

PENSIONNEWS 2019

THE NEWSLETTER OF THE
STRATHCLYDE PENSION FUND



*Strathclyde
Region*

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WELCOME TO PENSIONNEWS

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 SPFOonline

More details inside or on our website at www.spfo.org.uk

About you:

Some reminders to make sure you

- Keep us updated with your current address, as your pension will be suspended if we do not hold an up to date address.
- Contact HMRC with any tax questions
- Keep your nominations up to date
- Tell us if you are considering working after a redundancy retirement
- Consider arranging a power of attorney

YOUR 2020 PENSION INCREASE

1.7%

The pension increase for 2020 will be 1.7%.

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

The increase takes effect from Monday 6 April 2020, not from 1 April 2020. So your April 2020 payment will reflect about 83% of the increase.

Your May payment will reflect the increase in full.

2020 PAYDAYS

15 January 2020
14 February 2020
13 March 2020
15 April 2020
15 May 2020
15 June 2020
15 July 2020
14 August 2020
15 September 2020
15 October 2020
13 November 2020
15 December 2020



To sign up for SPFOonline, just click on SPFOonline on our website's homepage.

As a result of member feedback we have launched a new version of **SPFOonline**, our member self-service platform.

Being signed up allows you to:

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

In the future you will also be able to view your Pay advice slips and P60.

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.



CONTINUING TO WORK 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 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.

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



GDPR

As we have a statutory obligation to participate in the National Fraud Initiative, your pension data will be shared with other public bodies.

This means that other public bodies will be able to check that your pension, even an ill health pension from us, has been taken into account in any Social Security benefits you have received.

Strathclyde Pension Fund Office is part of 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](#)

PROTECTION FOR YOUR FAMILY

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 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

LUMP SUM DEATH GRANT

There may be no lump sum payable on your death.

Our [chart](#) on our website provides information on any possible death grant payable

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.

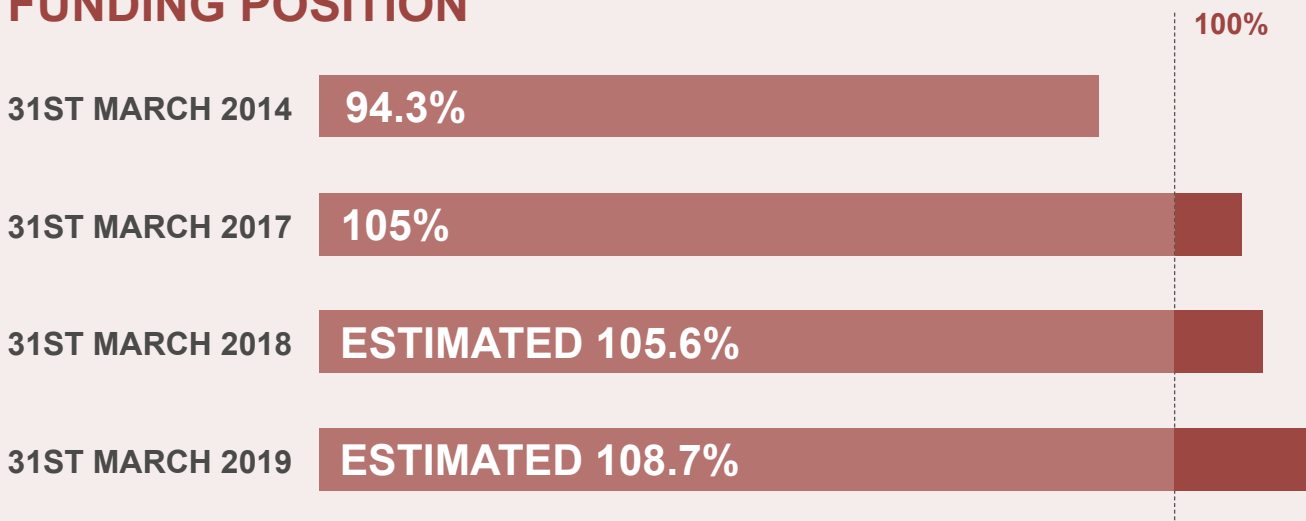
Your current nomination is shown on SPFOne and you can change your nomination using [SPFOne](#).

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

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.

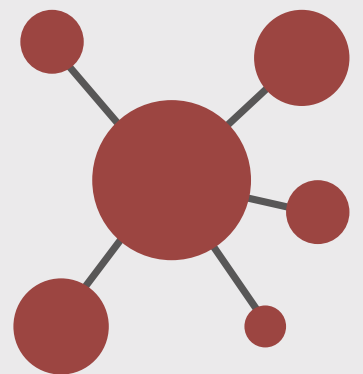
AGM 2019

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.



INVESTMENTS

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.

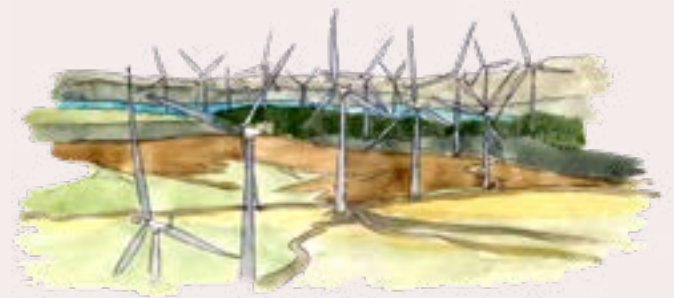
1 YEAR	3 YEARS	5 YEARS	10 YEARS
5.9%	11.5% p.a.	9.9% p.a.	11.3% p.a.

INVESTMENT STRATEGY

Our investment strategy has clearly worked very well to deliver these returns. Markets can't go up for ever so we continued to make changes this year to give us more certainty and some protection for the future. New investments included:

- **£200m** in an absolute return fund with a view to providing balanced growth and capital protection;
- **£500m** in global infrastructure to broaden the infrastructure strategy beyond the existing UK investments;

- And Extending the private debt programme to 4.5% of total Fund (close to **£1bn** at current valuation)



DIRECT INVESTMENT PORTFOLIO

This is our portfolio for local, environmental, and social investments.

It made 7 new investments this year with a total value of **£205m**. These span UK social infrastructure, small company lending, venture capital in the Scottish life sciences sector, community power and renewable energy infrastructure.

- The portfolio's renewable energy investments now
- generate **254,000 MW** of energy each year;
 - (enough to power **61,000** homes); and
 - save **87,000** tonnes of carbon annually

More than **30%** of this is in Scotland.

INVESTING RESPONSIBLY

We are committed to the UN Principles for Responsible Investment.



We work with companies, managers and other like-minded investors to improve the environmental, social and governance performance of our portfolios.

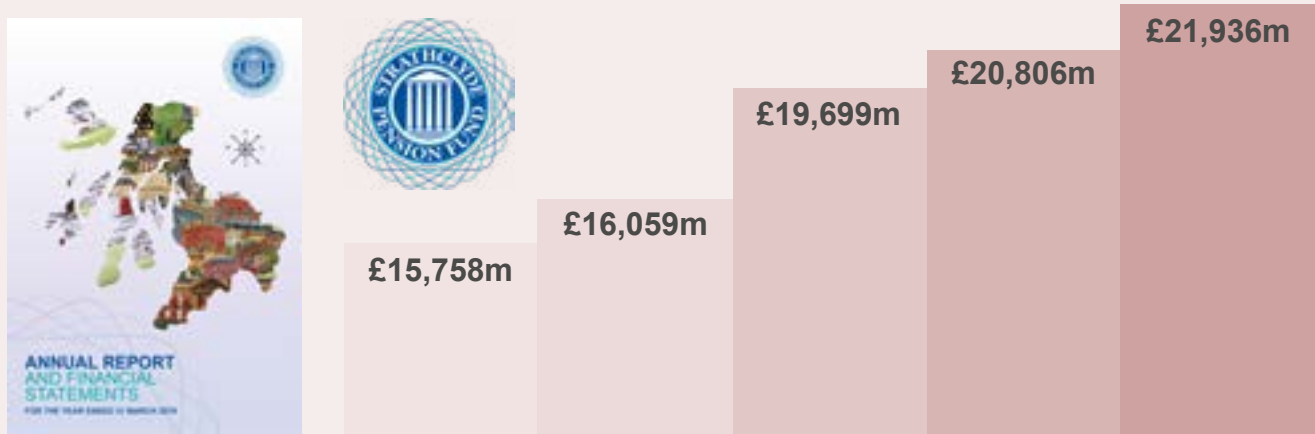
You can find more information on all aspects of our investments from the **Investments** area of our website.

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



Email: spfo@glasgow.gov.uk



Phone: 0345 890 8999



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