

The Quill

Spring 2023

In this issue

Contribution bandings 2023/24

Responsible Investment update

Retirement reminders

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



THE ROYAL COUNTY OF
BERKSHIRE
PENSION FUND

Welcome

Welcome to the Spring edition of *The Quill* - the newsletter for active and deferred members of the Royal County of Berkshire Pension Fund. We hope this newsletter finds you well.

You will find this edition of *The Quill* full of the latest LGPS pension news and features.

The new contribution bandings for 2023/2024 can be found on page 6 and our Head of Pension Fund, Damien Pantling, sets out the latest Responsible Investment (RI) update from the Fund on page 12.

Damien details the key positive RI activities along with how the Fund has reacted to recent geopolitical issues.

Finally we will be saying farewell to our Pension Services Manager, Kevin Taylor, who is retiring in the Summer after 42 years working for the Fund.

Kevin has written a goodbye message on page 3. We wish Kevin the very best for the future and a very happy retirement!

Julian Sharpe

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

Contents

A farewell message	3
Pensions increase 2023	4
Transferring out	5
Pension contribution bandings 2023/24	6
Pension Scams awareness	8
Responsible Investment update	12
Retirement reminders	14

A farewell message from Kevin Taylor

Dear Scheme member,

After what will be nearly 42 years of service, the time has come for me to retire and move on to pastures new.

It has been a privilege to serve the Royal County of Berkshire Pension Fund for so long, and as you can imagine, I have seen many changes over the years. However, the best part has always been engaging with scheme members (and scheme employers) and providing guidance and support in what is, I am sure you will agree, an extremely complex area.

It would, of course, have been impossible for me to have met or spoken to every scheme member over the years, but I hope for those that I have had the pleasure of meeting, I have helped in some small way. I have been fortunate to know so many great people and have so many good memories to take with me into the next phase of my life.

Looking back, the years seem to have suddenly flown-by, and it feels quite surreal that the time has come for me to move on. However, I have great confidence that the pension team will continue to provide you all with the very best possible service, and I leave in the sound knowledge that a good job has been done.

With my very best wishes.

Kevin Taylor

**Kevin Taylor MCIPPdip
Pension Services Manager
Royal County of Berkshire Pension Fund**



Pensions increase 2023

The rate of pensions increase is currently linked to the Consumer Prices Index (CPI) and is calculated in line with the CPI index based on the 12 months to September. If you are an **Active** scheme member your CARE pension built up each scheme year is revalued in line with CPI from 6 April.

Please note the Government have changed the CARE revaluation date from 1 April to 6 April to align with the tax year.

As the September 2022 CPI rate was **10.1%**, your active pension account will be revalued from **6 April 2023** by 10.1%.

If you are a Deferred member... your deferred pension will increase by 10.1% from **10 April 2023**. Your deferred benefit statement will be available to view on your online account by 31 May 2023.

Year	CPI Rate
2023	10.1%
2022	3.1%
2021	0.5%



Calculating your pension as an active scheme member

Membership built up within the LGPS since 1 April 2014 is part of the Career Average Revalued Earnings (CARE) Pension Scheme.

The pension you build up in a CARE scheme is calculated using the actual pensionable pay you receive during each 'scheme year' (a scheme year runs from 1 April to 31 March). If you are in the Main Section of the LGPS, every scheme year 1/49th of your pensionable pay is added to your 'Pension Account'. At the end of the scheme year it is adjusted from 6 April to take into account the cost of living. The next year the same thing happens again and so on.

If you are paying into the 50/50 Section of the LGPS you will build up annual pension based on 1/98th of the pensionable pay you receive each scheme year.

Pensionable Pay/49 = Annual Pension

Transferring out - new rules to protect your pension

In late 2021 a change in the law was introduced by the UK Government for members wishing to transfer their pension to another pension provider.

If you are an **active member** of the LGPS you cannot transfer your pension out to another provider.

If you are a **deferred member** you can investigate a transfer, however certain conditions must be met before members have a statutory right to transfer.

We may need to request additional information from you to establish whether these conditions are met, and you may be required to take guidance from MoneyHelper (www.moneyhelper.org.uk).

First Condition

The First Condition is met if you are transferring to:

- A public service pension scheme
- An authorised Master Trust
- An authorised collective Money Purchase scheme

Second Condition

The Second Condition applies to transfers to any scheme not covered by the First Condition. In this case we must look at the risk of transfer scams and we may need to ask you for additional information. We must check if there are any red flags or amber flags.

If there is a **red flag** you will not be allowed to transfer. If there is an **amber flag** then you must obtain guidance from MoneyHelper and provide us with evidence that you have done so.

There are serious risks in transferring your pension so please read the information on our website and watch the transfer out videos before making any decisions <https://berkshirepensions.org.uk/bpf/members/former-members/transferring-out-local-government-pension-scheme>

Please also be aware of the many pension scams where you are encouraged to transfer your pension savings to a fraudulent pension scheme or to move your pension into high-risk investments – please turn to page 8.

Contribution flexibility - *pay less*

The LGPS offers you the flexibility to pay half your normal contribution rate and build up half your normal pension. This is called the 50/50 Section.

If you have more than one employment you can elect to join the 50/50 Section in one, some or all your employments.

The table opposite shows the contribution rate you would pay under the 50/50 Section of the LGPS for the period **1 April 2023 to 31 March 2024**.

Under the 50/50 Section your annual pension builds up based on **1/98th** of your pensionable pay each year rather than **1/49th** under the Main Section.

You can opt back into the Main Section of the LGPS at any time. If you are in the 50/50 Section of the LGPS at your employer's re-enrolment date you will be moved back to the Main Section automatically.

Please note: Regardless of which Section of the LGPS you are in, you retain full life cover and you are fully protected under ill-health retirement regulations.

Band	Actual pensionable pay for an employment	50/50 Section contribution rate
1	Up to £16,500	2.75%
2	£16,501 to £25,900	2.9%
3	£25,901 to £42,100	3.25%
4	£42,101 to £53,300	3.4%
5	£53,301 to £74,700	4.25%
6	£74,701 to £105,900	4.95%
7	£105,901 to £124,800	5.25%
8	£124,801 to £187,200	5.7%
9	£187,201 or more	6.25%

Example - Main Section versus 50/50 Section based on an annual salary of £18,000 (£1,500 per month).

	Main	50/50
Percentage per month	5.8%	2.9%
Annual pension build up	£367.35	£183.67
Death in service grant	£54,000	£54,000

Pension scams awareness

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.

What are the warning signs?

- **Contact out of the blue**
- **Promises of high/guaranteed returns**
- **Free pension reviews**
- **Access to your pension before age 55**
- **Pressure to act quickly**

Scammers design attractive offers to persuade you to transfer your pension pot to them (or to release funds from it). It is often then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

If you suspect a scam report it 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**

Check who you are dealing with... Check the Financial Services Register - **<https://register.fca.org.uk/s/>** to make sure that anyone offering you advice or other financial service is FCA authorised.

Did you know... pension cold calling is now banned in the UK. Unsolicited calls about your pension are illegal and companies who break the rules can be fined up to £500,000.



Fund valuation results

Every three years the Pension Fund undergoes a 're-valuation' of its assets and liabilities.

The valuation is a health check to see if the Fund's assets are sufficient to meet its liabilities. It is carried out by the actuary to the Fund, **Barnett Waddingham LLP**. The key purpose of the valuation is to set employer contribution rates for the forthcoming valuation period - **1 April 2023 to 31 March 2026**.

The full valuation report can be found via our website at <https://berkshirerpensions.org.uk/bpf/policies-and-reports/pension-fund-reports>



Quick Q and A

What type of scheme is the LGPS? - the LGPS is a Defined Benefit (DB) Scheme which means the benefits you build up are defined in legislation and therefore set out in law. There are set formulae and strict regulations governing how benefits are calculated and paid.

Do I have a pension pot? - no, under the LGPS you do not build up a pension pot value. Instead you build up pension income every year based on your earnings and a set formula. Your pension is not based on investment return, stock markets or annuity rates.

Does my employer match my pension contribution? - your employer pays the balance of the cost of providing pension benefits payable on retirement. The contributions you and your employer pay do not go towards the calculation of your pension.

Increasing your pension

If you are an active member in the Main Section of the LGPS you can pay extra 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 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**.

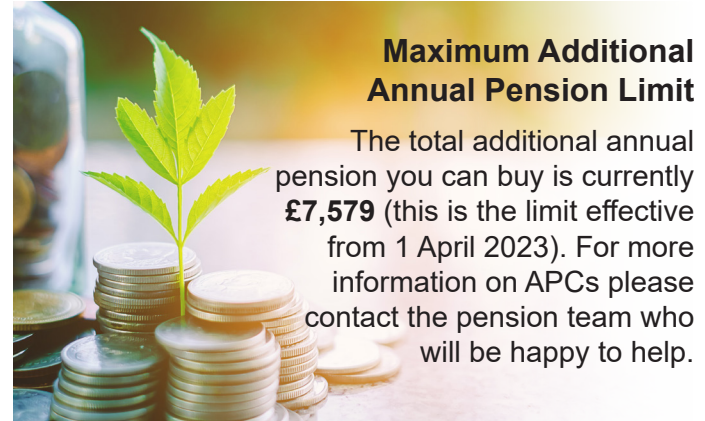
You can find out the cost of buying additional annual pension by using an online APC calculator.

<https://www.lgpsmember.org/help-and-support/tools-and-calculators/>

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

Please note: any amount of additional annual pension purchased, whether a pro rata amount or the full amount will be subject to a reduction if payment of your benefits commences before your Normal Pension Age.

Tax Relief and APCs If you pay APCs through your 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 arrange tax relief directly with HMRC.



Maximum Additional Annual Pension Limit

The total additional annual pension you can buy is currently **£7,579** (this is the limit effective from 1 April 2023). For more information on APCs please contact the pension team who will be happy to help.

Topping up your pension with *AVCs*



Under the LGPS you can pay Additional Voluntary Contributions (AVCs) to our in-house AVC scheme run by **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 (as long as you are within certain tax limits to do so)
- use your AVC fund to buy an annuity pension on the open market
- 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/>

Responsible Investment update and market statement - March 2023

Dear Scheme members,

The Royal County of Berkshire Pension Fund (the Fund) is committed to responsible investment (RI) and positive engagement, working with its specialist investment manager Local Pensions Partnership Investments Ltd (LPPI) to manage its investment portfolio. Since 2018 the Fund has been in the process of transitioning its assets into pooled investment arrangements where it is able to benefit from increased scale and resources which are enabling improved evaluation of risks and greater capacity to engage and mitigate these risks.

In previous editions we have provided employers with an update on the key positive RI activities and highlights in recent times, along with how the Fund has reacted to some of the recent geopolitical issues. In this edition, we wanted to take this opportunity to provide you with another update now that time has moved on.

- Following our investment manager's (LPPI) commitment to achieving Net Zero portfolio emissions by 2050 by signing the IIGCC (Institutional Investor Group on Climate Change) Net Zero Asset Manager Commitment (NZAMC) in November 2021, they have since prepared a roadmap and detailed

plan as to how they (on our behalf) will achieve net-zero which was presented to the Pension Fund Committee in March 2023. The commitment to net-zero itself involved LPPI voluntarily making a public commitment to the goal of aligning the investment portfolio with net zero emissions by 2050. As part of the roadmap, LPPI aim to have 100% of assets under management in scope of net zero target setting over time. Further details on this can be found on LPPI's website: <https://www.localpensionspartnership.org.uk/Investment-management/Our-net-zero-commitment>

This is a significant step for the Fund on its RI and ESG journey and clearly demonstrates its voluntary commitment as a responsible investor.

- Following the approval of the Fund's RI policy in October 2022, RI quarterly reporting to the Pension Fund Committee has become more focussed, targeting the key priorities set out in the RI policy. The Fund continues to report publicly on its RI and engagement activities and outcomes each quarter, with the latest report taken to the Pension Fund Committee in March 2023 continuing to break down the split of Green and Brown Investment exposures in the portfolio.

Brown sectors (extraction, transportation, storage, supply, and generation of energy from fossil fuels) make up just 1.76% of the portfolio. Whereas investments in green sectors (renewable energy generation, clean technology, and decarbonising activities) make up 5.01% of the portfolio. The green exposures significantly outweigh the brown demonstrating the Fund's "net" green investment exposure.

The March 2023 RI report continued to report on practical engagement, outlining many of the Fund's positive stakeholder engagement activities across the investment portfolio. Each quarter, we aim to further improve upon the report content, informing the reader of the positive progress the Fund is making on its continuous RI journey.

- Following a decision taken by the Pension Fund Committee in March 2023, the Fund aims to increase its allocation to Global Equities via LPPI's Global Equities Fund. This LPPI Fund typically has a stronger ESG score than the benchmark and as a consequence of this allocation the Fund will typically improve its ESG credentials and have better access to readily available ESG data on the underlying investments.

As we reported to you in earlier editions RI, ESG and the Fund's response to climate change remain high up on the agenda and effectively underpin all investment decisions. This is far from a tick box exercise and is continuously being monitored, adapted, and improved in conjunction with industry best practice. All policies, statements and reports referred to above can be found on the Fund's website

<https://berkshirepensions.org.uk> along with supporting policies available on LPPI's website.

Please do not hesitate to get in touch with us if you have any questions on any of the matters raised in this newsletter.

Damien Pantling

Damien Pantling CPFA
Head of Pension Fund



Retirement reminders - *Active* members

If you have been an active member of the LGPS for at least two years you can claim your pension at any time between 55 and 75 providing you have ceased your contract of employment or, if your employer agrees, you can take your pension without leaving your job (this is called ***flexible retirement***).

If you are intending to leave your employment and claim your pension **before your Normal Pension Age (NPA)** we require **three months written notice** in order to release your pension benefits. We can accept your written notice by e-mail **info@berkshirepensions.org.uk**

If you are claiming your pension from your NPA we do not require a separate period of notice. We will automatically contact you on receipt of your leaving details from your employer.



When is my Normal Pension Age? Your Normal Pension Age (NPA) is in line with your State Pension Age (with a minimum age of 65). If you claim your pension at your NPA you will have no penalty applied to your pension. If you claim your pension before NPA an early retirement percentage reduction is applied. The percentage reduction applied depends upon how early you are claiming your pension.

Your NPA will be displayed on your online account and annual benefit statement. You can also use the State Pension Age calculator on the Government website: **<https://www.gov.uk/state-pension-age>**

What happens if I am made redundant? If you are over 55, with at least 2 years LGPS membership and you are made redundant, your pension is released to you straight away. The pension is calculated up to your date of redundancy and released without any percentage reductions being applied. **Please note:** if you are made redundant your pension is not automatically enhanced up to your NPA.

Make your wishes known

As an active or deferred 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 payable to your loved ones in the event of your death before retirement. You are able to state who you would like to receive this benefit by completing an *Expression of Wish* form (see page 17).

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.

How much is payable as a death grant? The amount payable depends upon whether you are an active or deferred member of the LGPS:

Active Member - As an active member the value of the death grant is three times your annual Assumed Pensionable Pay at date of death.

Deferred Member - If you pass away after leaving the LGPS but before you take your pension the death grant payable depends on when you left:

If you left before 1 April 2008 – the value of your lump sum retirement grant is paid as a death grant.

If you left after 31 March 2008 – five times your deferred annual pension is paid as a death grant.

Note: If you also have a deferred benefit and/or a pension in payment from a previous period of membership in the LGPS, the lump sum death grant paid is **the greater of:**

- the total of any lump sum death grants payable from the deferred and/or pensions in payment
- three times your annual assumed pensionable pay at your date of death

'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 your Expression of Wish form 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**



Spring Sudoku

In our Autumn 2022 edition of *The Quill* we invited our readers to try our word search competition. Thank you to everyone who entered.

For another chance to win a £25 high street gift card, why not have a go at our Spring Sudoku 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 July 2023**. Alternatively you can e-mail a scanned copy of your entry to **pension.comms@rbwm.gov.uk**

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

Name	
Address	
Postcode	
Tel. number	

Fill in the squares in the grid, so that each row, each column and each 3 x 3 contains all the digits from 1 - 9.

4	1	5		7		6	8	9
	8				4	7		2
	7	2			8	5		
	6	4		2		1		
1				4		3		
	2	3	8		6		7	
			7		2			
			4		1	2	6	
	4		6		5		1	



Keeping us up to date

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 need to notify us of any of these changes you can do so by e-mailing info@berkshirepensions.org.uk

If you are changing your name or marital status please provide us with the accompanying certificate/document (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**'.

Annual Benefit Statements

If you are an active member your annual benefit statement is available to view via your online account by 31 August.

Your annual benefit statement provides you with the current value of your annual pension calculated to 31 March and your projected annual pension assuming you remain in the pension scheme until your Normal Pension Age.

If you are a deferred member your annual benefit statement provides you with the current value of your deferred pension calculated at 10 April 2023 and will be available to view online by 31 May. Please visit the '**My Documents**' section of 'my pension ONLINE'. To find out more turn to page 21.



Pension planning - *Log in online*



'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 an *Active or Deferred* member of the scheme you can:

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

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

Sign up to 'my pension ONLINE' *Step by Step*

- Go to www.berkshirepensions.org.uk and click on the '**my pension ONLINE**' logo on the homepage
- Accept the **Terms and Conditions**
- Click '**Register for my pension ONLINE**'
- Enter your **Surname, NI Number, Date of Birth** and **E-mail address**
- Click '**Sign Up**'

Activate your account

Once registered you will receive an activation e-mail link.

- Click on the link
- Create a Username
- Create a Password
- Choose two security questions from the list and confirm the answers

You are now logged in to '**my pension ONLINE**'

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**.



Money Helper



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
0800 011 3797



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 pay more...or less**

Find out more about the *LGPS*

LGPS Videos

A series of bite-sized videos - '**pensions made simple**' designed for active scheme members.

Each video is less than 4 minutes long and provides a short summary around a specific LGPS topic.

- **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**

Click on the link below to view the videos:
<https://www.lgpsmember.org/help-and-support/videos/>

Contact us



Royal County of Berkshire Pension Fund

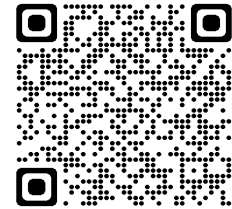
Minster Court, 22-30 York Road, Maidenhead, Berkshire, SL6 1SF

Pensions Helpdesk: 01628 796 668

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

E-mail: info@berkshirerpensions.org.uk

Website: 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