

# Fundnews

2016



# FOR YOUR FUTURE



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# WELCOME TO FUNDNEWS



Linda Welsh  
Pension Scheme Manager,  
Strathclyde Pension  
Fund Office

We have just launched a new promotional campaign under the heading For Your Future.

That's what the Fund and your pension are all about.

Your 2016 Pension Update is now available and explains how your own benefits in the Fund are building up For Your Future.

This edition of Fundnews reminds you of a few things you need to do For Your Future:

- Check your 2016 Update
- Keep your nominations up to date and
- Beware of pensions fraudsters.

You might also want to consider whether your pension will be enough For Your Future.

You can increase it by using our AVC scheme. For further details see our re-designed website at [www.spfo.org.uk](http://www.spfo.org.uk)

Our annual report has also just been published on our website.

It confirms that the Fund has continued to grow – now valued at over £16 billion and with 216,000 members.

## YOU WON'T DO BETTER FOR YOUR FUTURE

The Local Government Pension Scheme (LGPS) can help secure your future with:

- a pension that keeps pace with inflation
- a pension for your surviving spouse or partner
- a tax free lump sum in exchange for some of your pension at retirement

- death in service protection of three times your pensionable pay
- an ill health pension paid from any age if you have two years' service but are permanently unable to work

Your employer will pay most of the cost and your own contributions are tax free.

## YOUR 2016 PENSION UPDATE

Your 2016 pension update is available from SPFOonline.

To request an activation key for SPFOonline, just visit the SPFOonline area of our website.

If you have not previously supplied us with your email, we will send your activation key by post. So, if you have recently changed postal address, please notify us of this change before requesting an activation key, as your activation key can only be sent to the postal address we currently hold on file.



# Are you protecting your loved ones?



## SPOUSE'S / PARTNER'S / CHILDREN'S PENSIONS

There is no need to nominate your husband, wife, eligible partner or dependent children for a pension payable on your death, but you should still make a nomination for the lump sum death grant.

## LUMP SUM DEATH GRANT

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

The LGPS regulations do not spell out who the death grant is paid to.

We have ultimate discretion over all death grant payments from the LGPS.

By completing a nomination form you can help ensure quick and accurate payment of the death grant to the person or persons that you would like it to be paid to.

Our nomination form is available from the **Publications > Members > Forms** area of our website.

Your current nomination is shown on your 2016 pension update.

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.

Our **Guide to the LGPS** is available from our website and details what is payable if you die in service.



# TAX

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

These limits are known as the Annual Allowance (AA) and the Lifetime Allowance (LTA).

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

In June we issued a communication to our members earning £80K+

about the changes to the AA and the LTA for tax year 2016 / 2017.

The communication is available from our website's **FAQ "How do AA and LTA work?"**

The AA is the amount by which the value of your pension savings may increase in any one year without you having to pay a tax charge.

The LTA is the total value of all pension savings (not only LGPS) you can accumulate without triggering an excess savings tax charge.



## LGPS NATIONAL INSURANCE DATABASE

We are participating in a data sharing project with all other LGPS Funds in the UK.

We are doing this as we need to see if our members have LGPS benefits with another LGPS Fund in order for us to pay death in service benefits.

This also allows us to participate in the Tell Us Once DWP initiative.

You cannot opt out of us sharing your data, as it is being undertaken to comply with a legal requirement.

The data being shared is NI number, membership status, the last calendar year that membership status changed and the LGPS fund. More information about the database and its security, retention and location is available from our website's privacy policy.

## NATIONAL FRAUD INITIATIVE (NFI)

We also share your data with other public bodies, as we have a statutory obligation to participate in the NFI.

NFI in Scotland is a counter-fraud exercise led by Audit Scotland

and overseen by the Cabinet Office for the UK as a whole. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems that might suggest the existence of fraud or error.

A fair processing notice that provides further information on data matching is on Glasgow City Council's website at: <https://www.glasgow.gov.uk/index.aspx?articleid=17133>

# FREEDOM AND CHOICE

Reforms offering greater flexibility in the way that individuals aged 55 and over can access their defined contribution (DC) pensions became effective on 6 April 2015.

The reforms do not mean that Local Government Pension Scheme (LGPS) members can release funds directly from the LGPS.

Before retiring, members do have the right to transfer their pension rights out of the LGPS to a DC arrangement offering 'flexible benefits'.

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 FAQs area on the homepage of our website.



## BEWARE OF FRAUDSTERS

Don't let your benefits become prey to fraudsters.

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

- help you cash in your pension early
- provide you with a pensions review

What they don't say is that you could face a significant tax bill.

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>



Department  
for Work &  
Pensions

## THE NEW STATE PENSION

The new state pension started on 6 April 2016.

It replaces the basic state pension and its earnings related additions. For each year that you were a member of the LGPS, a deduction will be made from the new state pension as the LGPS is providing you with more pension.

As the new state pension is more than the basic state pension, these deductions are not designed to leave you worse off at state pension age if you have a 30 year NI record.

The DWP has prepared a leaflet about this: <https://www.gov.uk/government/publications/new-state-pension-if-youve-been-contracted-out-of-additional-state-pension>



# OUR MEMBERSHIP

## Total Members



## Employee Members



## Deferred Members

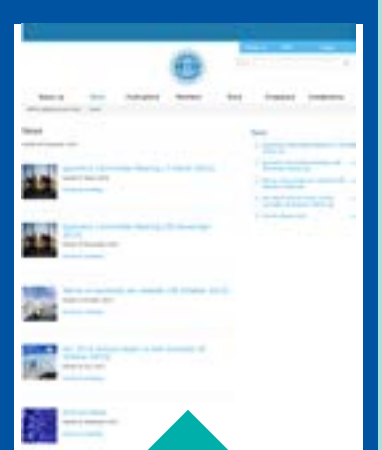
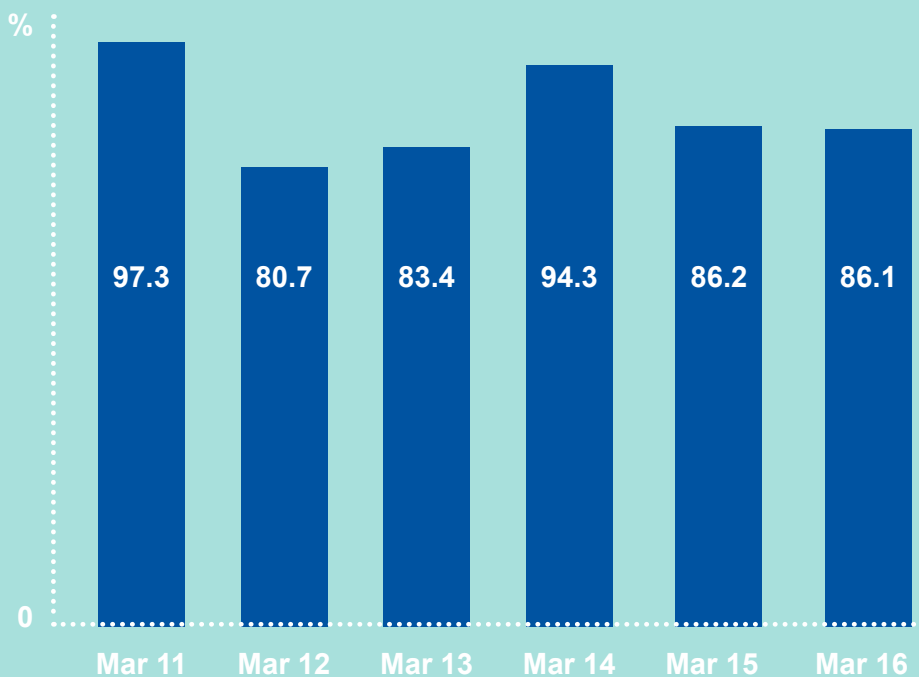


## Pensioners



# FUNDING POSITION

Our 2014 valuation report is available from the [Publications > Reports > Actuarial Valuation Reports](#) area of our website..



You can find Quarterly Committee meeting stories in the **News** area of our website.

# Responsible Investment

Our quarterly responsible investment reports are available from the **Investments > Responsible investment** area of our website.



## A Global Approach to Equities

We invest in over 1,600 companies around the world.

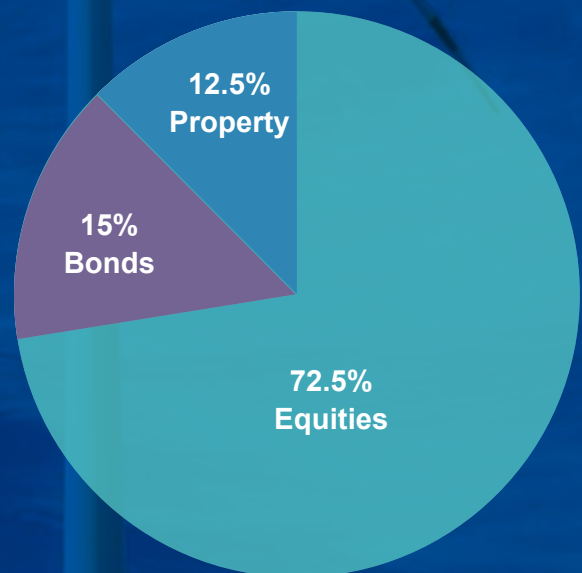
## ANNUAL MEETING 2016

A full set of the slides used at the meeting on June 21 is available in the News area of our website.

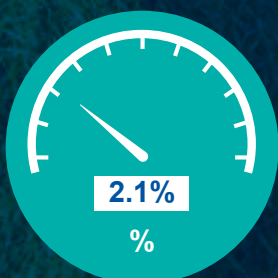
## Investments

Comprehensive information about our investments can be found in the **Investments** area of our website.

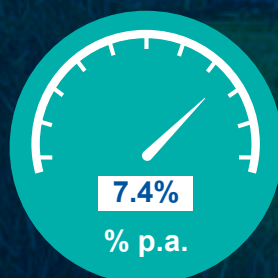
### Investment Strategy



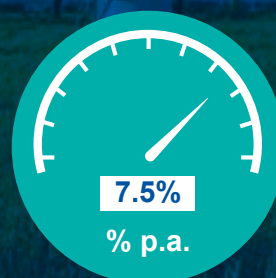
## Investment Returns to 31 March 2016



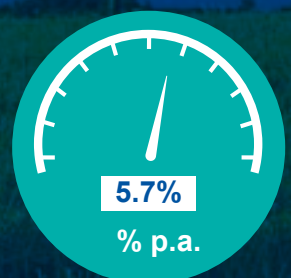
1 YEAR



3 YEARS



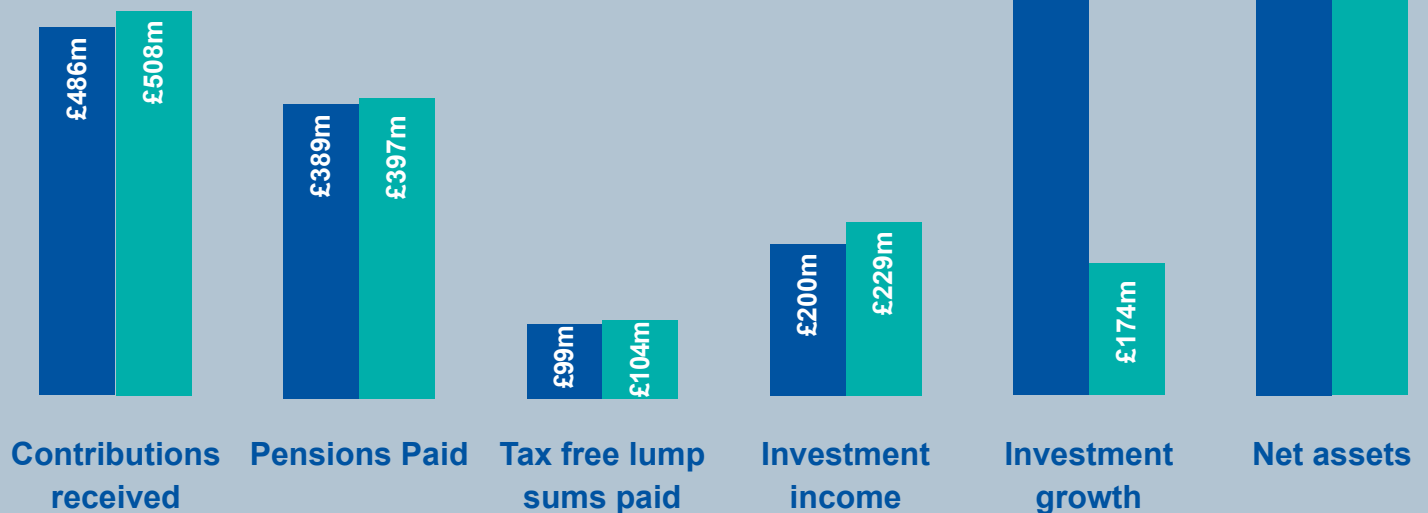
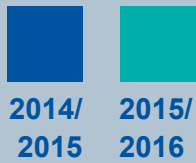
5 YEARS



10 YEARS

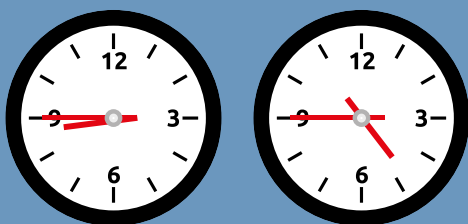
# FUND ACCOUNTS

Our annual report provides detailed financial information about our scheme year 2015 / 2016 and is available from the **Publications > Reports > Annual Reports** area of our website.



## CONTACTING US

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



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



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



Tel: 0345 890 8999



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



Please tell us if you move house.