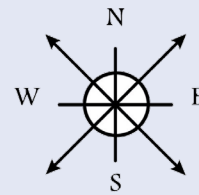


# FUNDNEWS 2019

THE NEWSLETTER OF THE  
STRATHCLYDE PENSION FUND



*Strathclyde  
Region*

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## WELCOME TO FUNDNEWS

### About us:

- Gains of £1.1 billion took the Fund to a new year-end high of £21.936 billion
- Our membership reached an all-time high of 242,274 with 73,063 registered for [SPFOnline](#)

### About you:

To make the most of your pension make sure you:

- Check your 2019 pension update
- Keep your nominations up to date
- Beware of pension scams
- Consider AVCs and APCs



# YOUR 2019 PENSION UPDATE

Your pension update shows the personal details we hold for you and the pension you earned in 2018 / 2019.

You should check it, as this is the amount that we will adjust for inflation until you retire and it is important that we have the right personal details to allow us to pay your pension benefits when they become due.

This year's inflation increase for career average benefits was 2.4%, added to your pension account on 1st April 2019.

Final salary benefits increase in line with your current salary.

*Your 2019 Pension Update is available from [SPFOnline](#).*

**SPFOnline**  
Your pension account

As a result of member feedback we are launching a new version of [SPFOnline](#), our member self-service platform.

Being signed up allows you to:

- View your pension updates online
- Calculate your benefits at your chosen retirement date
- See how much pension you could exchange for extra tax free cash at retirement
- Update your contact and nomination details

## PROTECTION FOR YOUR FAMILY

Our Guide to the LGPS is available from our website. It details what is payable if you die before receiving your pension.



### LUMP SUM PAID ON DEATH

If you die in service, a lump sum death grant of three times your pensionable pay is paid out.

If you are also a pensioner member or a deferred member (or both) of the LGPS in Scotland, the death grant payable is the higher of your death grants. These amounts will not be added together.

The LGPS regulations do not spell out who a lump sum is paid to on death.

By making a nomination you can help us to make quick and accurate payment of the lump sum paid on your death.

Your current nomination is shown on your 2019 pension update.

You can change your nomination using SPFOonline or our nomination form is available from the Publications > Members > Forms area of our website.

### 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, but you should make a nomination for the lump sum.

### COHABITING PARTNER'S PENSIONS

If you are living with someone that you are not married to, we may pay a cohabiting partner's pension.

At your date of death, you and your partner must have been free to marry or form a civil partnership.

In addition, your partner will need to provide evidence for at least 2 continuous years prior to your date of death that:

- You were living together as husband and wife or civil partners
- Your partner was financially dependent on you or you were financially interdependent

The types of documentary evidence that we would accept are:

- Joint tenancy or mortgage arrangement
- Joint council tax bill
- Joint utilities
- Joint bank accounts or proof of a transfer of funds between your individual bank accounts
- Joint savings accounts or investments
- Joint credit arrangements
- Being the beneficiary of your partner's will or life insurance

## THE LOCAL GOVERNMENT PENSION SCHEME

### (Miscellaneous Amendments) (Scotland)

Amendment Regulations effective from June 2019 changed the following LGPS provisions.

- Survivor pensions ~ cohabiting partners
- Authorised leave
- Member contributions

- Assumed Pensionable Pay (APP) ~ ill health retirement and death benefits
- Deferred and Pension Credit members ~ Access from age 55

A briefing note detailing the changes can be found in the LGPS guidance section of our [website](#).

### MORE CHANGES TO COME?

In December 2018, the Court of Appeal judged that transitional protections introduced into public service pension schemes as part of the 2015 changes were discriminatory on the grounds of age. In June 2019, the Government said it believes that this will need to be remedied across all the schemes including the local government scheme. The government will engage with employers, trade unions and the Scottish Government to find a solution. This, and other court judgements, may lead to further changes to the regulations, possibly backdated.

### LGPS-Scotland Structure Review

On 19 June 2018, the Scheme Advisory Board to the Scottish LGPS opened a consultation on how the Scottish Local Government Pension Scheme could best be structured to serve its members.

The consultation compared the advantages and disadvantages of the current scheme structure against three options that, by differing degrees, consolidate the functions of the scheme's 11 constituent funds by cooperation, pooling and merger.

Strathclyde Pension Fund submitted a detailed response.

Given our existing size and success we can't see what would be gained by our members or employers from any merger. It is certain there would be significant costs and risks.

The consultation period has now ended and the findings will be published in due course.

Further information can be found on the Scheme Advisory Board website.



### GDPR

Strathclyde Pension Fund is administered by Glasgow City Council.

Glasgow City Council is a Data Controller under the General Data Protection Regulation (GDPR).

We store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services.

To enable us to carry out our statutory duty, we are required to share your information with certain bodies, but will only do so in limited circumstances.

#### 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
- why we are allowed to collect it



Visit our website's [privacy notice](#)

## PENSION SCAMS DESTROY LIVES

Fraudsters are singling out people like you and claiming that they can:

- help you access your pension fund
- offer immediate access to cash
- provide a pension loan

### Keep your pension safe

If you are cold-called or text messaged with a deal to unlock or review your pension, don't touch it.

For more information about the dangers of pension scams visit: <http://www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx>

**Don't let a scammer enjoy your retirement**

Be ScamSmart with your pension.

Check who you're dealing with: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

**Pension scams often include:**

- contact out of the blue
- promises of high / guaranteed returns
- free pension reviews
- access to your pension before age 55
- pressure to act quickly

FCA FINANCIAL CONDUCT AUTHORITY | The Pensions Regulator

## FREEDOM & CHOICE

### AVCs

In conjunction with the Prudential we have added flexibility to our in-house additional voluntary contributions facility. It is now possible to take all or part of your Additional Voluntary Contributions (AVCs) fund from age 55 as a lump sum without taking your LGPS benefits at the same time. You can contact the Prudential on 0345 600 0343 about this. Only 25% of such lump sum withdrawals are likely to be tax-free.

To find out how AVCs could provide a boost to your benefits, just visit our appointed AVC provider, Prudential's website at: [https://www.pru.co.uk/rz/localgov/?utm\\_source=redirect&utm\\_medium=301&utm\\_campaign=rz/localgov/scotland/avcs/](https://www.pru.co.uk/rz/localgov/?utm_source=redirect&utm_medium=301&utm_campaign=rz/localgov/scotland/avcs/)

### TRANSFERS

Before retiring, members usually have the right to transfer all of their pension rights out of the LGPS to a DC arrangement offering 'flexible benefits' to then access their benefits from 55.

If you are contacted by a legitimate pensions company about taking more of your benefits as a lump sum, don't give up your benefits lightly.

A transfer out of the LGPS is a major financial decision requiring careful consideration and can only be done after taking advice.

We suggest that any members contemplating this course of action first read our *Freedom and Choice* Q&A for LGPS members from the [FAQ](#) area on the homepage of our website.

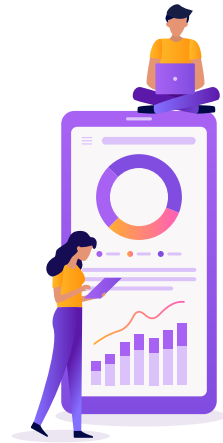


## CONTINUING TO WORK AFTER A REDUNDANCY RETIREMENT

If you are under 55 and retire from one post on redundancy grounds and remain in another post, you will become subject to “unauthorised payment” tax charges.

Returning to work within local government, or with another organisation that participates in the LGPS, after retiring on redundancy grounds may also have significant implications for you.

You should consult us if you return to work after retiring on redundancy or efficiency.



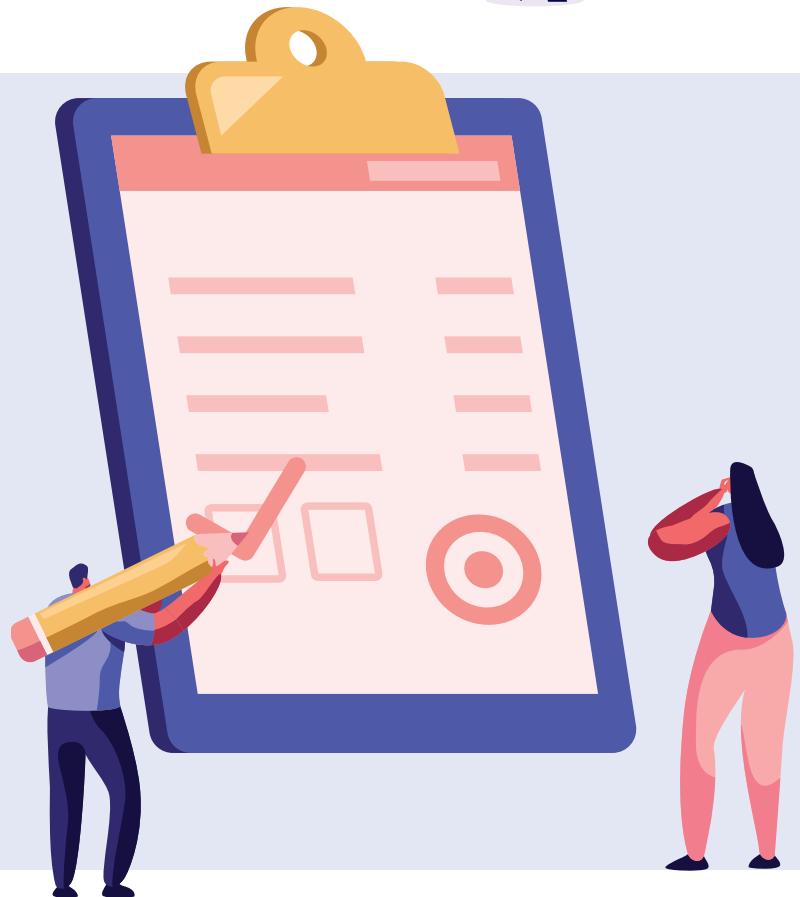
### TAX

HM Revenue & Customs impose two limits on the amount of tax free pension savings you can make.

These limits are known as the Annual Allowance and the Lifetime Allowance.

These limits do not affect the vast majority of LGPS members.

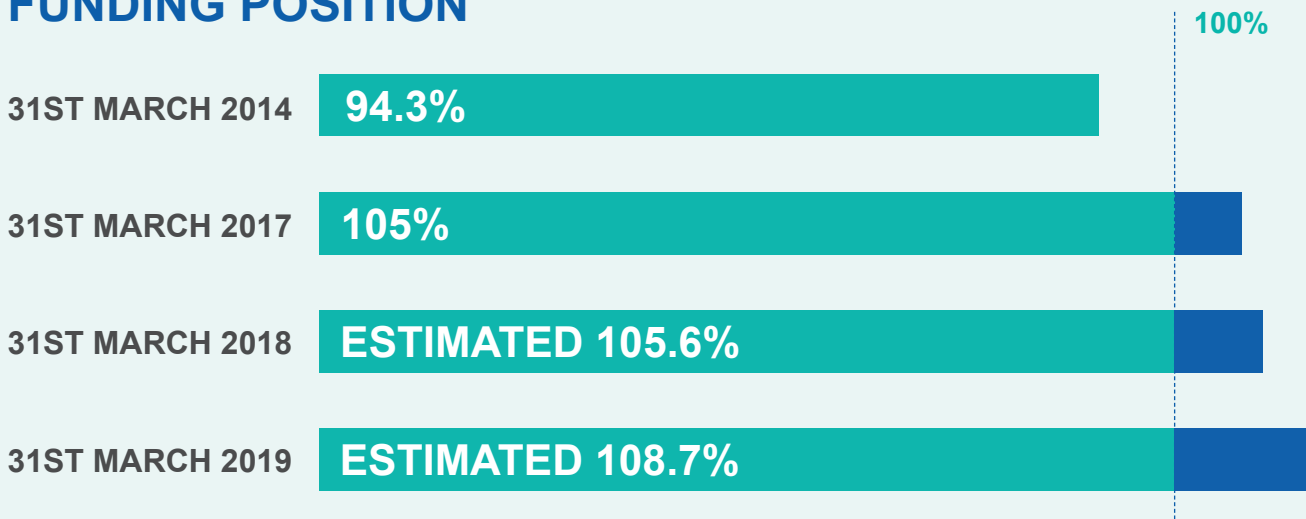
If you want more information about how these limits work, our website’s [HELP](#) area has an [FAQ](#) about them.



## MEMBERS

31 MARCH	2015	2016	2017	2018	2019
TOTAL MEMBERS	210,877	216,274	222,860	233,312	242,274
EMPLOYEE MEMBERS	90,057	92,717	94,647	98,870	100,441
DEFERRED MEMBERS	49,215	50,545	53,465	57,759	62,599
PENSIONERS	71,605	73,012	74,748	76,683	79,234

## FUNDING POSITION



The funding target is **100% or more**.

Our 2017 valuation report is available from the **Publications > Reports > Actuarial Valuation Reports** area of our website.

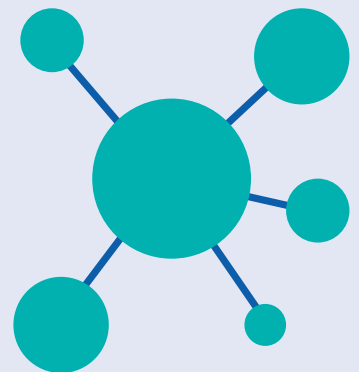
## AGM 2019

A full set of the slides used at our meeting in June is available in the [News](#) area of our website.

## GOVERNANCE

Given our scale and level of activity, a robust governance structure is essential.

You can find out more about this structure in the [About us](#) area of our website. Our latest decisions are summarised in our Quarterly Committee meeting stories in the [News](#) area of our website.



## INVESTMENT PERFORMANCE

The Fund's total investment return for the year was +5.9% (2017/18 +6.0%). This represented a remarkable 10th consecutive year of growth.

Returns were again largely driven by equity market performance. The FTSE all share index returned over +6% for the year, global market indices over +10%. The Fund's benchmark return was +5.9%, so relative performance for the year was flat overall as positive and negative contributions from individual portfolios summed to zero.

Longer term relative performance remains good. 3 and 5 year annualised return figures are +11.5%

p.a. and +9.9% p.a. respectively, both +1% ahead of benchmark and significantly better than the actuary's long-term investment assumption which is now +3.5% p.a.

As shown in the Fund Accounts, investment income from dividends, rents and interest was £288 million for the year. Investment growth – change in market value of investments – was £1,025 million.

Closing net assets of the Fund were £21.936 billion, another new high and an increase of £1.1 billion from 31st March 2018.

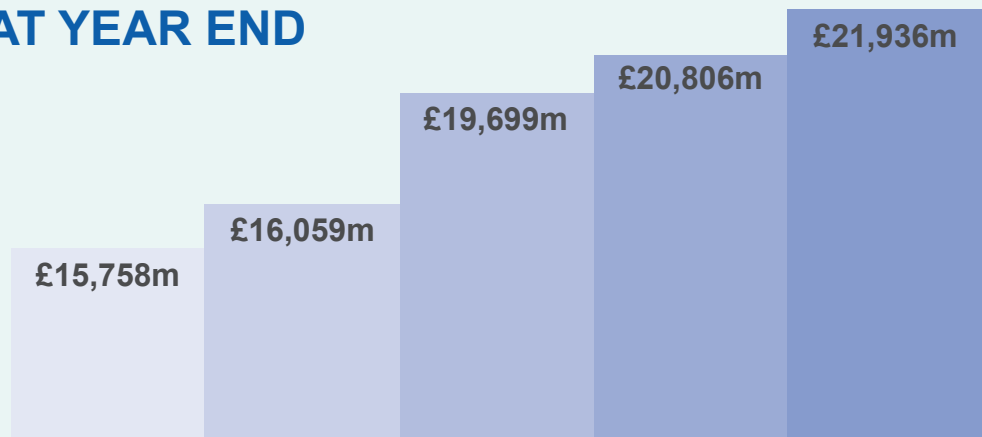
1 YEAR	3 YEARS	5 YEARS	10 YEARS
5.9%	11.5% p.a.	9.9% p.a.	11.3% p.a.

## FUND ACCOUNTS

Our annual report provides detailed financial information about our scheme year 2018/2019 and is available from the **Publications > Reports > Annual Reports** area of our website.

SCHEME YEAR	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
CONTRIBUTIONS RECEIVED	£486m	£508m	£520m	£542m	£569m
PENSIONS PAID	£389m	£397m	£411m	£423m	£452m
TAX FREE LUMP SUMS PAID	£99m	£104m	£121m	£125m	£138m
OTHER PAYMENTS	£112m	£109m	£120m	£139m	£156m
INVESTMENT INCOME	£200m	£229m	£252m	£285m	£282m
INVESTMENT GROWTH	£1,727m	£174m	£3,520m	£967m	£1,025m

## NET ASSETS AT YEAR END



## CONTACTING US

Our normal office hours are weekdays 08:45 to 16:45 (to 15:55 on Fridays).



**Web:** [www.spfo.org.uk](http://www.spfo.org.uk)



**Email:** [spfo@glasgow.gov.uk](mailto:spfo@glasgow.gov.uk)



**Phone:** 0345 890 8999



**Write:** Strathclyde Pension Fund Office, P.O. Box 27001, Glasgow G2 9EW