

ISSUE
21



Staffordshire
Pension Fund
Local Government Pension Scheme

InContact

A Newsletter for retired members of the Local Government Pension Scheme participating in the Staffordshire Pension Fund

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Spring
2023
Issue!



Welcome

Whilst you will hopefully be reading this in the warmth of the Spring sunshine, I am sitting here writing it with the warmth of the Winter sunshine streaming through the window, which belies the fact that I had to scrape the ice off the car windows and drive into the office with a recorded temperature of -3.5 degrees Celsius this morning. And very recently I saw a bright yellow Spring daffodil beneath a tree bearing the last of the deep red Winter holly berries. A time of seasonal contrasts and confusion...

The Met Office prediction for the UK to experience 'warmer and wetter winters and hotter and drier summers' comes to mind and whilst I find myself looking forward to the warmer days ahead, I also think of the impact Climate Change is having on so many elements of our day to day lives that we probably never think of.

2022 saw the Pension Fund launch its first Climate Change Strategy which aligns the Fund's investment strategy to the COP21 Paris Agreement, with the aim of having a 'net zero' carbon footprint across our investments, by 2050. In practice, as well as setting Climate Targets (E.g., to reduce the weighted average carbon intensity of the Fund) this means that we need to integrate climate change considerations across the whole of the Fund's investment strategy and make meaningful changes to reduce the carbon footprint of the Fund wherever we can. This isn't a quick

process unfortunately and it will have its challenges but setting out our climate change beliefs and having a framework within which to make decisions will ensure that we keep ourselves on track to do the right thing. If you would like to know more and see how we are getting on, then please look at our website:

www.staffspf.org.uk/Finance-and-Investments/Corporate-Governance-and-Responsible-Investment/Climate-Change-Strategy.aspx

Whilst 2022 may have been a difficult year for many of you, please remember that your pension remains secure and provides you with an annual increase which is linked to inflation (see page 3 for your pension pay dates). As always, if you do have any questions or enquiries relating to your pension, the Pensions Team are available to assist you.

Please continue to stay safe and well throughout 2023 which, setting aside seasonal change and confusion, is already starting to feel so much more normal than the last few years have done.

With kind regards and best wishes to you all.

Melanie Stokes

Melanie Stokes
Assistant Director for Treasury & Pensions

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PENSION PAY DATES 2023/24

MONTH

APRIL 2023

MAY 2023

JUNE 2023

JULY 2023

AUGUST 2023

SEPTEMBER 2023

OCTOBER 2023

NOVEMBER 2023

DECEMBER 2023

JANUARY 2024

FEBRUARY 2024

MARCH 2024

PAY DATE

28.04.2023

31.05.2023

30.06.2023

31.07.2023

31.08.2023

29.09.2023

31.10.2023

30.11.2023

20.12.2023

31.01.2024

29.02.2024

29.03.2024

Tax Query

If you have a query on your tax code please phone 0300 200 3300, where a member of staff from HMRC will be able to assist you.

Please quote your National Insurance Number and the tax code reference 586/PENS.

Unfortunately, Staffordshire Pension Fund are unable to help you with tax queries.

Tax Thresholds

Details can be found on our website here

www.staffspf.org.uk/Pensioners/The-standard-personal-allowance-limits.aspx

Pensions Increase



All public service pensions (of which the Local Government Pension Scheme is one) are adjusted each year to reflect changes in the cost of living index. This is sometimes called inflation proofing or index linking. The LGPS offers full index linking to pension benefits, i.e. there is no upper limit or capping on the amount by which benefits will be adjusted in times of high inflation.

Any Pensions Increase is normally paid to:

55

Pensioners who are aged 55 or over.



Pensioners who have retired for the reason of permanent ill health at any age.



Spouses and dependants of former pensioners.

Unless the rate of inflation is zero or below, your Staffordshire Pension is increased annually in line with the Pensions Increase Order which is currently linked to the Consumer Prices Index (CPI). The increase is calculated in line with the CPI index based on the 12 months to September 2022.

The 2023 increase is 10.1% and will be applied to your pension from Monday, 10 April 2023. This means your pension for April will only show a partial increase. The full increase will not apply until May. If applicable, the first increase to your pension after retirement (from active membership) will normally only be a proportion of the full increase, depending on how many months your pension has been in payment for the year.

Pensions Beginning	Pensions Increase
Before 26 March 2022	10.1%
27 March 2022 – 25 April 2022	10.1%
26 April 2022 – 25 May 2022	9.26%
26 May 2022 – 25 June 2022	8.42%
26 June 2022 – 25 July 2022	7.58%
26 July 2022 – 25 August 2022	6.73%
26 August 2022 – 25 September 2022	5.89%
26 September 2022 – 25 October 2022	5.05%
26 October 2022 – 25 November 2022	4.21%
26 November 2022 – 25 December 2022	3.37%
26 December 2022 – 25 January 2023	2.53%
26 January 2023 – 25 February 2023	1.68%
26 February 2023 – 25 March 2023	0.84%
26 March 2023 onwards	0.00%

Contracted-Out Pension Equivalent (COPE)

Staffordshire Pension Fund has received quite a few calls about the letter many members approaching state pension age have received from HMRC, which tells them to contact us. Hopefully the information below will provide you with some clarification.

As part of the changes to the State Pension introduced in April 2016 the Department for Work and Pensions (DWP) introduced a term called Contracted-Out Pension Equivalent (COPE).

COPE is an estimated amount for those who were previously 'contracted-out' of the additional State Pension to see how National Insurance (NI) contributions paid before 6 April 2016 will contribute to their overall pension income.



Members of the Local Government Pension Scheme (LGPS) were 'contracted out' of the additional State Pension and paid lower National Insurance contributions. So to take into account that LGPS members have paid less into the NI system, the amount of State Pension they'll get directly from the government will be lower than that received by people with similar earnings who were not contracted-out.

While those individuals who were contracted-out may not be entitled to the full amount of the new State Pension, they will instead receive some of their pension income through a different route. In most cases, their occupational or personal pension scheme(s) should include an amount that is at least equivalent to the additional State Pension they would have got if they hadn't been contracted-out. This is known as the COPE amount.

The COPE amount is now included on State Pension statements. However, the COPE is an estimated figure and has no direct relation to the benefits paid by individual pension schemes, including the LGPS.

If you look at your own State Pension forecast, it states what your State Pension is likely to be when you reach state pension age and then what your COPE amount is separately. The COPE figure is only an estimated figure and is not actually deducted from the State Pension. Since 5 April 2016 an individual's National Insurance record is used to calculate their starting amount and then each year from then on they build up an entitlement to the new State Pension.

The COPE is a single figure covering all of an individual's contracted-out membership, so where a member has had contracted-out membership in more than one pension scheme (or more than one pension fund), it is possible that a person's LGPS pension will appear lower than the COPE.

What is a Guaranteed Minimum Pension?

The Local Government Pension Scheme (LGPS) was a 'contracted-out' pension scheme. This means that you paid a lower amount of National Insurance contributions than someone doing exactly the same job as you, but who wasn't paying into the LGPS. This is because you were only paying for your basic State Pension and not paying for the additional State Pension (between 6 April 1978 and 5 April 1997). This was called the State Earnings Related Pension Scheme or SERPS.

If you were a member of the scheme between 6 April 1978 and 5 April 1997 and attained State Pension Age before 6 April 2016, Staffordshire Pension Fund must guarantee that when you attain State Pension Age your Local Government pension is at least equal to the additional pension you would have received with the state retirement pension if you had been in SERPS. This rate is known as the Guaranteed Minimum Pension (GMP).

You may have been notified of this amount by HM Revenue and Customs under the title 'Contracted Out Deduction'. Most of the time, the pension we pay is larger than the GMP, but in a very few cases (especially where a member did a lot of Non-contractual overtime) the GMP may be larger than Staffordshire Pension Fund's payment. If the GMP is larger, then Staffordshire Pension Fund will increase the pension we pay to match the rate of the GMP.

A GMP consists of two elements:

- one in respect of any scheme membership between 6 April 1978 and 5 April 1988 (Pre 1988)
- the other in respect of any scheme membership between 6 April 1988 and 5 April 1997 (Post 1988)

The GMP is paid as part of your pension benefits, not as an addition. The application

of GMP to your pension benefits means that pensions increase (inflation proofing) will be added to your pension benefits in a slightly different manner.

Staffordshire Pension Fund is responsible for full pensions increase on the pension excluding the GMP elements and is responsible for a maximum of 3% pensions increase on the part of your GMP which accrued after 6 April 1988. Any pensions increase above 3% on the Post 1988 GMP and the whole of the Pre 1988 GMP is the responsibility of the State and will be paid to you as part of your State Pension benefits.

When you receive your first payslip after the application of a GMP or, if you are already over State Pension Age, your next payslip in April, you will see that your pension can be broken down into up to 3 allowances:

Ordinary Basic Pension

This is the starting rate of your pension.

Pensions Increase

This is the pensions increase that applies to the part of your pension that is not GMP.

Post 88 GMP PI

This is the Pensions Increase payable on the part of your GMP that accrued after 1988 (limited to 3% per year).

National Fraud Initiative

The National Fraud Initiative is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

If you claim any state or council benefits, you must declare if you are in receipt of a local government pension as well. Even if, for some reason, you have declined to receive a pension you are entitled to, you must still declare it.

Data matching involves comparing records held by one body against other records held by the same or another body to see how far they match. This includes personal information and contact details. Computerised data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it may indicate that there is an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

We participate in the Cabinet Offices National Fraud Initiative (NFI): a data matching exercise to assist in the prevention and

detection of fraud. These exercises run in alternative years. Data on Pension scheme members was uploaded to the Cabinet Office in October 2022 and we are currently reviewing the resultant matches that were released in January 2023.

The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under its powers in Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under the Data Protection Act 1998 or the General Data Protection Regulation which came into force in May 2018.

Data matching by the Cabinet Office is subject to a Code of Practice. Further information on the Cabinet Office's legal powers and the purpose of the NFI can be found on the following Cabinet Office site www.gov.uk/government/collections/national-fraud-initiative

For further information on data matching at this authority contact David Fletcher, Internal Audit Section on 01785 895408 or by e-mail at david.fletcher@staffordshire.gov.uk



Notifying the Fund about a death

Dealing with Bereavement

We understand when a bereavement occurs it can be a difficult time.

In this article is information about death benefit entitlements and the process which occurs following the death of an LGPS Scheme Member.

How to notify the Pension Team

To tell us about the death of a Member, there is certain information the family or representative needs to provide. This includes the following information about the Member:

- Full name
- National Insurance Number
- Address
- Date of death

You can tell us about a death in 3 ways:

- Via our dedicated online form on our website: <https://www.staffspf.org.uk/Pensioners/Online-Death-Reporting-Form.aspx>
- In writing: you can send us the details by email to pensions.payroll@staffordshire.gov.uk
- By phone: call us on 01785 278222 and select option 2

Please also provide your full name and the details of the Member's next of kin, personal representative, or executor - the person dealing with the Member's estate. This includes their name, address, email address and telephone number.

We will write to or email all relevant parties and enclose any necessary forms that need to be completed. These should be signed and returned by email or to our postal address.

Please note, our letter may also include details of any underpaid or overpaid amounts.

Once the necessary forms have been returned to us, we will process any benefits that are due and notify all relevant parties when this is complete.

Further information is available on our website at:

<https://www.staffspf.org.uk/Pensioners/Notification-of-the-death-of-a-retired-member.aspx>



Ovation is a workplace choir formed in 2012 inspired by the BBC series 'The choir: Sing while you work' with Gareth Malone.

It's open to past employees of Staffordshire County Council & its partners as well as current so if that's you why not come & have a free taster session.

No need to read music or have an audition.

Ovation meets on Wednesdays at 5.15pm to 6.15pm fortnightly in term time in the Trentham room on ground floor of Staffordshire Place 1. Tipping Street, Stafford. ST16 2DH



For further information, including session dates, contact

wendy.taylor@staffordshire.gov.uk

My Pension Portal (MPP) Update



My Pension Portal is our online service that provides a safe, secure, quick and simple way for you to manage your pension. If you are a current pensioner or eligible to receive a pension. You can then register to join My Pension Online.

Welcome - altair Member Self-Service
(<https://staffspf.hostingspf.aquilaheywood.com>)

By registering, you can get immediate access to a wide range of details about your pension.

- Stay up to date with your pension and access important documents, such as your Payslips and P60.
- Change and update your personal details, like if you move address.
- Change your bank details quickly and securely.

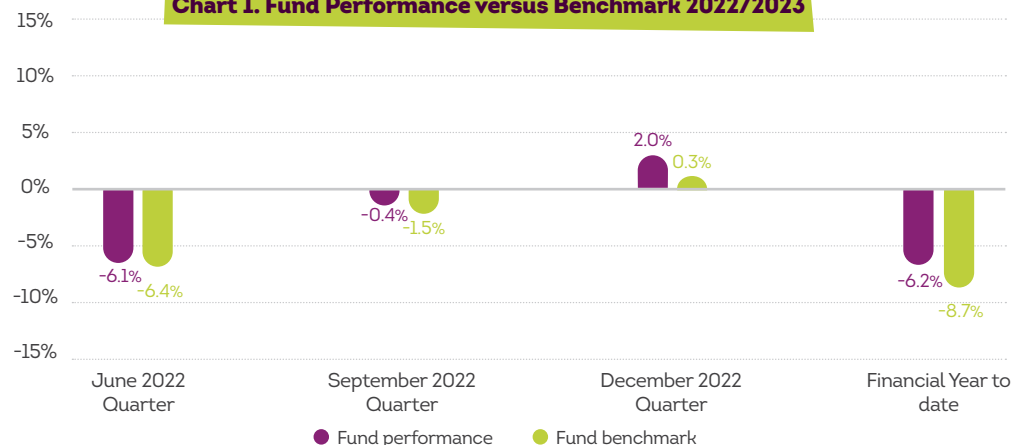
Staffordshire Pension Fund Investment Summary as at 31 December 2022



Chart 1 shows the investment performance of the Staffordshire Pension Fund ('the Fund') in the financial year up to 31 December 2022. The Fund has performed above its strategic benchmark to date and has a Total Market Value of £6.4bn.

This compares to a Total Market Value at 31 March 2022 of £6.2bn, illustrating the continued recovery in investment markets, since the uncertainty created by the pandemic.

Chart 1. Fund Performance versus Benchmark 2022/2023



Over the longer-term, the Fund has outperformed its strategic benchmark over the 3, 5 and 10 year periods. This can be seen in Chart 2, which shows above benchmark annualised returns for each time period.

Chart 2. Annual Performance versus Benchmark

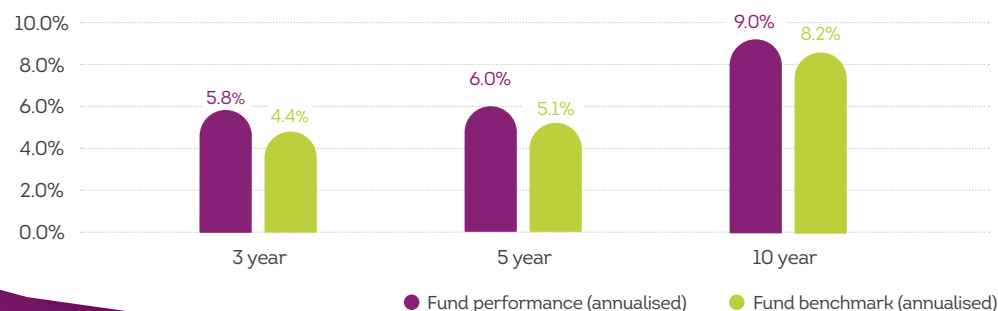
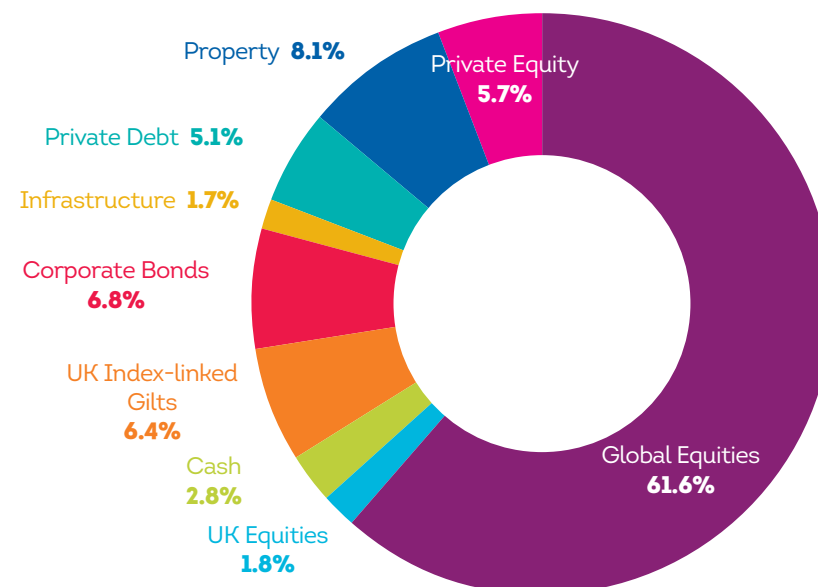


Chart 3 shows the breakdown of the different investments held by the Fund as at 31 December 2022. The Fund has a long-term Strategic Asset Allocation, which is agreed in consultation with the Fund's Investment Advisors and reviewed quarterly by the Pensions Panel. This is set to ensure that the Fund invests in a wide range of asset classes, which helps to reduce and diversify risk.

The Fund has a relatively high proportion of its investments in equities, as over the longer-term they are forecast to generate higher returns than other assets classes, such as government bonds.

Chart 3. Staffordshire Pension Fund Investments at 31 December 2022



There are currently in excess of 500 Employers contributing to the Fund, further details of which can be found within the Staffordshire Pension Fund Annual Report. This is available on the website www.staffspf.org.uk

Please note - The performance and value of the Staffordshire Pension Fund's investments does not affect the value of your pension or the amount of pension that we pay you each month.

Contactus

Staffordshire Place 1 Appointments

Staffordshire Pension Fund staff are currently working on a hybrid basis: while this means that there are generally staff members in the office every day, the right staff who can answer or resolve your query may not be available if you drop by our offices without prior arrangement.

All face-to-face member services must be arranged in advance by calling or emailing the Team to make an appointment.

You can contact Pension Services by...



writing to: Pension Services,
2 Staffordshire Place, Tipping
Street, Stafford, ST16 2DH



or by e-mailing: **pensions.
enquiries@staffordshire.gov.uk**



or by phoning: **01785 278222**



we also have a website at:
www.staffspf.org.uk

! Please remember

You should inform Pensions Services directly of any amendments to your personal details: if you change your name, address or marital status.

Any changes to these details should be made in writing, quoting your Pay Reference Number with any copies of supporting documentation, if appropriate (e.g. copies of relevant certificates).

If any routine correspondence is returned to Staffordshire Pension Fund, this may lead to your pension payment being stopped, so please let us know if you move house.

**If a copy of the information in this Newsletter is needed
in an alternative format, please get in touch with us.**