

ISSUE
20

InContact

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

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**Spring
2022
Issue!**

Welcome

As a child, I loved to listen to my parents' stories of their own childhood and the various family comings and goings that inevitably happened in large post-war families. There was never a dull moment, and whilst they may not have owned very much of value, there was always lots of love and laughter plus food on the table; although I didn't much like the idea of 'sugar sandwiches, chitterlings and belly draft'. But I guess that was normal for them, just as 'fish finger sandwiches and luncheon meat' were normal for me as a child. And don't get me started on the new ice cream revolution known as Vienetta....

We will all have our own perception about what normal is but, if the last two years have taught us anything, it's that there is always a new normal ahead. Hopefully 2022, will provide us with a sense of relief, that the worst of the pandemic is over and that our new normal will bring us so much more to look forward to, even though looking back at those fond memories is quite special too!

The world of Pensions often finds us looking both ways: at past regulations, at the past performance of the Fund's investments and at a retiree's past working history. And then we look forward: at future pensions liabilities, at future investment returns, at better ways of delivering our service to our scheme members,

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PENSION PAY DATES 2022/23

MONTH	PAY DATE
APRIL 2022	29.04.2022
MAY 2022	31.05.2022
JUNE 2022	30.06.2022
JULY 2022	29.07.2022
AUGUST 2022	31.08.2022
SEPTEMBER 2022	30.09.2022
OCTOBER 2022	31.10.2022
NOVEMBER 2022	30.11.2022
DECEMBER 2022	19.12.2022
JANUARY 2023	31.01.2023
FEBRUARY 2023	28.02.2023
MARCH 2023	31.03.2023

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

Pensions Adjustment



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:



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 the previous September.

The 2022 increase is 3.1% and will be applied to your pension from Monday, 11 April 2022. 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.

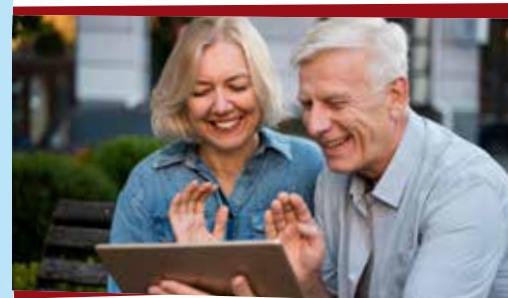
Pensions Beginning	Pensions Increase
Before 27 March 2021	3.1%
28 March 2021 – 26 April 2021	3.1%
27 April 2021 – 26 May 2021	2.84%
27 May 2021 – 26 June 2021	2.58%
27 June 2021 – 26 July 2021	2.33%
27 July 2021 – 26 August 2021	2.07%
27 August 2021 – 26 September 2021	1.81%
27 September 2021 – 26 October 2021	1.55%
27 October 2021 – 26 November 2021	1.29%
27 November 2021 – 26 December 2021	1.03%
27 December 2021 – 26 January 2022	0.78%
27 January 2022 – 26 February 2022	0.52%
27 February 2022 – 26 March 2022	0.26%
27 March 2022 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).



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. We are currently reviewing the resultant matches that were released in January 2021, and it is anticipated we will provide to the Cabinet Office updated pensions scheme member data in October 2022.

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. This article explains 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

This can be provided via email at pensions.enquiries@staffordshire.gov.uk, or you can contact us on **01785 278222** and select option 2 to give the information over the phone.

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.

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://www.staffspf.org.uk/Calculator/Self-Service-Calculator.aspx>)

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, for instance if you move address.

Please note that on receipt of this newsletter , due to system updates you may find that the Portal is unavailable, please try again over the coming week.

Staffordshire Place 1 Appointments

At the time of writing, there are still a limited number of staff working from Staffordshire Place 1, and so it may be advisable to book an appointment a few days in advance to speak to a member of the Staffordshire Pension Fund Team.

Ad-hoc visits to the offices may mean that the right staff to answer / resolve your enquiry are unavailable at that particular time.

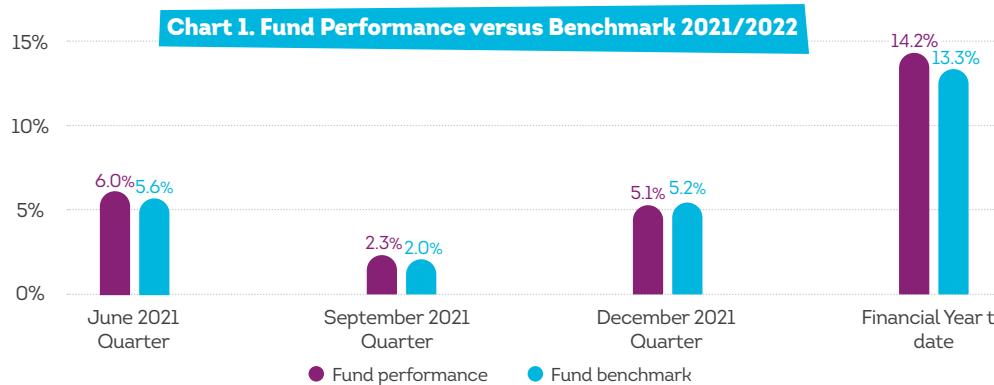
Our contact details can be found on page 12 of this newsletter.



Staffordshire Pension Fund Investment Summary as at 31 December 2021



Chart 1 below shows the investment performance of the Staffordshire Pension Fund ('the Fund') in the financial year up to 31 December 2021. The Fund has performed above its strategic benchmark to date, with the exception of the December quarter, and has a Total Market Value of £6.8bn. This compares to a Total Market Value at 31 March 2021 of £6.2bn, illustrating the continued recovery in investment markets, since the uncertainty created by the pandemic.



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.

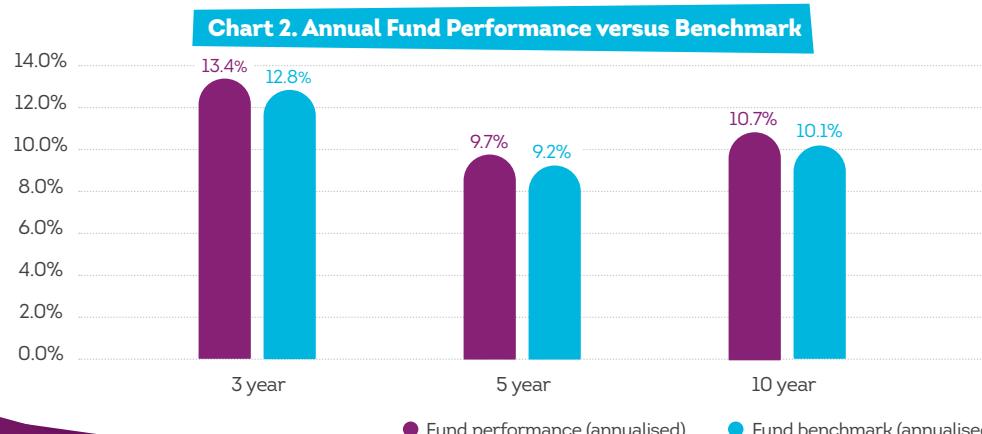
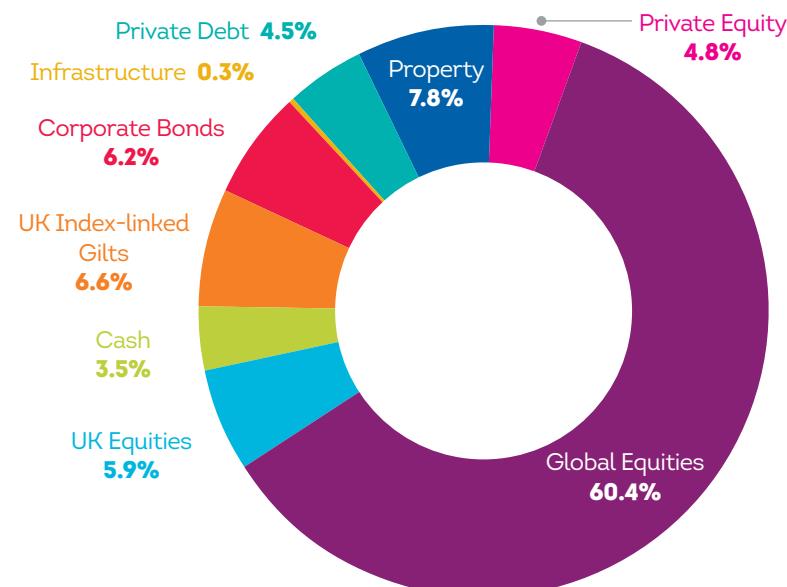


Chart 3 shows the breakdown of the different investments held by the Fund as at 31 December 2021. The Fund has a long-term Strategic Asset Allocation, which is agreed in consultation with the Fund's Investment Advisors and reviewed quarterly by the Pensions Panel. This is set to ensure that the Fund invests in a wide range of asset classes, which helps to reduce and diversify risk.

The Fund has a 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 as at 31 December 2021



Further details of which can be found within the Staffordshire Pension Fund Annual Report. This is available on the website <https://www.staffspf.org.uk/Finance-and-Investments/Annual-Reports-and-Accounts/Reports-and-Accounts.aspx>

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.

Contact us

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 Pension Services directly of any amendments we should make to your personal details, for example if you change your name, address or marital status.

The details should be given in writing, quoting your Pay Reference Number and enclosing copies of any supporting documentation if appropriate (e.g. a copy of your marriage certificate if you have married or a copy of your decree absolute if you have divorced).

If any routine correspondence is returned to the Staffordshire Pension Fund, this may lead to your pension payment being stopped, so please make sure to let us know if you have moved.

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