

# Pensioner

## Members Newsletter 2021



For more information visit our website at: [www.worcestershirepensionfund.org.uk](http://www.worcestershirepensionfund.org.uk) | Issue: 03

### >Welcome to our annual pensioner newsletter

Although we are all starting to return to County Hall on an average of one day of the week, in the new normal where we are working most of the time from home, we would encourage you to contact us by email or phone in the first instance. 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](http://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;

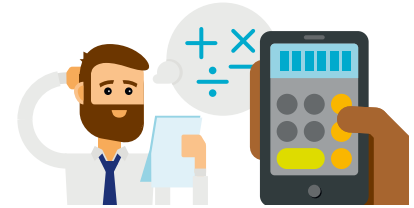
tax and your pension; and pension payment advice slips.

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](mailto: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.

### >Your 2022 pension increase



The amount that your pension will increase by for 2022 will be based on 3.1%: if you became a pensioner between 1 April 2021 and 31 March 2022 you will receive a proportion of the increase.

#### This follows increases of:

- 0.5% for 2021
- 1.7% for 2020
- 2.4% for 2019
- 3.0% for 2018
- 1.0% for 2017

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 and part of your increase may be paid with your State pension. **The increase takes effect from Monday 11 April 2022, not from 1 April 2022. This means that your April 2022 payment will not reflect all the 2022 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:

| 2021      |           |
|-----------|-----------|
| 30<br>Nov | 31<br>Dec |

| 2022      |           |
|-----------|-----------|
| 31<br>Jan | 28<br>Feb |
| 31<br>Mar | 29<br>Apr |
| 31<br>May | 30<br>Jun |
| 29<br>Jul | 31<br>Aug |
| 30<br>Sep | 31<br>Oct |
| 30<br>Nov | 30<br>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) equalisation

Following the High Court's ruling in the Lloyds Banking Group case about GMP equalisation in October 2018, we are awaiting guidance on 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 very 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](http://www.gov.uk/personal-tax-account)

## ➤ McCloud

On 11 May the Queen's speech announced there will be a Public Service Pensions and Judicial Offices Bill to ensure equal treatment for all members within each of the main public service pension schemes, following the reforms to change these schemes to career average. This was followed up by a **Ministerial Statement** on 13 May.

We expect new regulations will extend the final pay 'underpin' to everyone who was a member of the LGPS on 31 March 2012. The 'underpin' was a protection introduced to protect older members when the scheme changed on 1 April 2014 from a final salary scheme to a CARE scheme. The underpin is a calculation to check whether your pension benefits would have been higher if they had been calculated under the old scheme rules or under the new scheme rules.

The changes to the LGPS regulations aren't expected to be in place before April 2023. Once they are in place, we will do a calculation (you don't need to ask us to do this) and advise you if your pension is to be increased and the amount of any back payments you will be paid. In almost all cases we expect that you will not be affected, as the current CARE scheme delivered the best benefits.

For more information, see: [https://lgpsmember.org/news/story/mccloud\\_qanda.php](https://lgpsmember.org/news/story/mccloud_qanda.php)

## ➤ 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 that you have died. 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, we are indeed 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.

Following the Chief Secretary to the Treasury's [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, we have revisited our male civil partners and are awaiting regulatory guidance on our opposite-sex widowers.

## ➤ Lasting power of attorney (LPA)

Anyone who is worried about whether they will be able to continue to manage their affairs in the future might find the LPA information provided by the [Office of the Public Guardian](#) (OPG) of use.

The OPG's primary function is to register LPAs once they have been drafted. Their contact details are: PO Box 16185, Birmingham B2 2WH Telephone: 0300 456 0300. Please note that OPG staff cannot provide an LGPS [Death Grant Nomination form](#) (these are available from our website); assist in drafting an LPA; or provide legal advice.

## ➤ 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

We took some significant steps on our responsible-investment journey in LGPS scheme year 2020/2021, including completing an environmental social governance (ESG) audit, carrying out a sustainable development goals (SDGs) mapping exercise, commissioning a climate risk report and producing our climate change strategy.

A major finding was that our portfolio of equities has a carbon footprint that is 23.75% lower than the benchmark, with the footprint from each of our actively managed investment portfolios being significantly lower than their respective benchmarks.

Our pensioner records reached an all-time high of 19,500 on 31 March 2021, with our member records reaching an all-time

high of 64,750 when the Fund's value also reached an all-time high of £3,283 million.

### **Assets were allocated as follows:**

- **26%** actively managed equities;
- **31%** passively managed equities;
- **15%** alternatives;
- **6%** equity protection;
- **6%** fixed-interest securities, credit and bonds;
- **5%** property; and
- **10%** infrastructure.

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@worcestershires.gov.uk](mailto:pensions@worcestershires.gov.uk)

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

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

Worcestershire Pension Fund is not regulated by the Financial Conduct Authority (FCA) which means our staff are unable to give advice about investments or how you can manage your pension benefits. We can provide you with information about how your pension benefits have been calculated and direct you to current Government information.

**Ref:** Worcestershire Pension Fund Pensioners Newsletter Nov 2021