


The Quill



Autumn 2021

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The newsletter for active members of the Local Government Pension Scheme in Berkshire



THE ROYAL COUNTY OF
BERKSHIRE
PENSION FUND

Welcome

Welcome to your Autumn 2021 edition of *The Quill*, the newsletter for active members of the Royal County of Berkshire Pension Fund.

Your Autumn newsletter contains LGPS updates and news items - including a summary of the Fund accounts and investments from page 6 onwards and a useful retirement Q and A on page 11.

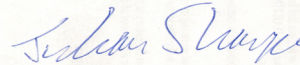
We are very pleased to announce the appointment of Damien Pantling as our new Head of Pension Fund. Damien joined us on 1 September and introduces himself on page 4.

We are pleased to reintroduce our Annual Meeting this year which will be held at Maidenhead Town Hall on 16 December. Further details can be found on page 5.

The pension team continue to be available during normal office working hours. If you would like a one to one chat with a member of the team we can arrange a meeting online via Microsoft Teams. Feel free to contact us if this would be of interest to you.

We are always happy to help you with your pension questions so please do not hesitate to contact us.

We hope you enjoy reading this newsletter and you are keeping safe and well.



**Councillor Julian Sharpe,
Chairman, Berkshire Pension Fund Committee
and Berkshire Pension Fund Advisory Panel**

Please note our helpdesk number has changed to **01628 796 668**. The previous '0845' number is no longer in use.

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LGPS Key Benefits...

- A **secure pension** payable for life
- **Life cover** from day one of your membership
- **Tax relief** on your contributions
- **Early retirement** options
- **Inflation proofed** in line with CPI
- Option to exchange annual pension for **tax-free cash**
- Option to **buy additional pension**
- Option to **pay less**

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Dear Scheme members...



I am truly delighted and honoured to be appointed as the Royal County of Berkshire Pension Fund's new Head of Pension Fund. I formally started in post in early September 2021 and my first impression of the organisation so far is

the exemplar administration team and the positive solutions-oriented organisational culture. There are several challenges that lie ahead such as the wider macro-economic environment post-pandemic, the ever-changing complex and legislative administrative environment, and managing the needs of the Fund's wide, diverse and growing stakeholder group. These are exciting challenges that I very much look forward to and am proud to be backed by such a strong and able team of qualified pensions professionals.

I am a Chartered Public Finance Accountant (CPFA), having started my public service career in the London-Boroughs back in 2014. I am originally from the East-Midlands before studying at Oxford Brookes University

then relocating to London to dedicate my professional life to public services. My portfolio of experience to date ranges across a total of five London Boroughs, having run finance teams across the board in housing, regeneration, corporate services, environment and of course pensions. I currently still hold several non-executive and independent advisory positions in the London Boroughs and am truly delighted to be sharing my first outside of London experience with the Berkshire Pension Fund.

Pension Fund management has always been a true passion of mine and not just on a professional level, I have a personal interest in the wider macro-economic environment especially now in times of uncertainty and volatility. Ultimately it is my role to ensure that you as one of the 75,000 scheme members are receiving the information, guidance and support that you deserve from our great administration team whilst guiding the Fund through our next phase in the journey that lies ahead.

Many Thanks,

Damien J Pantling | Head of Pension Fund

Annual Meeting 2021

We are pleased to be able to reintroduce our Berkshire Pension Fund annual meeting event this year which will be held on **Thursday 16 December** in the **Council Chamber** at **Maidenhead Town Hall**.

This will provide a great opportunity for you to meet Damien Pantling, our new Head of Pension Fund.

The agenda will also include an Annual Review 2021 and an Actuarial update.

The meeting will be a socially distanced event and follow current Government guidelines, therefore places will be limited.

The meeting will be held from **9:30am until 11:30am** with refreshments available from 9am.

To book your place please e-mail joanne.benstead@rbwm.gov.uk

Alternatively you can complete the attendance request form opposite.

We hope you can join us on 16 December.

Annual Meeting 2021 Attendance Request

TITLE	
SURNAME	
FORENAME(S)	
TEL. NUMBER	
HOME ADDRESS	
POSTCODE	
E-MAIL	
Please return this reply slip to: Joanne Benstead Royal County of Berkshire Pension Fund, Minster Court, 22-30 York Road, Maidenhead, Berkshire, SL6 1SF.	



Draft Fund Accounts 2020/21

The Pension Fund is slowly maturing as benefits payable grow and more members retire so managing cash-flow is increasingly important.

The Pension Fund Committee are committed to managing the Fund's assets so that assets will not have to be sold to make benefit payments; in the past year this strategy resulted in net positive cash-flow of just under £31 million.

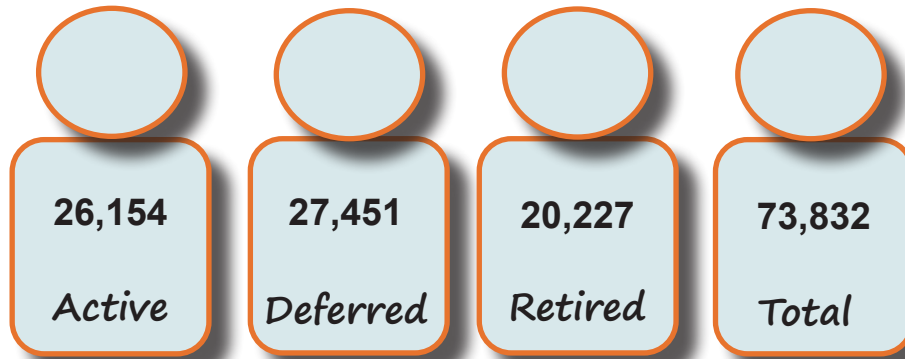
The Fund's assets continued to grow during the year as investment markets were strong. At the year end assets were in excess of £2.3 billion.



Income		£'000
Employer contributions		107,860
Employee contributions		30,337
Transfer values received		6,959
Investment income		29,261
TOTAL INCOME		174,417
Expenditure		
Benefits Payable		114,245
Payments to and on account of leavers		16,109
Fund administration and management costs		13,598
TOTAL EXPENDITURE		143,952
Change in market value of investments		317,861
Net Increase/(Decrease) in fund during year		348,327
Balance Sheet		
Investment assets		2,470,773
Investment liabilities		(134,302)
Current assets		20,582
Current liabilities		(3,780)
Net assets at 31 March 2021		2,353,273

Pension Fund membership

Berkshire Pension Fund membership at 31 March 2021



Number of members registered for 'my pension ONLINE'

18,805

representing approximately 30% of the total membership this service is accessible to.

440

retired members living overseas

1,258

retirements processed during 2020/2021

4,608

new starters processed during 2020/2021

Investments update 2020/21

In continuing with the UK Government's initiative for LGPS Funds to take advantage of the benefits of pooling their investments, the management of the Fund's assets has transferred to The Local Pensions Partnership Investments Ltd. ('LPPI'). The assets remain the legal property of The Berkshire Pension Fund.

LPPI has set up and oversees the investment of eight pooled Fund vehicles – the most recent addition being the Real Estate Fund (REF) in Q4 2019. Over the fiscal year, a milestone was achieved with a significant proportion of the Fund's real estate assets pooled into the LPPI REF.

As at 31 March 2021, over half of the Fund's real estate exposure was invested through the REF. The Fund has also achieved greater pooling with the proceeds from the sale of its externally managed Emerging Market Equity managers transferred into the LPPI Global Equity Fund (GEF). All of the Fund's Public Equities exposure is now with LPPI's GEF.

As at 31 March 2021, c.75% of the Fund's total assets have been pooled with LPPI – increasing from c.40% in the prior year. Pooling brings with it benefits such as a lowering of costs. The table below provides a comparison between the actual and target weighting of The Fund's assets, at the dates indicated:

	March 2020		March 2021	
	Actual Weighting	Target Weighting	Actual Weighting	Target Weighting
Public Equity	38.2%	40.0%	44.2%	40.0%
Credit	10.4%	10.0%	12.9%	16.0%
Private Equity	14.1%	13.0%	12.7%	10.0%
Diversifying Strategies	3.2%	4.0%	3.7%	4.0%
Real Estate	14.7%	16.5%	12.7%	13.5%
Infrastructure	7.2%	12.5%	6.8%	12.5%
Fixed Income	2.9%	3.0%	2.8%	3.0%
Cash	9.3%	1.0%	4.3%	1.0%
TOTAL	100.0%	100.0%	100.0%	100.0%
Actual Weightings may not sum to 100% due to rounding				
N.B. "Target Weighting" shown above represents the agreed Strategic Asset Allocation ('SAA')				

How did investments perform?

Following a review of The Fund's investment strategy, the Target Weightings / SAA Weightings were adjusted with an increase in exposure to Credit and reductions to Real Estate and Private Equity.

How did the investments perform?

Over the twelve-month period to the end of March 2021 the Fund returned 15.1%. This represents an outperformance of 8.1% against the Fund's Actuarial Target of 6.5% but below its Policy Portfolio Benchmark return of 22.1%. All asset classes generated positive absolute returns over this period with performance led by public equities, which rallied strongly following the market downturn in early 2020.

The recovery in credit markets benefited the Fund's fixed income investments with a return of 10.0% for the year. The LPPI Fixed Income Fund's low interest rate exposure also supported the Fund's outperformance against its benchmark (relative return of 8.8%), as yields moved higher from their

historic lows. Despite challenges in the real estate market, marked by losses of 2.0% for the wider UK property market (MSCI UK Quarterly IPD Index), the Fund's real estate portfolio fared well with a gain of 4.2% over the year.



The Fund's credit portfolio posted a flat return for the year. Underperformance among some of the Fund's on-balance sheet credit investments detracted from the gains made by the LPPI Credit Fund. Over the reporting period, the Fund increased its exposure to the LPPI Credit fund where it now represents c.75% of the Fund's overall credit exposure. Positive absolute returns were delivered by both The Fund's infrastructure (+5.3%) and private equity (+8.5%) investments over the year. However, due to the lagged reporting of these investments, which is typical for illiquid asset classes, valuation and performance figures do not fully capture the rally in financial market assets following the re-opening of economies and vaccine initiatives.

LGPS news and updates

Exit cap revoked - *reminder*

As previously reported in *The Quill* the Government introduced a cap in November 2020 on the amount of money a public sector employer can pay when an employee leaves their employment - called the public sector exit cap, or £95k cap. This affected members over 55 retiring on redundancy or efficiency grounds. However on 12 February 2021 the Government revoked the Public Sector Exit Payment Cap Regulations and the £95k cap was removed.

The removal of the exit cap means a return to the redundancy regulations in force prior to November 2020.

As a reminder if you are made redundant or your employment is terminated in the interests of business efficiency, your pension is paid immediately providing you satisfy the following conditions:

- **You are aged 55 or over at the point you are retired**

- **You have at least two years membership of the LGPS**

• **McCloud Judgement** - When the LGPS changed from a Final Salary to a CARE scheme in 2014, protections for older scheme members were introduced. Similar protections were also 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 did not apply to them.

• The Government has confirmed that there will be changes to all main public sector schemes, to remove this age discrimination. 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.**

Retirement- *quick Q and A*

Can I take my pension and carry on working? Yes, flexible retirement is available for members over the age of 55. Flexible retirement enables you to remain in your employment paying into the LGPS whilst claiming some or all the pension you have built up to date. In order to claim your pension in this way you must have a reduction in your weekly hours or your salary grade in some way. You must also have the consent of your employer.

How much notice do I have to give to claim my pension? If you are over 60 at the point you claim your pension we do not require a separate period of notice from you. If you are claiming your pension **before 60** we require **three months written notice**. We can accept your notice period via e-mail.

Can I remain in the scheme beyond Normal Pension Age (NPA)? Yes, you can continue paying into the Scheme in your employment up to the age of 75. This is known as a '*late retirement*'.

What are the early retirement reductions applied to my pension? If you choose to leave employment and claim your pension benefits earlier than your NPA an early retirement reduction is applied to reflect early payment. Information on the percentage reductions can be found in the *Retirement* section of our website.

Will my pension increase once I have retired? Yes, your Berkshire Pension is increased annually in line with the Pensions Increase Order which is currently linked to the Consumer Prices Index (CPI). The increase is measured by the September to September adjustment in the CPI and is applied to your pension from the following April.

When is my Normal Pension Age (NPA)? Your NPA is linked to your **State Pension Age (SPA)** but with a minimum age of 65. If you claim your pension from your NPA you will receive your benefits in full without any reduction.

Boost your pension income with *APCs*

If you are in the MAIN Section of the LGPS you can pay additional contributions to purchase additional annual pension - these are known as *Additional Pension Contributions (APCs)*.

You can pay **APCs** as regular monthly contributions over a number of complete years (minimum 12 month term) or you can pay a one-off lump sum either from your salary or paid directly to the Pension Fund.

The cost to purchase additional annual pension through APCs is determined by your **age, term of payment** and the **amount you wish to purchase**.

You can find out the cost of buying additional annual pension by using an online APC calculator.

<https://lgpsmember.org/more/apc/extra.php>

Alternatively you can contact the pension team to request an individual APC quotation.

Any amount of additional annual pension purchased, whether a pro rata amount or the full amount will be subject to a percentage

reduction if payment of your pension benefits commences before your Normal Pension Age.

Tax Relief and APCs

If you pay APCs through your Gross monthly salary and you are a tax payer you will receive tax relief at source. If you choose to make a lump sum payment directly to the Pension Fund, you will need to claim your tax relief directly through HMRC.

Maximum additional annual pension

The maximum additional annual pension you can purchase through paying APCs is currently £7,316 (this amount may increase each year in line with inflation).

Topping up your pension with *AVCs*



As an LGPS member you can pay Additional Voluntary Contributions (AVCs) to our in-house AVC scheme run by the **Prudential**.

You can pay a monthly contribution and choose how you would like your contributions to be invested. AVCs are invested separately from the main LGPS Fund and a number of investment opportunities are available to you.

AVCs are deducted from your monthly salary so you will receive tax relief automatically on the contributions you pay at your marginal rate. This means that your LGPS contributions and your AVCs are deducted from your Gross pay before income tax is calculated.

Deductions commence from the next available pay date following your election to pay AVCs and you can vary or cease payments at any time whilst you are contributing to the LGPS.

As AVCs are investment based, it's important to remember that the value can go down as well as up and you may not get back the amount you put in.

If you have an AVC fund with Prudential, you have a number of options available at retirement:

- take up to 100% of your AVC fund as a tax-free cash lump sum at the point you claim your LGPS pension (providing you are within certain tax limits to do so)
- use your AVC Fund to buy an annuity pension from an insurance company, bank or building society of your choice
- use your AVC fund to buy an additional amount of annual pension within the Berkshire Pension Fund

To find out more about AVCs and how to start contributions visit

<https://www.pru.co.uk/rz/localgov/> or contact the Prudential on **0800 032 6674**.

LGPS bite-sized videos

A series of '*pensions made simple*' videos are available to view. Each video offers a brief overview of an LGPS topic:

Pensions made simple

- **What is a pension?**
- **How your pension works**
- **Looking after your pension**
- **Protection for you and your family**
- **Life after work**
- **Your annual allowance**
- **Your lifetime allowance**
- **Transferring your pension**

Each video is less than 4 minutes long so it's a great way to learn more about your pension in bite-sized portions.

Visit the LGPS website to view the videos online:
<https://www.lgpsmember.org/more/Videos.php>

Online *calculators*

Online calculators are available to help you understand how your pension builds up and the cost to you.

Contribution calculator - find out the monthly cost of being an LGPS member.

Pension account modeller - this modeller shows you how your pension builds up from April 2014 onwards.

Lump sum calculator - find out how much tax-free lump sum you could have at retirement.

Additional pension calculator - you can pay additional pension contributions (APCs) to boost your pension. Use this calculator to get a quote.

Use the online calculators by visiting:
<https://lgpsmember.org/calculators-listing.php>

Annual Benefit Statements 2021

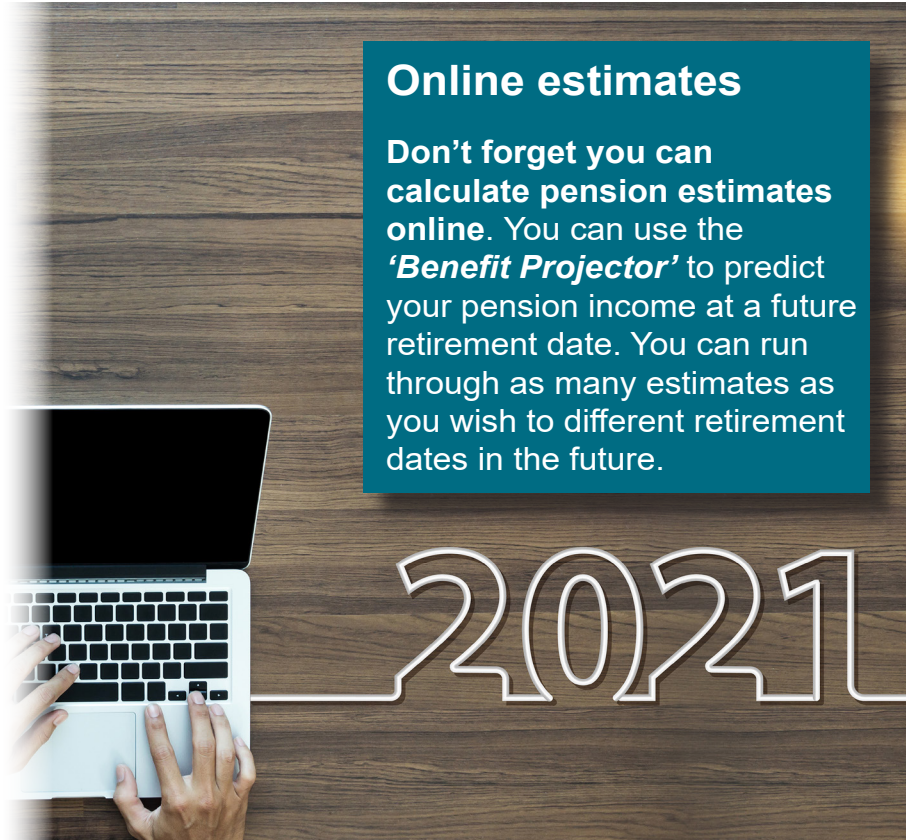
Your 2021 annual benefit statement is available to view via your online account.

If you previously requested a hard copy of this statement you should have received this in early September.

Your statement displays the current value of your pension built up within the Berkshire Pension Fund (valued at 31 March 2021). It also includes a projection assuming you continue to work until your Normal Pension Age.

Your statement is available to view through your online account along with statements from previous years. If you would like a copy e-mailed to you please contact us.

Turn to page 21 to find out more about **'my pension ONLINE'**.



Online estimates

Don't forget you can calculate pension estimates online. You can use the **'Benefit Projector'** to predict your pension income at a future retirement date. You can run through as many estimates as you wish to different retirement dates in the future.

Contribution reminder

The contribution rate you pay each month is based on the annual pensionable pay you earn.

There are nine contribution bandings ranging from **5.5%** to **12.5%**. Your employer will apply the appropriate rate of contribution for each contract of employment by matching your annual pensionable pay to the appropriate band in the contribution table. As a reminder the contribution bandings for **2021/2022** are:

Band	Pensionable pay	MAIN Section	5050 Section
1	Up to £14,600	5.5%	2.75%
2	£14,601 to £22,900	5.8%	2.9%
3	£22,901 to £37,200	6.5%	3.25%
4	£37,201 to £47,100	6.8%	3.4%
5	£47,101 to £65,900	8.5%	4.25%
6	£65,901 to £93,400	9.9%	4.95%
7	£93,401 to £110,000	10.5%	5.25%
8	£110,001 to £165,000	11.4%	5.7%
9	£165,001 or more	12.5%	6.25%

Tracing lost pensions

Do you have any pensions you have lost contact with over the years?

If so why not contact the **Pension Tracing Service**. The service is free and helps reunite people with their lost pensions, giving details of providers to help people track them down.

You can trace contact details for lost pensions by using the online portal at <https://www.gov.uk/find-pension-contact-details>

Alternatively you can request contact details by telephone on **0800 731 0193**.



Keeping us updated

It is important that you inform us of any change to your personal details such as change of address, marital status or change in name.



If you are changing your name or marital status please provide us with the appropriate accompanying certificate or documentation (a photocopy or scanned copy is acceptable).

The pension team can take changes of address over the telephone, by e-mail or you can update your address via our online portal - **'my pension ONLINE'** see **page 21** for more information.

Protect yourself from the scammers

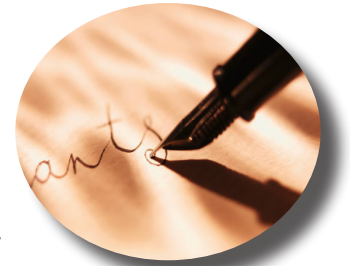
Pension scams can be hard to spot. Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scam tactics include:

- **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**

Make your wishes known



As an active member of the LGPS you have peace of mind that should the worst happen, your loved ones will be provided for. Life cover is provided from day one of your membership. Part of this life cover includes a **Death Grant**.

What is a death grant? A death grant is a tax-free lump sum and is payable equal to three times your annual Assumed Pensionable Pay (APP) at date of death, no matter how long you have been a member of the LGPS. You are able to state who you would like to receive this benefit in the event of your death by completing an *Expression of Wish* form.

What is Assumed Pensionable Pay? The APP for these purposes is calculated as the average of the pensionable pay a member received during the 3 whole months before death and updated to an annual amount.

Who can you nominate to receive any death grant payable? You can choose one person, a number of people or even an organisation such as

a charity. You can choose your husband, wife or partner, your children, any other family member or a friend.

Why should I complete an Expression of Wish form? If you do not complete an Expression of Wish form, any death grant that may become payable will be paid to your legal beneficiary.

Whilst this may be the same person or persons that you wish to receive your death grant, payments made in this way may be subject to inheritance tax where the total value of your estate exceeds the appropriate level. By declaring your chosen beneficiaries, the death grant can be paid immediately according to your wishes and without being subject to inheritance tax.

Can I change my Expression of Wish at anytime? Yes you can change your beneficiaries at anytime by completing a new form or updating your Expression of Wish via your online account. We have provided an Expression of Wish form on page 19 for your convenience.

Expression of Wish form

In the event of my death I wish the administering authority for the Local Government Pension Scheme to make payment of any lump sum death grant to which entitlement may arise by virtue of my membership of the Scheme to the beneficiary(ies) listed below:

Beneficiary 1

Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Beneficiary 2

Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Beneficiary 3

Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Beneficiary 4

Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Please note that your expression of wish will only be valid if the proportions listed above total 100%



IMPORTANT: In the event of you and your nominee(s) passing away together please indicate here how you wish the Death Grant to be distributed (e.g split equally between children or other family members etc.)

NAME	RELATIONSHIP	PROPORTION (%)

I understand that this notice may be cancelled or amended, in writing, at any time and that the administering authority is not bound by the notice, that it has absolute discretion when making payment and that it may be disregarded in certain circumstances.

Signed: _____ Date: _____

Full name: _____ Employer: _____

Home address: _____

_____ Postcode: _____ NI number: _____

Please return your completed form to: **The Royal County of Berkshire Pension Fund, Minster Court, 22-30 York Road, Maidenhead, Berkshire, SL6 1SF.**



Take charge of your pension



'my pension ONLINE' is an internet based application which enables you to securely access and update your own pension details online via the

Berkshire Pension Fund website from the comfort of your own home or workplace using a desktop PC, laptop, smartphone or tablet.

As an *Active* member of the Scheme you can:

- **update your home address**
- **check your personal details**
- **update your Expression of Wish nomination**
- **perform benefit calculations**
- **view your annual benefit statements**
- **access all publications and newsletters**

To register for 'my pension ONLINE' or to log in to your existing account please visit www.berkshirerpensions.org.uk



Autumn word search

In our Spring 2021 edition of *The Quill* we invited our readers to try our Spring Sudoku competition. Thank you to everyone who entered.

For another chance to win a £25 Marks & Spencer gift card why not try our Autumn word search competition.

Please send your entry to **Royal County of Berkshire Pension Fund, Minster Court, 22-30 York Road, Maidenhead, SL6 1SF**, to reach us by **31 January 2022**. The winner will be drawn at random from the entries received. Good luck!

Please note this competition is not open to members of the administration or investment pension teams.

Name	
Address	
Tel. Number	

Can you find 12 'pension' themed words in the grid below?



- | | | |
|-------------------|----------------|---------------|
| . APCS | . FINAL SALARY | . LUMP SUM |
| . CARE | . FUND | . REGULATIONS |
| . CONTRIBUTIONS | . INCOME | . RETIREMENT |
| . DEFINED BENEFIT | . LGPS | . TRANSFER |



Further support and guidance

New! Money Helper website



The Money Advice Service and The Pension Advisory Service have changed to **MoneyHelper**.

MoneyHelper is here to make your money and pension choices clearer. Here to cut through the jargon and complexity, explain what you need to do and how you can do it. Here to put you in control with impartial guidance that's backed by government and to recommend further, trusted support if you need it.

For clear money help that's on your side and free to use, just search for MoneyHelper:

www.moneyhelper.org.uk

Some further useful pension related contacts are listed opposite.

State Pension information

www.gov.uk
0800 731 0469

Citizens Advice Bureau

www.citizensadvice.org.uk

Age UK

www.ageuk.org.uk
0800 678 1602

The Pensions Advisory Service

www.pensionsadvisoryservice.org.uk
0800 011 3797

National LGPS member website

<https://lgpsmember.org/>

Contact us

Royal County of Berkshire Pension Fund

Minster Court, 22-30 York Road, Maidenhead, Berkshire, SL6 1SF

Pensions Helpdesk: 01628 796 668

Lines are open Monday to Thursday 8.30am to 5pm and Friday 8.30am to 4.30pm



info@berkshirepensions.org.uk

www.berkshirepensions.org.uk

If you would like this newsletter in large print or audio please contact us on 01628 796754 or e-mail info@berkshirepensions.org.uk

The Royal Borough of Windsor & Maidenhead is the administering authority to the Royal County of Berkshire Pension Fund

www.rbwm.gov.uk



Royal Borough
of Windsor &
Maidenhead