



Strathclyde
Pension Fund

PENSION NEWS 2020

Your newsletter from Strathclyde Pension Fund
www.spfo.org.uk

Like everyone else, SPFO has been very much affected by COVID-19.

Our normal working routines have had to change completely. We closed the office for a few weeks at the start of lockdown in March and worked from home to deliver our service to members. We then re-opened with a minimal staffing presence.

Our first priority, especially at this time, is to make sure that you, our 90,000 current pensioners, are paid on time each month. We can do that without difficulty even with the office closed.

We are also still processing new transactions and dealing with enquiries. But both of these might take longer than usual.

Some form of disruption looks set to continue for the foreseeable future. Our arrangements will change with changes to government and other guidance.

IF YOU DO NEED TO GET IN TOUCH:

- The News area of our website www.spfo.org.uk will be updated regularly with our current service status.
- Our website also has lots of other information. Our Frequently Asked Questions (FAQs) section has been updated. You might be able to find your answer there.
- You can use [SPFOnline](#) to view your payment history, update your contact/nomination details and change your bank details.

IF YOU STILL NEED TO CONTACT US:

- Email us at spfo.glasgow.org.uk
- or phone us on 0345 890 8999
(but a limited call centre service may apply at times because of restrictions.)

PENSION NEWS 2020

In this edition you'll find:

- News of your 2021 pension increase
- 2021 paydays
- Some highlights from our 2020 Annual Report



- 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 2020 the Strathclyde Pension Fund had **253,000** members, **168** participating employers and investment assets of **£20.9 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 Report.

FAQs

How is my pension taxed?

How will my pension be paid?

Do I get a pay advice slip every month?

Will my pension increase?

Answers to these and many other [Frequently Asked Questions](#) are provided in the FAQ's area of our website.

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

- Closing fund value at 31st March was **£20.9 billion**. That was **£995 million** less than last year. Fund value dropped as investment markets fell in February and March because of Coronavirus.
- SPF's total investment return for the year was **-3.5%**
 - Fund Benchmark return was **-4.1%**
 - FTSE All Share return was **-18.5%**
- 3 and 5 year return figures are **+2.7%** and **+6.4%** per annum.
- Closing cash balance was **£172m** - unusually high, to ensure funds available to pay pensions.
- Membership exceeded **250,000** for the first time in the course of the year.
- SPF was named among the **Principles for Responsible Investment Leaders Group** during the year.
- Delivery of **2019/20 business plan** had largely been completed before Coronavirus disruption started.
- Our **risk register** has been reviewed in light of Covid-19. Most risks are long-term and have remained unchanged.
- SPF is well positioned for the aftermath and recovery from **Covid-19**, but there can be no doubt that there will be difficult times ahead.

Our audited **Annual Report and Financial Statements for the Year to 31st March 2020**

is available at: <https://www.spfo.org.uk/index.aspx?articleid=26525>

SCHEME YEAR	2015/2016	2016/2017	2017/2018	2018/2019	2019/20
CONTRIBUTIONS RECEIVED	£508m	£520m	£542m	£569m	£632m
PENSIONS PAID	£397m	£411m	£423m	£452m	£479m
TAX FREE LUMP SUMS PAID	£104m	£121m	£125m	£138m	£170m
OTHER PAYMENTS	£109m	£120m	£139m	£156m	£127m
INVESTMENT INCOME	£229m	£252m	£285m	£282m	£332m
INVESTMENT GROWTH	£174m	£3,520m	£967m	£1,025m	-£1,185m
CLOSING VALUE	£16,059m	£19,699m	£20,806m	£21,936m	£20,941m



YOUR 2021 PENSION INCREASE

The pension increase for 2021 will be **0.5%** (based on September's inflation figure).

The increase is payable once you are 55 or if you retired on ill health.

Only those who took their Local Government pension or became a deferred pensioner on or before 25 April 2020 will receive the full 0.5% increase.

The increase takes effect from Monday 10th April 2021, not from 1 April 2021. So your April 2021 payment will reflect about 66% of the increase.

Your May payment will reflect the increase in full.

2021 Paydays

- 15 January 2021
- 15 February 2021
- 15 March 2021
- 15 April 2021
- 14 May 2021
- 15 June 2021
- 15 July 2021
- 13 August 2021
- 15 September 2021
- 15 October 2021
- 15 November 2021
- 15 December 2021



2021						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

MCLOUD JUDGEMENT

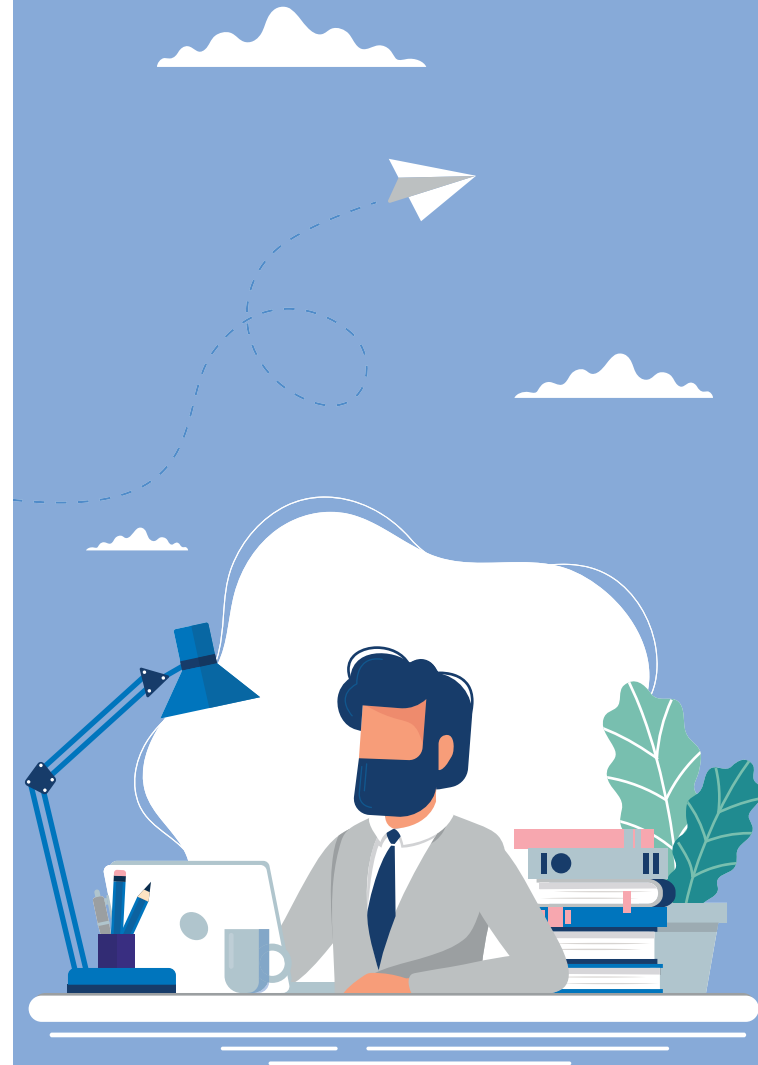
When the LGPS changed from a final salary to a career average pension scheme in 2015, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes.

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 judgment'.

The Government is still considering exactly what changes need to be made to remove the discrimination from the LGPS.

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.



PENSIONS

There is no need to nominate your husband, wife, civil partner, or dependent children for a pension payable on your death.

However, if you marry after retiring, not all of 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.

COHABITING PARTNERS' 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
 - 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.

LUMP SUM DEATH GRANT

There may be no lump sum payable on your death.

Our website's lump sum payable on death in retirement [chart](#) provides more information on the death grant that may be paid.

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 [SPFOnline](#) and you can change your nomination using [SPFOnline](#).

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

PERSONAL TAX ACCOUNT

Your pension is taxable.

We do not set your tax code: all we can do if you question your tax code with us is to suggest that you contact HM Revenue & Customs (HMRC) (0300 200 3300).

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.

HMRC uses real time data to make adjustments to people's tax codes throughout the year, so they are more likely to pay the right amount of tax on their income as they earn it.

Scottish tax codes have a letter S before the tax code.

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 after setting up a Government Gateway account.



WORKING AFTER A REDUNDANCY RETIREMENT

As explained in the letter we sent you when you retired, it is important to contact us if you return to work in local government.

If you are under 55 and have retired 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 contact SPFO if you return to work after retiring on redundancy or efficiency.

POWER OF ATTORNEY

Anyone who is worried about whether they will be able to continue to manage their affairs in the future might find the Power of Attorney information provided by the Office of the Public Guardian (Scotland) of use.

Please note that their staff cannot:

- provide an LGPS nomination form (these are available from SPFO)
- assist in drafting a POA
- provide legal advice

Their primary function is to register POAs once they have been drafted.

THEIR CONTACT DETAILS ARE:

01324 678300

<http://www.publicguardian-scotland.gov.uk>

PENSION NEWS 2020

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](#)
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MEMBERSHIP	2015/16	2016/17	2017/18	2018/19	2019/20
Employee Members	92,717	94,647	98,870	100,441	107,677
Deferred Members	50,545	53,465	57,759	62,599	64,677
Pensioners	73,012	74,748	76,683	79,234	80,668
Total Members	216,274	222,860	233,312	242,274	253,022
Employers	200	183	178	172	168

Our membership continues to grow.

One of the highlights of 2019/20 was when it passed **250,000** for the first time.

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 next valuation will be carried out as at 31st March 2020 and will be completed by 31st March 2021.

Valuation reports are published in the Publications area of our website.

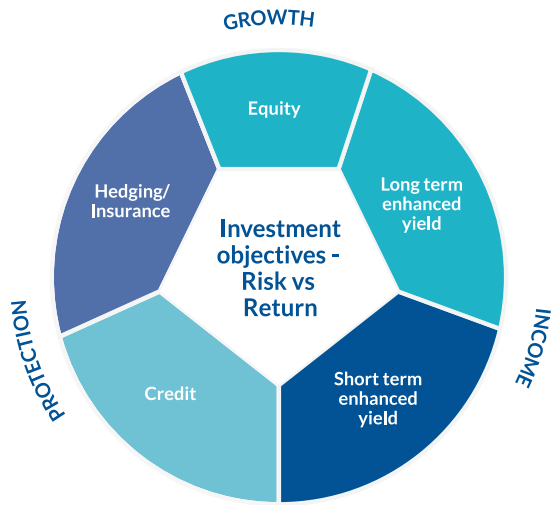
The funding target is 100% (assets/liabilities).

Recent results are:

31st March 2014	94%
31st March 2017	105%
31st March 2020	106% (draft result, to be confirmed)

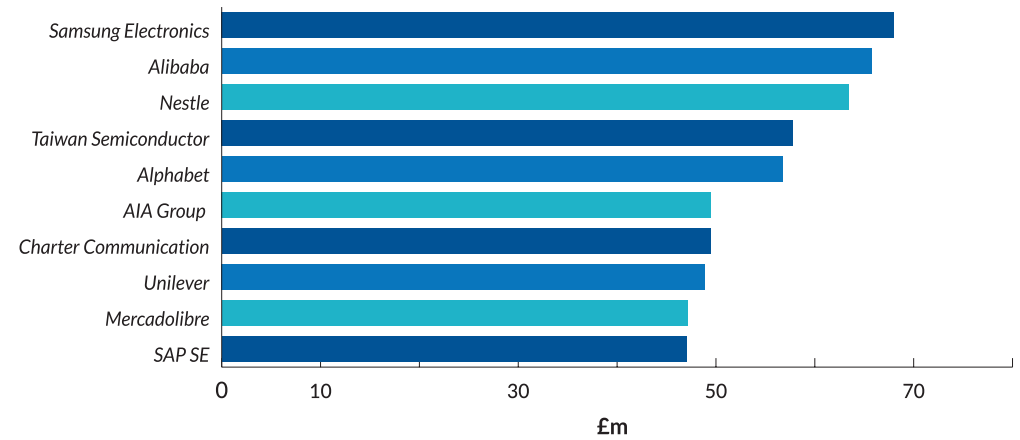


The Fund's strategy uses many different types of investment to generate returns and spread risk.



LARGEST SHAREHOLDINGS

As at 31st March 2020

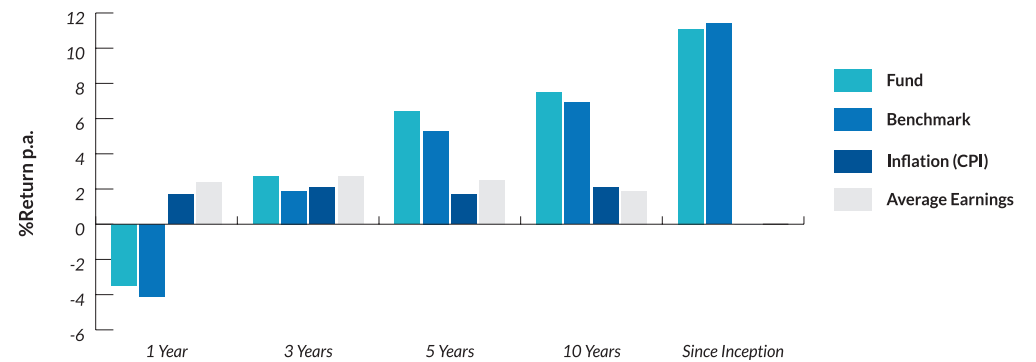


OUR INVESTMENTS INCLUDE:

<p>1,390</p> <p>Shares in different companies in more than 50 countries</p>	<p>132</p> <p>Pooled funds</p>	<p>57</p> <p>UK properties</p>	<p>And our Strathclyde Direct Investment Portfolio which target Scottish and UK investments with a positive environmental, social or governance impact.</p>
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INVESTMENT PERFORMANCE

To 31st March 2020





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



Strathclyde Pension Fund was included in the 2019 PRI Leaders' Group which consists of 47 asset owners – roughly equivalent to the top 10% of PRI asset owner signatories.

SPF believes that Climate Change is a systemic risk and a material long-term financial risk. The Fund's climate change strategy includes significant investment in renewable energy.

More details of SPF's responsible investment and climate change strategies are available on our website and in our Annual Report.



SPFOnline is our member self-service platform. Recent events have shown how important it is for members to have access to their pension account and to be able to keep us informed of any changes in circumstances.

BEING SIGNED UP FOR SPFONLINE ALLOWS YOU TO SECURELY:

- View your payment history
- Update your contact and nomination details
- Change your bank details

We are committed to keeping you informed about your pension benefits. The quickest and most efficient way for us to contact each other is online. By checking and updating your details through **SPFOnline**, you can make sure your record is as up to date as possible. In the coming year 2021, **SPFOnline** will have these additional features available to members:

- Electronic Payment Advices
- Electronic P60's

To sign up for **SPFOnline** please visit 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

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