



IN TOUCH 2021 YOUR NEWSLETTER

From Strathclyde Pension Fund
www.spfo.org.uk

Image taken by Oliver Clarke

During the last year and a half of COVID restrictions we have had to make frequent changes to the way we deliver our service. At times this has been quite challenging for us. But it shouldn't really matter to you, our members. The service you receive should be as good as ever, even if we are still working from our kitchens and bedrooms. Since long before COVID, we have been working to make as much as possible available online. That's still the best way to get in touch.

IF YOU NEED INFORMATION:

- Our website has lots of general information. Our Frequently Asked Questions ([FAQs](#)) section for [deferred](#) members is a good starting point. You should be able to find most answers there.
- You can use [SPFOnline](#) to view your own pension updates, carry out calculations and update your personal details.
- The news area of our website www.spfo.org.uk is updated regularly with any important changes.

IF YOU NEED TO CONTACT US:

- Email us at spfo@glasgow.gov.uk
- Or phone us on 0345 890 8999

IN TOUCH 2021

In spite of the difficulties and disruption caused by COVID, the Fund had a very good year. It increased in value by more than +25%- see the highlights from our annual report on p.3.

To make the most of your pension, you should:

- beware of scammers – see p.5
- make sure your nominations are up to date – see p.6
- use [SPFOnline](#) to check your annual pension update and other details – see p.11

AGM-2021

We held our annual general meeting for employers of the scheme online on the 23/06/2021. Slide presentations and recording of the event can be found in the [news section](#) of our website.



- Strathclyde Pension Fund (SPF) is part of the **Local Government Pension Scheme (LGPS)**.
- It is one of **11 LGPS funds in Scotland** and around 100 in the UK.
- Strathclyde is the **second largest** of the UK LGPS funds.
- The LGPS is a statutory scheme established under primary legislation – the Superannuation Act 1972 and Public Service Pensions Act 2013. That means **your scheme benefits are set out and protected by law**.
- The **scheme rules** take the form of a series of regulations – the Local Government Pension Scheme (Scotland) Regulations. The regulations are Scottish Statutory Instruments (SSIs).
- There are separate sets of regulations to set out the scheme benefits, investment arrangements and governance requirements.
- The LGPS is a multi-employer, **defined benefit** scheme. The benefits are based on final salary for all service to 31st March 2015 and career average earnings for benefits from 1st April 2015.
- The Strathclyde Pension Fund was created in 1974. It has been managed by **Glasgow City Council** since 1996.
- The Fund is a pool into which member and employer contributions are paid. The **money is invested** so that pension benefits can be paid as they fall due.
- Participating employers include the **12 local authorities** in the west of Scotland; Police Scotland, Scottish Fire and Rescue, and Scottish Water; a number of universities and colleges; local authority subsidiary companies and contractors; and a wide range of other organisations with funding or service links to the local government sector.
- As at 31st March 2021 the Strathclyde Pension Fund had **258,000 members**, **164** participating employers and investment assets of **£26.3 billion**.

WHO MANAGES THE STRATHCLYDE PENSION FUND?

Glasgow City Council’s **Strathclyde Pension Fund Committee** is the main decision-making body for the Fund. But a lot of other people are involved. You can find out more in the Governance section of our website or [Annual/Committee Reports](#).

FAQs

When will my deferred benefits be paid?	I want to take my benefits between age 55 and 60. How do I inform Strathclyde Pension Fund Office?	Can I give up pension for lump sum?	Can I convert my lump sum to annual pension?	What is my State Pension Age?
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Answers to these and many other Frequently Asked Questions are provided in the [FAQs](#) area of our website.

Some key figures and messages from this year's report:

- **+25.1%** investment return for the year
- **+£5.6 billion** investment gain for the year
- **£26.3 billion** closing value of the Fund as at 31st March 2021
- **+10.8% p.a.** investment return over last 5 years
- More than **£500 million** total pensions paid over the year
- **£135 million** of lump sum payments over the year
- Total membership increased to **258,000**
- **A+** rating for responsible investment (PRI)

Our unaudited **Annual Report and Financial Statements for the Year to 31st March 2021**

is available at: <https://www.spfo.org.uk/index.aspx?articleid=27202>



SCHEME YEAR	2016/2017	2017/2018	2018/2019	2019/2020	2020/21
CONTRIBUTIONS RECEIVED	£520m	£542m	£569m	£632m	£644m
PENSIONS PAID	£411m	£423m	£452m	£479m	£507m
TAX FREE LUMP SUMS PAID	£121m	£125m	£138m	£170m	£135m
OTHER PAYMENTS	£120m	£139m	£156m	£127m	£231m
INVESTMENT INCOME	£252m	£285m	£282m	£332m	£327m
INVESTMENT GROWTH	£3,520m	£967m	£1,025m	−£1,185m	£5,315m
CLOSING VALUE	£19,699m	£20,806m	£21,936m	£20,941m	£26,354m

We have set a net-zero target for the Fund and published our climate change strategy – also in our annual report.

We will continue to develop the strategy, particularly in light of any policy changes agreed at this year's COP 26 which is being held in Glasgow.

Your annual pension update shows how much your pension from Strathclyde Pension Fund will be.

You will also have a state pension and you might have other pension arrangements.

But how much will you need? What's the minimum you can get by on in retirement? How much would make you comfortable?


If you don't know, you're not alone. Research shows that 77% of savers don't know how much they'll need in retirement.

Last year the PLSA launched the Retirement Living Standards to help answer those questions: <https://www.retirementlivingstandards.org.uk/>

The standards show you what life in retirement looks like at three different levels, and what a range of common goods and services would cost for each level.

They are designed to help everyone to plan ahead for their retirement.

WHAT STANDARD OF LIVING COULD YOU HAVE?

	<p>MINIMUM</p> <p>A week and a long weekend in the UK every year.</p>	<p>MODERATE</p> <p>2 weeks in Europe and a long weekend in the UK every year.</p>	<p>COMFORTABLE</p> <p>3 weeks in Europe every year.</p>
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#PICTUREYOURFUTURE

[WWW.RETIREMENTLIVINGSTANDARDS.ORG.UK](https://www.retirementlivingstandards.org.uk)

REJOINING

If you have the option to join the LGPS again now or in the future, that might be a great way to increase your retirement income. Rejoining could enable your deferred pension to be linked to your final pay before you retire. If you do rejoin the LGPS, it is important that you contact us and also any other LGPS fund that you become a member of. There are rules that we have to apply to your deferred benefits if you do not give us any instructions. Applying these rules may not be to your advantage.

50/50

If you have the chance to rejoin, you could consider the 50/50 option. It offers half pension for half contributions, but with full death and ill-health protection for you and your loved ones.

KEEPING PACE WITH INFLATION

Your pension is fully protected against inflation by an annual increase.

- April 2021's inflation increase was **+0.5%**
- Your increase depends on the date your benefits were deferred
- Your pension update shows your yearly pension when you became a deferred member as well as the current value.

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.

DONT BE SCAMMED

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 view the pension consumer leaflet [here](#)

Please also visit the Pension Regulator website for more information at:

<https://www.thepensionsregulator.gov.uk/en/pension-scams>

MCCLLOUD JUDGEMENT

When the LGPS changed from a final salary to a career average pension scheme in 2015, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes.

The Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them.

The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often called the 'McCloud judgement'.

The Government have consulted on the proposed changes required to remove the discrimination from the LGPS. The Latest position is that we are waiting for legislation to come into force. This means that it has not been possible to reflect the impact of the judgement in your pension update this year.

If you qualify for protection it will apply automatically- you do not need to make a claim. For more information, see the [frequently asked questions on the national LGPS website](#).

Note that career average benefits apply from April 2015 in Scotland.



Don't let a scammer enjoy your retirement

Find out how pension scams work, how to avoid them and what to do if you suspect a scam.

Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

Scam tactics 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

If you suspect a scam, report it

- Report to the Financial Conduct Authority (FCA) by contacting their Consumer Helpline on 0800 111 6768 or using the reporting form at www.fca.org.uk
- Report to Action Fraud on 0300 123 2040 or at www.actionfraud.police.uk
- If you're in the middle of a transfer, contact your provider immediately and then get in touch with The Pensions Advisory Service (TPAS) at www.thepensionsadvisoryservice.org.uk

www.fca.org.uk/scamsmart

Our [Guide](#) to the LGPS is available from our website. It details what we would pay if you die before receiving your deferred benefits.

WHO WOULD WE MAKE A PAYMENT TO?

The LGPS regulations do not specify who a lump sum is paid to on death, and the lump sum does not form part of your estate even if you have made a will. However, by completing a nomination form you can help us to pay any lump sum quickly and in line with your wishes. Your current nomination is shown on your 2021 pension update.

Remember to update it if your circumstances change or have already changed. Our nomination form is available from the [Publications > Members > Forms](#) area of our website and you can change your nomination using [SPFOnline](#).

HOW MUCH?

- If you left service before 1 April 2009, die before becoming a pensioner and are not an active member on your death, we pay out 3 times your deferred pension as a lump sum death grant.
- If you left service after 31 March 2009, die before becoming a pensioner and are not an active member on your death, we pay out 5 times the annual pension you have built up. If you are also an employee member of the LGPS in Scotland, the death grant payable is the higher of your death grants. These amounts will not be added together.

COHABITING PARTNERS' PENSIONS

If you stopped being an active (employee) member before 1 April 2009, we do not pay a cohabiting partner's pension. If you were an active member after 31 March 2009 and 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
- Beneficiaries of your partner's will or life insurance

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.

Deferred members can access their benefits from age 55. However, if you access your benefits before normal pension age, your benefits are reduced for being paid longer. When you do access your benefits, you will still have the option to take tax free cash. Being signed up for [SPFOnline](#) will allow you to calculate your potential benefits to a chosen date. Pensions are still index linked with continuing pensions for your spouse/eligible partners after your death.

FREEDOM & CHOICE AVCs



With our AVC provider Prudential, we have added flexibility to our in-house AVC facility. It is now possible to take all or part of your AVC fund from age 55 as a lump sum without taking your LGPS benefits at the same time. You can contact [Prudential](#) about this. Only 25% of such lump sum withdrawals is likely to be tax-free.

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. It needs careful consideration and can only be done after taking advice. We suggest that any members considering this course of action should first read our Freedom and Choice Q&A for LGPS members from the [FAQ](#) area on the homepage of our 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 visit our [website's privacy notice](#)

MEMBERSHIP	2016/17	2017/18	2018/19	2019/20	2020/21
Employee Members	94,647	98,870	100,441	107,677	109,359
Deferred Members	53,465	57,759	62,599	64,677	65,334
Pensioners	74,748	76,683	79,234	80,668	83,685
Total Members	222,860	233,312	242,274	253,022	258,378
Employers	183	178	172	168	164

Our membership continues to grow. The total membership figure has increased in each of the last 5 years.

FUNDING

Our [Funding Strategy](#) makes sure we always have enough money in the Fund to pay all pensions as they become due. We check this every 3 years with an Actuarial Valuation of the Fund.

The most recent fund valuation was carried out as at 31st March 2020 and was completed in March 2021. Our [Funding Strategy](#) and [Valuation Reports](#) are published in the [Publications](#) area of our website.

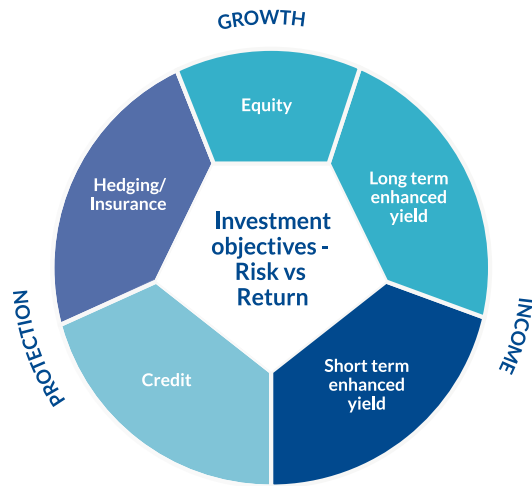
The funding target is 100% (assets/liabilities).

Recent results are:

31st March 2017	105%
31st March 2020	106%
31st March 2021	126% (estimated)



The Fund's strategy uses many different types of investment to generate returns and spread risk.

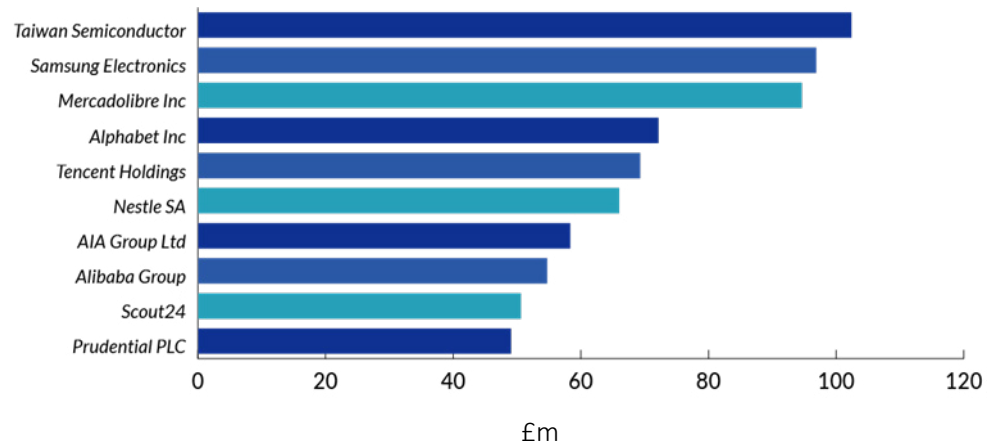


OUR INVESTMENTS INCLUDE:

<p>770</p> <p>Shares in different companies in more than 50 countries</p>	<p>150</p> <p>Pooled funds which own shares in thousands more companies</p>	<p>57</p> <p>UK properties including shops, offices, warehouses, housing and leisure</p>	<p>And our Strathclyde Direct Investment Portfolio which targets Scottish and UK investments with a positive environmental, social or governance impact.</p>
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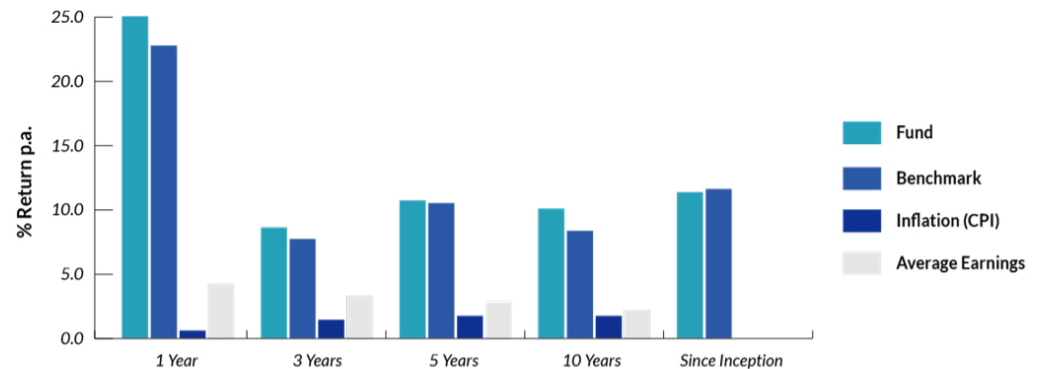
LARGEST SHAREHOLDINGS

As at 31st March 2021



INVESTMENT PERFORMANCE

To 31st March 2021



The Fund is a signatory to the United Nations Principles for Responsible Investment (PRI) and has adopted the principles as its responsible investment policy.



We continue to perform in the top tier of global PRI signatories and received the maximum **A+** score in the 2020 PRI survey.

Climate Change

We believe that Climate Change is a systemic risk and a material long-term financial risk.

We support the recommendations of the **Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD)**.



Our Climate Change strategy sets out our approach in the format recommended by the TCFD.



We have set a target of net-zero carbon emissions across our portfolios by 2050.

More details of SPF’s [responsible investment](#) and [climate change](#) strategies are available on our website and in our [Annual Report](#).



SPFONLINE

SPFOnline

Your pension account

With over **96,000** of our members registered, our member self- service platform has been available since long before COVID. During the last year and a half there has been a demand to do more online and an additional **12,500** members signed up.

Like most businesses we have adapted some of our processes to meet your needs and expectations.

You can now securely:

- View your pension updates online
- View your retirement calculation documents 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

To access your account sign up for **SPFOnline** here
<https://www.spfonline.org.uk/home/registration/sign-up.html>

CONTACTING US

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

Web: www.spfo.org.uk

Email: spfo@glasgow.gov.uk

Phone: 0345 890 8999

Write: Strathclyde Pension Fund

STRATHCLYDE PENSION FUND OFFICE

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