

Pensioner Member News

For more information visit: www.worcestershirepensionfund.org.uk | Issue 04 | 2022

► How would you like the Fund to invest?

Our *Pensions Committee* of 5 Worcestershire Councillors, 1 Herefordshire Councillor, 1 non-County-Council Employer Representative and 1 Member Representative decides where the contributions from our 200ish employers and your contributions are invested to provide your LGPS benefits.

Although we are only a medium-sized LGPS fund, we are proud of the work that we have done to factor in *responsible investment/ environmental, social and governance* and *climate change* issues into the Fund's investment decisions.

However, we are aware that, whilst we have updated you via our newsletters, we have never actually asked our members directly for their views.

Accordingly, we would now like to invite you to tell us how you would like the Fund to invest by answering the questions on our online stewardship survey available from the online version of this newsletter in the pensioners newsletters area of our website or at: forms.office.com/Pages/ResponsePage.aspx

We would like to reassure you that, although your 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.

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

► Your 2023 pension increase

The amount that your pension will increase by for 2023 will be based on 10.1%. If you became a pensioner between 1 April 2022 and 31 March 2023 you will receive a proportion of the increase.

This follows increases of:

- 3.1% for 2022
- 0.5% for 2021
- 1.7% for 2020
- 2.4% for 2019
- 3.0% for 2018

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 10 April 2023, not from 1 April 2023. This means that your April 2023 payment will not reflect all the 2023 pension increase. Your May payment will reflect the increase in full.

➤ Future payday

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

2022	
30 Nov	30 Dec

2023	
31 Jan	28 Feb
31 Mar	28 Apr
31 May	30 Jun
31 Jul	31 Aug
29 Sep	31 Oct
30 Nov	29 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

➤ McCloud update

To update page 2 of our *2021 pensioner newsletter* we can advise you that we are expecting more detail on the application of the McCloud remedy to the LGPS in the form of draft regulations that will come into force on 1 October 2023.

Meantime we would like to reassure you that you do not need to take any action. The Government has confirmed that members who qualify for protection do not need to make a claim for the changes to apply to them.

For more information, see: <https://www.lgpsmember.org/help-and-support/frequently-asked-questions/?faq-type=mccloud-court-case#when-will-the-changes-come-into-effect>

➤ Claiming pension credit

If you are over State Pension age (SPa) and on a low income, you may be entitled to extra money to help with your living costs. This is known as pension credit and is separate from your State Pension.

You can apply for pension credit up to four months before you reach your SPa. You can apply after you reach SPa but your application can only be backdated three months. Find out about pension credit and how to apply on the GOV.UK website or call the pension credit claim line on 0800 99 1234.

If you need help completing benefit claim forms, make an appointment at your local *Citizen's Advice*. They have advisors that will help you.

➤ 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, and it can be contacted at: PO Box 16185, Birmingham B2 2WH Telephone: 0300 456 0300.

Please note that OPG staff cannot provide an LGPS *Death Grant Nomination form*; assist in drafting an LPA; or provide legal advice.

► 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.

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.

We have absolute discretion to determine who to pay any death grant to. However, using our *Death Grant Nomination* form you can guide us.

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.

A child's pension is only payable to a child who is eligible under the LGPS regulations, and 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.

► Updates to our privacy notice

As part of our plan to make sure we keep to the Data Protection Act 2018, we've prepared a privacy notice giving details of our responsibilities regarding your personal information. The notice sets out what information we hold, who we share it with and your rights to access this information.

We want to let you know that, following the introduction of the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021,

► About the Fund

Although we are only a medium-sized LGPS fund, we are proud of the work that we do to factor in responsible investment; environmental, social and governance (ESG); and climate change issues into our investment decisions.

On 1 September 2021 that work resulted in us being notified by the FRC that we were one of just 125 UK pension funds to have achieved signatory status to the UK Stewardship Code 2020.

Also, in LGPS scheme year 2021 / 2022, we:

- Added *UN sustainable development goal (SDG) 12* (Responsible Consumption and Production) to our investment beliefs.
- Completed our second annual *Climate Risk Report*.
- Asked our investment managers to present their Taskforce for Climate-related Financial Disclosure (TCFD) reports and to deliver carbon risk metrics on their portfolios.

we've recently updated our privacy notice. When dealing with transfer requests, and as part of our due diligence process, we must make sure checks are completed before transferring benefits. To check for pension scams, we may need additional information from members. All of the information we collect meets the UK General Data Protection Regulation (GDPR).

You can read the privacy notice on our website.

Two headlines from our January 2022 *Climate Risk Report* are that we achieved a 17.77% carbon reduction in our total equities' portfolio between 29 May 2020 and 30 November 2021 and our total equities carbon footprint is 28.05% below blended benchmark.

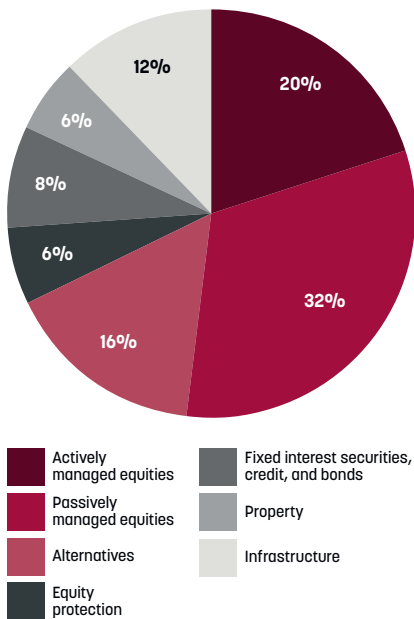
In LGPS scheme year 2021 / 2022, we aimed to reduce our carbon footprint, whilst either maintaining or enhancing investment returns, by:

- Transitioning assets worth £220m into LGPS Central Limited's All World Equity Climate Multi Factor Fund.
- Investing £75m in Gresham House's British Strategic Investment Fund II which is mix of infrastructure and housing assets and £50m in a First Sentier European Diversified Infrastructure Fund. Both Funds have a requirement for each investment to deliver a positive environmental or social impact.
- Agreeing a £150m investment in Gresham House's Forestry Growth & Sustainability Fund.

- Investing £200m in LGPS Central Limited's Global Active Equity Sustainability Fund that is required to deliver a positive environmental and social impact.

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.

Our member records reached an all-time high of 66,000 on 31 March 2022 when the Fund's value reached £3.5 billion, with an asset allocation of:



Contacting us: You must tell us if you move address

You must 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.

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.



Contacting the Pension Team

@ pensions@worcestershire.gov.uk

www.worcestershirepensionfund.org.uk

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