

Pensioner Member News

For more information visit: www.worcestershirepensionfund.org.uk | Issue 05 | 2023

► **McCloud:** If your pension started after 31 March 2012, were you an employee member of any other public sector pension scheme or another LGPS fund before then that we are not aware of?

Now that legislation for the McCloud remedy has been published, we will be reviewing all 'in scope' pensions that we put into payment after 31 March 2012. Basically, to be 'in scope' you not only had to be an employee member of the LGPS prior to 01 April 2012 but also during the period between 01 April 2014 and 31 March 2022, with no disqualifying break in membership of a public service pension scheme of five or more years.

If before 1 April 2012 you were either an employee member of a different public service pension scheme or an employee member of the LGPS with in a different LGPS fund and had not transferred those benefits into Worcestershire Pension Fund, please contact us with those details, as we will not be aware of them and cannot therefore bring you 'in scope'.

Being 'in scope' means that we will compare the benefits you are on with those that you would be on, had you not been older than 65 when you earned those benefits and had the career average LGPS not been in force from 1 April 2014 to 31 March 2022, to see if your total benefits should be increased. Please be aware that it is very unlikely that this comparison will mean that your benefits will be increased: it will generally only be the case if you received a significant increase in your pay after 1 April 2014. Accordingly, we will only contact you if your pension is due an increase after our review or if you request confirmation that your pension is not due an increase.

Although it will take us time to review every pension 'in scope', you do not need to do anything unless we are unaware of your other public sector pension

scheme membership. All 'in scope' pensions due an increase will be backdated to the date of your retirement. You can find out more about the McCloud remedy at <https://www.lgpsmember.org/mccloud-remedy/> and <https://www.lgpsregs.org/resources/guidesetc.php> and we will update our website with our progress in delivering the remedy.

► **No further increases in State Pension ages (SPa), yet**

For those yet to reach SPa, the Government's 2023 review resulted in no change to the current legislative schedule for increasing SPa. The Government said a fresh review of SPa will take place in 2026, and that it would keep to the 'ten-year notice rule' for making changes to someone's SPa.

➤ Your 2024 pension increase

The amount that your pension will increase by for 2024 will be based on 6.7%. If you became a pensioner between 1 April 2023 and 31 March 2024, you will receive a proportion of the increase.

This follows increases of:

- 10.1% for 2023
- 3.1% for 2022
- 0.5% for 2021
- 1.7% for 2020
- 2.4% for 2019

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 08 April 2024, not from 1 April 2024. This means that your April 2024 payment will not reflect all the 2024 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:

2023	
30 Nov	29 Dec
2024	
31 Jan	29 Feb
29 Mar	30 Apr
31 May	28 Jun
31 Jul	30 Aug
30 Sep	31 Oct
29 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.

➤ 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 separate from your State Pension by applying for pension credit.

Find out more on the [GOV.UK website](https://www.gov.uk) 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.

➤ 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:

Personal tax account: sign in or set up - GOV.UK (www.gov.uk)

➤ 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 still 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.

➤ Protect 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 qualifying children for a pension payable on your death, as they are automatically entitled to one.

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.

➤ About the 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.

Going forward we will aim to reduce further the carbon footprint of the Fund's listed equity portfolio; set an internal decarbonisation reduction target up to 2025 at which point it will be further reviewed; continue to invest a proportion of the Fund's portfolio in low carbon & sustainable investments; and use the Climate Scenario Analysis to track and better understand the portfolio's capacity to transition into a low carbon economy.

➤ 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:

Our member records reached an all-time high of 67,000 on 31 March 2023 when the Fund's value was £3,553m, with an asset allocation of:

- 24% Actively managed equities
- 28% Passively managed equities
- 16% Alternatives
- 8% Fixed income
- 9% Property
- 15% 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.

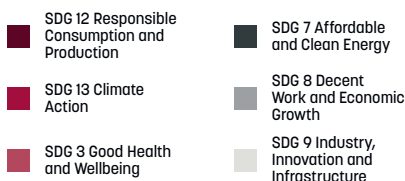
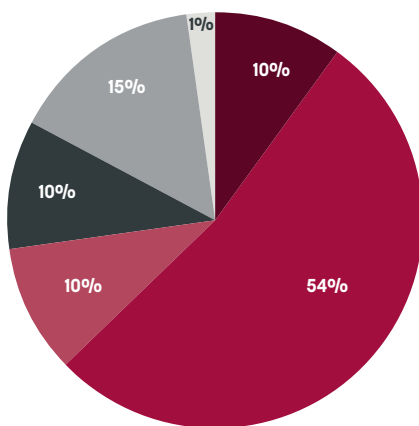
PO Box 16185,
Birmingham B2 2WH
Telephone: 0300 456 0300
Email: customerservices@publicguardian.gov.uk

Please note that OPG staff cannot provide an LGPS [Death Grant Nomination form](#); assist in drafting an LPA; or provide legal advice.

➤ Stewardship survey results

Thank you to those who took part in the survey on Stewardship in last year's newsletter. We had 42 responses. Of the six United Nations Sustainable Development Goals (SDG) the Fund had prioritised, over half voted 'Climate Action' as being the most important.

The Funding and Investment team will be considering the findings from this survey, along with the responses from employee members who were sent the same survey in their newsletter earlier this year.



➤ 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 made.

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

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

You can contact us by:

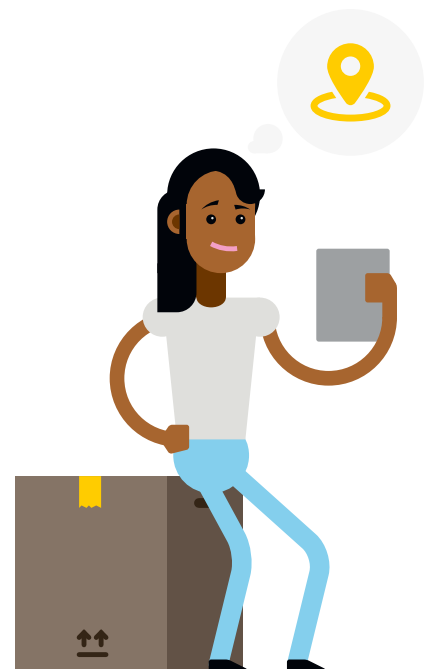
Email:

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