first instance. We have a small postal / scanning service at County Hall and are successfully working from home. As it helps us if you include your national insurance number in an email, please make sure that you only email us from a secure email domain like Gmail, Hotmail or Yahoo.

Our website at: www.worcestershirepensionfund.org.uk is designed to provide you with a first port of call for all your pension information needs, so that you can make informed decisions whenever you want to. It has a dedicated area for pensioners that includes information about changing the bank account into which your pension is paid; tax and your pension; and pension payment advice slips.

This newsletter is also available from our website so, if you have an email address and are happy for us to alert you to your annual newsletter by email instead of posting it to you in the future, please let us know by emailing your email address to:

pensions@worcestershire.gov.uk

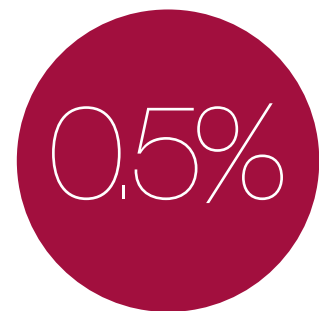
Finally, we would like to reassure you that paying pensions is our top priority, and that, although your Local Government Pension Scheme (LGPS) pension payments are funded by investing employer and member contributions, your 'pension promise' is set out in statutory instruments and is not dependent on current stock market levels.



Linda Probin
Pensions Administration
Manager
Worcestershire Pension Fund

>Your 2021 pension increase

The amount that your pension will increase by for 2021 will be based on 0.5%: if you became a pensioner between 1 April 2020 and 31 March 2021 you will receive a proportion of the increase.



This follows increases of: 1.7% for 2020; 2.4% for 2019; 3.0% for 2018; 1.0% for 2017; and 0.0% for 2016.

The increase is based solely on the Consumer Prices Index, unlike increases to State pensions that can be based on earnings growth. It is payable once you are 55 or if you retired on ill health.

The increase takes effect from Monday 12 April 2021, not from 1 April 2021. This means that your April 2021 payment will not reflect all the 2021 pension increase. Your May payment will reflect the increase in full.

➤ Future paydays

As we pay pensions on the last working day of the month, your future paydays will be:

2020	
30 Nov	31 Dec

2021	
29 Jan	26 Feb
31 Mar	30 Apr
28 May	30 Jun
30 Jul	31 Aug
30 Sep	29 Oct
30 Nov	31 Dec

We issue P60s in May and only issue a payment advice slip every April; or if you receive a change in your pension that is more than £1 per month net of tax; or if your tax code changes; or if you change address; or if you change your bank account.

➤ Guaranteed Minimum Pension (GMP) rectification



Following us checking with Her Majesty's Revenue & Customs (HMRC) that the GMPs we hold for our pensioners are in line with the values HMRC have on their records, we will be writing to advise a small number of you that we have been overpaying or underpaying your pension. **We will not claw back overpayments.** We will adjust pensions going forward either upwards or downwards though.

The need to make these rectifications has arisen because either a notice of the GMP payable has never previously been provided by HMRC or an incorrect amount of GMP has previously been provided by HMRC, resulting in the increases applied to annual pensions every April being calculated incorrectly.

➤ GMP equalisation

Following the High Court's ruling in the Lloyds Banking Group case about GMP equalisation in October 2018, we have received a final data extract and will commence the process of calculating what adjustments are needed to the pensions that we are paying. **We can confirm that no LGPS pensions will need to be reduced, that we expect most adjustments to LGPS benefits to be small and that we will be in contact with those affected in due course.**

➤ Tax and your pension

Your pension is taxable. 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. **We do not set your tax code.**

If you have a question regarding your tax code, you will need to contact HMRC directly. Their helpline number is 0300 200 3300.

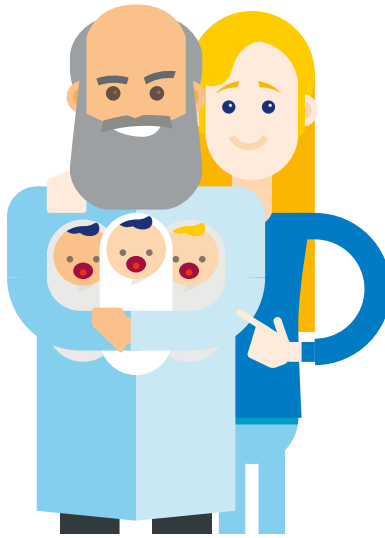
HMRC uses real time information (RTI) to adjust individual tax codes throughout the year to enable them to collect the right amount of tax on an individual's income as they receive / earn it. You can check your tax code online or notify HMRC of your correct address by setting up a Personal Tax Account. To do this, go to: www.gov.uk/personal-tax-account

➤ Protection for your family

As the LGPS provides benefits when you die, it is important that you make family / friends aware of the need to tell us in the event of your death. Promptly notifying us of your death will mean that we will not need to ask for repayment of any pension paid in respect of the period after your death. You should also make them aware that, if they are told by the Registry Office or by the Department of Work & Pensions (DWP) that they do not need to tell us about your death separately as this will be done automatically under the Tell Us Once (TUO) arrangements, **they must tell us separately**, as we are not yet participating in TUO.

Lump Sums

There may be no lump sum payable on your death. Our website's [Guide to the LGPS](#) provides more information on any death grant that may be paid. The LGPS regulations do not spell out who a lump sum is paid to on death. We have absolute discretion to determine who to pay any death grant to. However, by making a nomination you can guide us. A nomination will also help us to make quick and accurate payment of any lump sum paid on your death. You can change your nomination using our [Death Grant Nomination form](#) that is available from the Pensioners area of our website.



Pensions

There is no need for you to nominate your husband, wife, partner, or dependent children for a pension payable on your death, as they are automatically entitled to one. However, if you marry after retiring, not all your service may be used in calculating your spouse's / civil partner's pension. Also, a child's pension is only payable to a child who is eligible under the LGPS regulations. A cohabiting partner can only receive a survivor's pension provided s/he meets the criteria under the LGPS regulations: the deceased has to have been an active member after 31 March 2008 and have lived with their partner for 2 years at the time of death, whilst both have been free to marry and been financially interdependent. The Chief Secretary to the Treasury has made a [written statement](#) on remedying survivor benefits for opposite-sex widowers and surviving male civil partners where male survivors remain entitled to a lower survivor benefit than a comparable same-sex survivor.

➤ McCloud and Sergeant court cases

When the LGPS changed from a final pay to a career average pension scheme in 2014, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes. Following the Court of Appeal ruling that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections in their pension schemes did 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 judgment'.

MHCLG has published a [consultation](#) on amendments to the statutory underpin to remove the unlawful age discrimination identified in the McCloud judgment. The proposed remedy would apply to all members who were active at 31 March 2012 and have accrued benefits since 1 April 2014 and take into account the impact of early/late retirement factors.

If you would have qualified for protection at retirement, we will apply it retrospectively and automatically - you do not need to make a claim. For more information, see:

https://lgpsmember.org/news/story/mccloud_qanda.php

➤ GDPR (General Data Protection Regulation)

As we have a statutory obligation to participate in the National Fraud Initiative, your pension data is shared with other public bodies. This means that other public bodies will be able to check that your pension, including an ill health pension from us, has been taken into account in any Social Security benefits you are receiving.

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 and why we are allowed to collect it, visit our website to view our [privacy notice](#) or our [personal data retention policy](#). If you require a hard copy, please contact us and we will post one to you.

➤ About the Fund

Our pensioner records reached an all-time high of almost 19,000 on 31 March 2020 and our total membership was 63,600. In LGPS scheme year 1 April 2019 to 31 March 2020 we paid out £111m in benefits. The Fund's value was £2,635 million on 31 March 2020, making the Fund an estimated 81% funded. Our investment performance to 31 March 2020 was -3.7% over 1 year and 1.9% over 3 years.

Our investments were allocated as follows on 31 March 2020:

- 23%** Actively managed equities
- 28%** Passively managed equities
- 15%** Alternatives
- 09%** Equity protection
- 06%** Fixed interest securities, credit and bonds
- 07%** Property
- 12%** Infrastructure

It is our belief that responsible investment should be integrated into our investment processes and investment managers. We work with companies, managers and other like-minded investors to improve the environmental, social and governance performance of our portfolios. You can find more information on all aspects of our investments from the [Funding and Investments](#) area of our website.

Given our scale and level of activity, we have a robust governance structure in place, and you can find out more about this in the [About us](#) area of our website. Our latest decisions are summarised in the [Pensions Committee](#) area of our website.

➤ Contacting us: Please tell us if you move address

It is important for you to let us know if you move, so that we can update your record and ensure that you continue to receive your pension. For your protection we cannot take address changes over the phone. Please advise us in writing or scan and email us our [Notify Change of Personal Circumstance Form](#).

We also cannot take changes of bank account over the phone. If you do want to change the bank account into which your pension is paid monthly, we

recommend that you keep your old account open until the new one has received a payment, as we 'cut off' the accounts used for our monthly pension payments a couple of weeks before the payments are actually made.

When contacting us, please quote your National Insurance number or Pensioner Payroll number on all correspondence.

You can contact us by:

Email:

pensions@worcestershire.gov.uk

Phone: Find out [who to contact](#) from our website

Post: Worcestershire Pension Fund, County Hall, Spetchley Road, Worcester, WR5 2NP.

As we are not regulated by the Financial Conduct Authority (FCA), our staff are unable to give advice about investments or how you can manage your pension benefits. Therefore, before you make any financial decisions, we suggest that you seek financial advice. We can explain how your pension benefits have been calculated and direct you to information like <https://www.fca.org.uk/consumers/finding-adviser>