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

Welcome

Welcome to **Inscribe** the quarterly newsletter for employers within the Royal County of Berkshire Pension Fund. Each edition of **Inscribe** contains the latest news and updates for the Local Government Pension Scheme (LGPS).

Draft Fund Accounts 2020/2021

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.



Draft Fund Accounts 2020/2021

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



Investments Update 2020/2021

In continuing with the UK Government's initiative for LGPS' 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 ('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')				

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.

The Fund's overweight to Cash was significantly reduced over the year while allocations to Credit and Public Equities rose the most. The underweight to Infrastructure also narrowed slightly over the reporting period.



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.

Over a three-year horizon to the end of Q1 2021, The Fund delivered a 6.1% annualised return slightly underperforming its Actuarial Target by 0.4%. Infrastructure was the standout performer over this period with an annualised return of 14.6%.

Economic Update

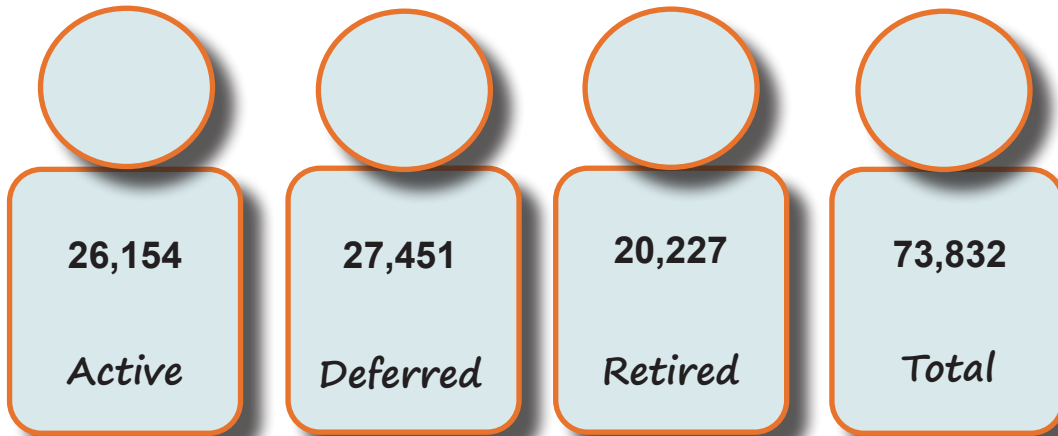
This fiscal year (April 2020 to March 2021) was marked by a sharp contrast between a smooth recovery within financial markets and regional disparity in economic growth. Gross domestic product ('GDP') growth and inflation are key macroeconomic variables that can drive financial markets and influence LPPI's market outlook.

GDP contracted across major economies in Q1 2020, even though most government measures to stem the COVID-19 pandemic were enacted during the period. Q2 2020 marked the worst quarter for activity in developed markets with notable disparities – GDP falling less in the U.S. compared to the U.K. and Europe. Since Q3 2020, GDP growth has found firmer footing, although further lockdown measures implemented in certain regions at the end of 2020 and the beginning of 2021 weighed heavily on activity in affected economies.

After the initial market decline between February and March 2020, investors quickly reacted to the "upside", anticipating that the economic impact from COVID-19 would be relatively short lived. Riskier asset prices, such as those for Equities and High Yield bonds, have trended upwards since April 2020, bolstered by ample fiscal and monetary support globally. During the initial months of the pandemic there was an acceleration of long-term ongoing structural trends, namely increased demand for work-from-home systems and e-commerce. This led to significant gains in technology share prices with the U.S. tech-heavy large cap market benefiting the most among major markets. However, as most economies started scaling back their emergency measures (June 2020), cyclical stocks, such as Energy and Financials, outperformed materially.

Pension Fund membership

Berkshire Pension Fund membership at 31 March 2021



440
retired members living overseas

1,258
retirements processed during 2020/2021

4,608
new starters processed during 2020/2021

Number of members registered for 'my pension ONLINE'

18,805

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



84 of our employers currently use our data upload service - *i-Connect*.



i-Connect

Introducing our new Head of Pension Fund

Dear Scheme employers



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 annual meeting event this year.

Our 2021 Berkshire Pension Fund annual meeting will be held on **Thursday 16 December** in the **Council Chamber, Maidenhead Town Hall**.

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

This event is open to all Scheme members and employers and 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 held from 9:30am until 11:30am.

Light refreshments will be available from 9am.

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

A full agenda will follow shortly.



We would be grateful if you could advertise this event to your staff members. A separate e-mail regarding this was sent to employers on 3 November.

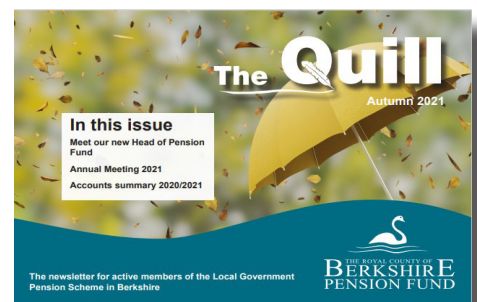
We hope you can join us on 16 December.

Active member Autumn newsletter

The Autumn 2021 edition of our active member newsletter - **The Quill** - has been published and is available to view [on our website](#)

What's inside the latest issue...?

- **Meet our new Head of Pension Fund**
- **Accounts and Investments summary 2020/2021**
- **Annual Benefits Statement 2021**
- **Retirement quick Q&A**
- **LGPS reminders and updates**



Previous editions of **The Quill** are available on the '**Publications**' section of our website.

Annual Statements available *online*

The 2021 active member annual benefit statements are available for members to view. The statements contain a summary of the pension benefits built up to 31 March 2021 and also a projection to the member's Normal Pension Age.

Statements are available to view via the member's online pension account. If members have not already done so they can sign up to 'my pension ONLINE' at the following link:



<https://mypensiononline.berkshirepensions.org.uk/>

If any members would prefer a hard copy of the statement they are welcome to contact us and we can arrange this.

Pension Surgery events

In light of the current social distancing restrictions in place we do not know when we will be able to resume our face to face pension surgery events.

As an alternative we are able to offer a virtual pension surgery for your staff.

We can arrange a pension surgery to take place on a particular date (or over two days) and your staff members can request a 20 minute appointment either via Microsoft Teams or over the telephone.

If you would be interested in offering a pension surgery for your staff please contact Joanne Benstead - joanne.benstead@rbwm.org.uk

Pensions Increase rate - *to be confirmed*

The rate of Pensions Increase is linked to the Consumer Prices Index (CPI) and is calculated in line with the CPI index based on the 12 months to September.

The CARE pension built up each Scheme year is revalued in line with CPI from 1 April. As the September 2021 CPI rate was 3.1%, it is expected that pension accounts will be revalued from 1 April 2022 by 3.1%. However until the actual percentage rate of Pensions Increase is confirmed by The Chief Secretary to the Treasury we can only estimate at this stage. Confirmation is usually received late February or early March. As soon as official confirmation is received we will notify employers and Scheme members.

Flexible Retirement - *reminder*

The purpose of flexible retirement is to allow an individual over the age of 55 the opportunity to move gradually into retirement by reducing their hours of work or the level of responsibility required of them rather than facing the perceived 'cliff edge' of retirement. Although the employee's level of income will reduce this is in some part or wholly compensated for by the release of all or part of their accrued pension benefits.

Benefits taken under the flexible retirement provisions will be subject to reduction if drawn earlier than the member's earliest retirement age. However, the employer can choose to waive all or part of the reduction providing they pay the extra strain costs arising to the Pension Fund.

Please ensure you have requested estimated flexible retirement figures (completing form EST3) from the pension team in all cases. Please also be aware that where a member is granted flexible retirement with reduction there may still be a cost to the employer. This is due to protections in place under previous regulations relating to a particular group of members. The resulting reduction to the member's pension may not be enough to cover the strain cost to the pension fund for releasing the pension early. Therefore a cost may be required to be paid by the employer.

Completion of form LGS15C

When completing the LGS15C leaver form in respect of a flexible retirement please ensure you have completed the following sections of the form:

Are benefits to be paid with or without an actuarial reduction? (see note 6)	WITH / WITHOUT
ARE YOU FULLY AWARE OF THE CAPITAL COST IMPLICATIONS FOR EARLY RETIREMENT on grounds of redundancy, efficiency, flexible, employer consent retirement? (see note 7)	YES / NO
PLEASE CONFIRM THE ESTIMATED EMPLOYER COST YOU ARE EXPECTING (see note 7A)	£

Important: If the first question is completed 'WITHOUT' then question 2 and 3 need to be completed before the pension team will action.

Employer resources

The LGPS Regs website makes it easier for Scheme employers to access information and resources that are relevant to the administration of the LGPS.

- **Employer guides and documents** - Containing guides and documents relevant to the LGPS Employers in England and Wales.
<http://www.lgpsregs.org/employer-resources/guidesetc.php>
- **LGPS Employer bite-size training** - As part of the LGPS Regs website update the LGA have launched a bite-sized training section for LGPS employers.
<http://www.lgpsregs.org/employer-resources/employer-bite-size-training.php>

New! i-Connect leaver form upload facility

There is a new feature in i-Connect, that allows all employer users to securely upload documents, electronically from i-Connect to the member's Document List in Altair.

This means that you can notify the pension team of leavers at any time and do not have to wait until your next monthly submission.



Currently you can upload documents in respect of the following scenarios:

- **Ill-health Retirement - Leaver form & ill health certificate**
- **Withdrawal From Scheme - Leaver form**
- **Opt-out (Over 3 months) - Leaver form & Opt-out form**
- **Opt-out (Under 3 months) - Opt-out form & confirmation contributions have been refunded**

i-Connect document upload *instructions:*

You can upload documents via the Member Search function in the main i-Connect navigation bar. The following document types are accepted:

pdf	doc	docx	rtf	odt
txt	tif	tiff	jpg	jpeg
png	heic	csv	xls	xlsx

1. Identify the member by entering the NI Number in the Member Search box and clicking the 'Member Search' button. The search results will display the latest payroll submissions for the relevant member. Select the corresponding payroll reference and then choose '**Upload Leaver Document**' button to notify your Administering Authority of a leaver:

A screenshot of the i-Connect web interface. At the top, there's a navigation bar with 'Shropshire - Live - Age UK Shropshire - Age Concern PAYEXTA/R' on the left and a search box with 'Enter Full NI Number ...' and a 'Member Search' button on the right. Below this, the 'Member Search' section shows '1 result(s) for'. A table displays search results with columns: Employer Name, Payroll Name, Payroll Reference, and Period End Date. The result shows 'Age UK Shropshire', 'Age Concern PAYEXTA/R', '[3898364] [0964123]', and '31 July 2020'. At the bottom, there are three buttons: 'Upload Active Member Documents', 'Upload Leaver Documents' (which is circled in red), and 'View Document History'.

2. A pop-up window will appear to guide you through the document upload process:

You are about to start uploading leaver documents for member **[0964123]**. linked to Payroll Reference

Step 1- Select Reason

Reason for Leaver 1st Tier Ill Health v

Step 2- Select Date Member Is Leaving

This is the the last date the member is employed.
Date of Leaving is mandatory and cannot be more that one year in the past or more than three months in the future

Date Of Leaving 30-04-2021 📅

Step 3- Add Documents

All documents must be attached to before you can proceed

Leaver Form 07022121-Shrophire I-Connect	> Choose File	<div style="border: 1px solid #ccc; padding: 2px; font-size: 0.8em;">Shropspen007b-ill-health-and-death-in-service-leavers-oct-2019-accessible.pdf</div>
IRMP Report	> Choose File	<div style="border: 1px solid #ccc; padding: 2px; font-size: 0.8em;">Picture1.png</div>

Select a Reason for Leaver from the selector box. You will then be prompted to enter a Date of Leaving and to upload the relevant documents your administering authority have requested.

3. To check on the progress of the submission, click on the 'View Document History' button within the relevant Member search result to bring up a list of all submission attempts for that Member / Payroll. Once a submission is complete, the Document Status will change to 'COMPLETE' (Both Adminstrating Authority and Employer users can view this):

View Document History ✕				
Complete document upload history for member		linked to Payroll Reference		
Document	Reason for Upload	Uploaded By	Date Uploaded	Document Status
Additional Pension Contribution Form 001	Additional Pension Contributions	GINNY852	2021-05-05	PROCESSING
Leaver 1	Leaver Reason 1	GINNY852	2021-04-27	PROCESSING

If you would like any help with the upload process or have any queries please contact **Rachael Granger, Technical Analyst**, on **01628 796 765** or e-mail **rachael.granger@rbwm.gov.uk**

Items of interest *News items from the pensions world*

New webpage on how to avoid the Ombudsman

In October 2021, the Pensions Ombudsman (TPO) launched a new page on its website called [‘How to avoid the Ombudsman’](#). It contains ‘top tips’, links to case studies, key determinations and new frequently asked questions.

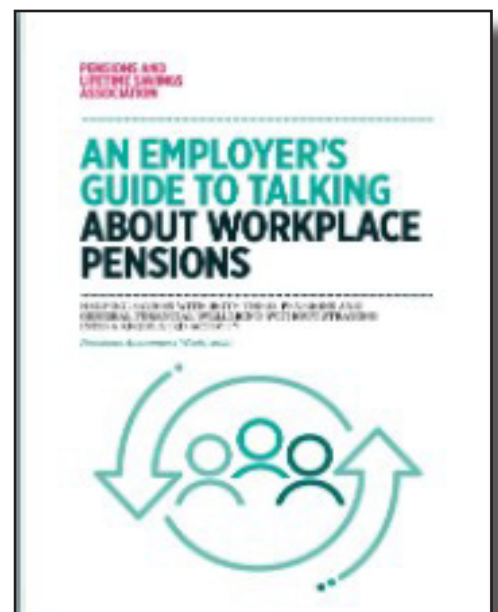
TPO also published a guidance note on [communicating with pension scheme members](#). The note sets out simple steps that can be taken to resolve pension disputes and complaints without the need for TPO to be involved.

PLSA publishes ‘an employer’s guide to talking about workplace pensions’

The Pensions and Lifetime Savings Association (PLSA) has published **‘An employer’s guide to talking about workplace pensions’**.

The guide provides background on what employers (and pension schemes) can and cannot say with the intention of helping them navigate the advice / guidance boundary.

The guide can be [downloaded via the PLSA website](#)



Useful contacts

Please find detailed below some further links to external websites containing information relating to the LGPS.

Berkshire Pension Fund website	https://www.berkshirepensions.org.uk
Employer's Section	https://www.berkshirepensions.org.uk/bpf/employers
Employer Self Service facility	https://www.berkshirepensions.org.uk/bpf/employers/employer-self-service
National LGPS website	https://www.lgpsmember.org
LGPS Regs website	http://lgpsregs.org/index.php
HR Guide	https://www.lgpslibrary.org/assets/gas/ew/HRv4.2c.pdf
Payroll Guide	https://www.lgpslibrary.org/assets/gas/ew/Pv4.2c.pdf
The Pensions Regulator	http://www.thepensionsregulator.gov.uk/en/employers
State Pension Age calculator	https://www.gov.uk/state-pension-age
State Pension information	https://www.gov.uk/check-state-pension
'my pension ONLINE'	https://mypensiononline.berkshirepensions.org.uk/



Employer Factsheets

'Pension Pointers' are a series of topical factsheets exclusively designed for employers administering the Local Government Pension Scheme within Berkshire. Each factsheet contains information on a particular LGPS topic. The factsheets are available to download from our website.

Factsheet No.	Name	What's inside?
1	Final Pay	<ul style="list-style-type: none"> • What is Final Pay? • Protected Final Pay • How to calculate Final Pay? • Final Pay calculation examples • Notification of Final Pay • Calculating Pension based on Final Pay
2	CARE Pay	<ul style="list-style-type: none"> • What is CARE? • Pension Build Up • How does a CARE Scheme Work? • CARE Scheme Example • Completion of CARE Pay on LGS15C
3	Contributions	<ul style="list-style-type: none"> • Employee Contributions - MAIN and 50/50 Sections • Assessing the Employee Contribution Rate • Employer Contributions • Paying Contributions to the Fund • Employer Policy Statement • Additional Contributions • Employer Contributions • Opting Out
4	Pensionable Pay	<ul style="list-style-type: none"> • Pensionable Pay • Definition of Pensionable Pay • Pensionable Pay Checklist • Assumed Pensionable Pay • Ill-Health and Death in Service APP
5	Retirement	<ul style="list-style-type: none"> • Normal Retirement • Early Retirement • Flexible Retirement • Redundancy and Efficiency Retirement • Ill-health Retirement • Late Retirement • Notice periods and forms • Estimate requests

All the above factsheets can be found on our website via the link below:

<https://www.berkshirerpensions.org.uk/bpf/employers/employer-factsheets>

Contact us

If you would like to discuss any items contained in this newsletter please do not hesitate to contact us on the numbers below:

Kevin Taylor	Pension Services Manager	07792 324393	kevin.taylor@rbwm.gov.uk
Philip Boyton	Pension Administration Manager	01628 796752	philip.boyton@rbwm.gov.uk
Sandra Rice	Deputy Pension Administration Manager	01628 796743	sandra.rice@rbwm.gov.uk
Joanne Benstead	Assistant Pensions Manager	01628 796754	joanne.benstead@rbwm.gov.uk
Rachael Granger	Technical Analyst	01628 796765	rachael.granger@rbwm.gov.uk

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