

The Quill



Autumn 2020

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



THE ROYAL COUNTY OF
BERKSHIRE
PENSION FUND

Welcome

Welcome to your Autumn 2020 edition of **The Quill**, the newsletter for former members of the Royal County of Berkshire Pension Fund.

The past few months will have been a very uncertain and difficult time for many of you and we want to reassure you that your pension will not be affected by the disruption caused by Covid-19. The calculation and payment of pension benefits within the LGPS are set out in law and are therefore guaranteed.

Unfortunately it will not be possible to hold our annual meeting this year due to social distancing restrictions but we have included our usual summary of Pension Fund accounts and investments in this newsletter (see pages 6 to 90).

Your Autumn newsletter also contains the usual updates and news items - a reminder about the early retirement options available to you can be found on page 13 and our Autumn word search competition can be found on page 17.

The pensions team continue to work from home at this time, but telephone lines are back to normal operating hours so please do contact us if you have any questions about your pension. Full contact details can be found on the reverse of this newsletter.

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**

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LGPS Key Benefits...

- A **secure pension** payable for life
- **Life cover** from day one of your membership
- **Early retirement** options
- **Inflation proofed** in line with CPI
- **Safe and secure** pension scheme
- Access to your pension benefits **online**

Covid-19 LGPS update

The past few months have been very difficult for many of us and we would like to reassure our members that we are doing everything we can to keep our pension service running efficiently with limited disruption.

The pensions team continue to be available to help you with any queries. We have adapted working patterns to ensure we can continue providing a service whilst monitoring the latest Government advice.

Access to offices - Our offices remain closed to visitors at present. However you are still able to contact us via e-mail, telephone or post.

You may wish to use our self-service facility – ‘**my pension ONLINE**’ to update your details, run calculations and view your annual benefit statements (see page 18 for more information).

Will my pension value reduce as a result of Covid-19? - During these uncertain times it is understandable that a lot of our members have concerns about their pension values and how these may be affected by stock market changes due to the financial impact of Covid-19.

As the LGPS is a Defined Benefit (DB) scheme your pension benefits are not linked to stock-markets or investment performance. Instead, your pension is based on your annual salary, the length of time you have contributed for and a formula set out in regulations.



Annual meeting 2020 - *update*

As you will be aware we normally hold our annual meeting in November at the Town Hall in Maidenhead.

Unfortunately due to Covid-19 restrictions we have had to cancel our annual meeting pension event this year in line with Government guidelines.

We have provided a summary of our investments and accounts in this newsletter and the full annual report will be available to download from our website in due course.

Regular scheme updates will also be available on our website and online self service facility.

We hope to hold our Annual Meeting as normal in 2021.



Draft Fund Accounts 2019/2020

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

The Pension Fund Panel 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 £40 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 £2.0 billion.



Income		£'000
Employer contributions		98,477
Employee contributions		28,635
Transfer values received		14,448
Investment income		40,463
TOTAL INCOME		182,023
Expenditure		
Benefits Payable		113,361
Payments to and on account of leavers		20,532
Fund administration and management costs		24,764
TOTAL EXPENDITURE		158,657
Change in market value of investments		(100,361)
Net increase / (decrease) in fund during year		(76,996)
Balance Sheet		
Investment assets		2,149,373
Investment liabilities		(154,074)
Current assets		12,258
Current liabilities		(2,610)
Net assets at 31 March 2020		2,004,947

The Pension Fund in numbers



The Royal County of Berkshire Pension Fund provides pensions for over 72,600 members. The figures provided below are the values at 31 March 2020.

72,686 Total membership	26,108 Active members
	27,233 Deferred members
	19,345 Retired members

452
overseas payments every month to retired members

13,984
users of 'my pension ONLINE'

Total number of Fund employers
318

Investments update 2019/2020

In continuing with the UK Government's initiative for LGPS Pension Funds to take advantage of the benefits of pooling their investments, the management of The Fund's assets transferred to The Local Pensions Partnership Investments ('LPPI') on 1 June 2018 and the transition of those assets to LPPI's management continues at pace. It is worth noting that the assets remain the legal property of The Royal County of Berkshire Pension Fund.

LPPI has set up and oversees the investment of eight pooled fund vehicles as set out in the table opposite. It remains the responsibility of the Berkshire Pension Fund Committee to maintain and publish an Investment Strategy Statement (ISS) part of which determines the strategic allocation of the Fund's assets across the eight pooled funds available.

The table opposite provides a comparison between the actual and target weighting of The Fund's assets, at the dates indicated.

	March 2019		March 2020	
	Actual Weighting	Target Weighting	Actual Weighting	Target Weighting
Public Equity	38.3%	40.0%	38.2%	40.0%
Credit	12.5%	10.0%	10.4%	10.0%
Private Equity	12.9%	13.0%	14.1%	13.0%
Diversifying Strategies	3.6%	4.0%	3.2%	4.0%
Real Estate	13.3%	16.5%	14.7%	16.5%
Infrastructure	9.0%	12.5%	7.2%	12.5%
Fixed Income	2.9%	3.0%	2.9%	3.0%
Cash	7.5%	1.0%	9.3%	1.0%
Total	100.0%	100.0%	100.0%	100.0%
N.B. "Target Weighting" shown represents the agreed Strategic Asset Allocation ('SAA')				

How did investments perform?

Over the reporting period the Strategic Asset Allocation Weightings/Target Weightings remained unaltered. The appropriateness of the current SAA remains under review at all times to ensure that it remains fit for purpose.

How did investments perform?

Over the twelve-month period to the end of March 2020, The Fund returned -2.6%. This represents an underperformance of 8.2% against The Fund's Actuarial Target. During this period some of the Fund's investments were impacted by the Covid-19 crisis and detracted from returns. Since then markets have rebounded which has of course, been of benefit to the Fund. Over a three-year period to the end of March 2020, the Fund delivered a 2.7% annualised return underperforming its Actuarial Target by 3.6%.

It is important to remember that Pension Fund investments are long-term and whilst a pandemic

such as Covid-19 cannot be anticipated, the ups and downs of the stock market are normal when it comes to investing assets over many decades.

Most importantly, scheme members should be reassured that movements in investment performance in no way affect the pension benefits to which they are entitled under the Local Government Pension Scheme Regulations. The LGPS is a defined benefit scheme which means that the way in which benefits are calculated is set out in regulation and therefore not subject to changes in the stock market in the same way as benefits in a defined contribution scheme will be affected.



Deferred Annual Benefit Statements

Your 2020 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 June.

Your statement displays the current value of your deferred pension built up within the Royal County of Berkshire Pension Fund.

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 contact us at info@berkshirerpensions.org.uk

Turn to page 18 to find out more about **'my pension ONLINE'**.



The 'McCloud' judgement

When the LGPS changed from a Final Salary to a Career Average pension scheme in 2014, 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 is still considering exactly what changes need to be made to remove the discrimination from the LGPS.

If you qualify for protection and have membership in the LGPS after 31 March 2014 the changes will apply to you, even if you have left the scheme. 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:

https://lgpsmember.org/news/story/mccloud_qanda.php



Pensions increase 2020

Your deferred pension is increased annually in line with the Pensions Increase Order which is currently linked to the Consumer Prices Index (CPI).

The 2020 increase is based on the CPI rate at September 2019.

The 2020 increase is **1.7%** and was applied to your deferred pension from **Monday, 6 April 2020**.

Please also note that as the LGPS is a statutory scheme governed by Acts of Parliament, the Berkshire Pension Fund is powerless to make any discretionary increase to the benefits payable under Scheme legislation.



Year	Percentage increase
2020	1.7%
2019	2.4%
2018	3%
2017	1%
2016	0%
2015	1.2%
2014	2.7%

Claiming your pension early

As a deferred member of the LGPS you can claim your pension benefits from the age of 55.

Pension benefits paid earlier than your Normal Pension Age (NPA) will normally be subject to a reduction to take account of the fact that your pension will be paid for longer. The reduction applied depends on how early you take them.

If you intend to claim your deferred pension benefits before the age of 60 we require a period of notice (either by e-mail or by post).



The amount of notice required depends on when you became a deferred member as shown in the table below:

Date of leaving employment	Earliest retirement age	Notice period required if claiming pension before age 60
Before 1 April 1998	55	One month
Between 1 April 1998 and 31 March 2014	55	One month
After 31 March 2014	55	Three months

If you would like an estimate of your pension benefits assuming you claimed them early you can use the benefit projectors on your online account or contact the pensions team and we will arrange to send details by post.

Protection for your family

If you pass away as a deferred member of the LGPS and leave a spouse or civil partner, he or she will become entitled to part of your pension.

Children's pensions also become payable automatically if you have children under the age of 18, or if they are continuing in full-time education up to age 23.

A note about co-habiting partner's pension

If you left the LGPS after 1 April 2008 a co-habiting partner's pension may be payable. For a co-habiting partnership to be valid both you and your partner **MUST** meet the following criteria:

- **Your co-habitation had been continuous for at least 2 years at date of death**
- **You must both be free to marry each other**
- **You are not living with a third person as if husband or wife or civil partners**
- **Either your partner is financially dependent upon you or you are financially inter-dependent upon each other**

Death Grant

If you pass away before you claim your deferred pension a Death Grant becomes payable calculated as follows:

If you left the LGPS before 1 April 2008

A death grant **equal to** the value of your lump sum, plus inflationary increases built up since leaving the Scheme, will be paid as a tax-free lump sum to your nominee(s) or personal representatives.

If you left the LGPS after 1 April 2008

A death grant equal to **five times** the value of your deferred pension, plus inflationary increases built up since leaving the Scheme, will be paid as a tax-free lump sum to your nominee(s) or personal representatives.

Please ensure you have completed an 'Expression of Wish' form stating to whom you would like your death grant to be paid if the worst should happen (see opposite page).

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 1		
Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Beneficiary 1		
Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Beneficiary 1		
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: If you have nominated your husband, wife, co-habiting partner or civil partner and in the event of you both 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**



Word search competition

For a 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 **28 February 2021**. The winner will be drawn at random from the correct entries received. Good luck!

Please note this competition is not open to members of the administration pension team.

Name	
Address	
Tel. number	

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



BLIZZARD	CHRISTMAS	DECEMBER
FROST	GLOVES	HAT
ICE	SCARF	SKIING
SLED	SNOWFLAKE	SPRUCE



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

As a *Deferred (former)* member of the scheme you can:

- **view/update your address**
- **perform benefit calculations**
- **update your Expression of Wish nomination**
- **access all publications and benefit statements**

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

Upload your documents *online*

Did you know you can upload documents to your own pension record?

Rather than sending us forms in the post or e-mailing us you can upload documents securely via 'my pension ONLINE' so that they appear on your pension record.

This is particularly useful if you need to send paperwork to us or provide us with verification of your date of birth or marital status.

The 'Document upload' facility can be found in the '**Documents**' section of your online account.



Contacts directory...

We have provided some contacts below which you may find helpful:

Pension Wise

www.pensionwise.gov.uk

0800 138 3944

Citizens Advice Bureau

www.citizensadvice.org.uk

State Pension

www.gov.uk

0800 731 7898

Find an advisor

www.unbiased.co.uk

0800 0236868

The Money Advice Service

www.moneyadviceservice.org.uk

0800 1387777

Pensions cold-calling

As reported in previous editions of *The Quill*, a ban on pensions cold calling has now become law as part of the Government crackdown on pension fraud. It is now illegal for companies to make unsolicited calls to people about their pensions.

This new law should go towards stopping cold calling resulting in people being scammed out of their pension savings. Companies that break the rules can face fines of up to £500,000. 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

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@berkshirerpensions.org.uk

www.berkshirerpensions.org.uk

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