



News from the Environment Agency Pension Fund

1. Welcome

Welcome to the winter edition of your contributing member pension newsletter.

This edition gives you important updates on pension changes, topical issues and exciting work your fund has been busy with since your last newsletter!

If you'd like to download our newsletter, [you'll find a PDF version in the Newsletters section of our website](#).

If you have any feedback about the communications we send you, please email us at Engage@eapf.org.uk

We're always trying to improve the service we provide our members, so we really value your feedback.

If you've contacted Capita in the last 12 months and would like to tell us your thoughts on the service you received, [please complete our short 2 minute survey](#)

2. Investments

EAPF at COP26 in Glasgow!

The EAPF were delighted to be invited to speak at three events in Glasgow.

One was to talk about how to invest in a way that helps nature and also tackle climate change (these are known in the trade as nature-based solutions). We talked about a recent investment we've made in a sustainable forest in Paraguay, which will take carbon out of the atmosphere, create jobs for local people, enhance biodiversity and deliver a strong return for the Fund.

We also addressed 5,000 people at a hybrid conference to talk about how investors should adapt to a changing climate. We've been co-leading some work on this on behalf of investors internationally, looking at what information we want companies to disclose. This is so that we can understand for example, if they may be exposed increasingly to extreme heat, flooding or wildfires.



[See more on EAPF at COP26](#)

EAPF holds its first members' AGM

We want our Fund to reflect the values of our members.

Last month, we held our first ever member Annual General Meeting (AGM). This was not the first conversation we've had with our members – we hold an annual series of popular member webinars and ran an extensive member engagement exercise with members last year on responsible investment.

[Read more about our AGM](#)

Paris Aligned Benchmarking

We're delighted to be a founding investor in new ground-breaking passive equity portfolios based on Paris aligned equity indices. These indices were developed by FTSE and Brunel Pension Partnership, and launched at the London Stock Exchange on 2 November.

This is a major step forward from Low Carbon indices, adding an ongoing carbon reduction of 7% pa. Additionally, data collected by the Transition Pathway Initiative (TPI) will enable the index to increase the amount invested in the companies performing best on climate. This will incentivise companies to perform better in this respect, as allocation to the index will be to the companies most aligned with achieving Net Zero.

[Read more on Paris Aligned](#)

3. Pension news

McCloud update

McCloud was a high court judgment that found age discrimination in the protection given to older members of public service pension schemes, when the pension schemes reformed in 2014 and 2015.

The Government announced in May 2021 that, following the latest consultation on how to rectify the age discrimination identified in the McCloud judgment, it intends to extend the statutory underpin in the LGPS, to all members who:

- 1) Were contributing to the Scheme on 31 March 2012, and at some point between 1 April 2014 and 31 March 2022, and
- 2) Don't have a break in contributing membership after 31 March 2012 for more than 5 years in a public service pension scheme

The Government also issued draft Regulations with their consultation, though these Regulations are not expected to come into effect until 1 April 2023. However, the pension industry believes that a further consultation will be announced by the Government in the coming months, which will give greater clarity on how the revised statutory underpin will work. We'll keep our website updated when we have further information, so watch out for this online and in future newsletters.

[For more details about McCloud and its history, read our previous news item.](#)



Minimum pension age increasing from 55 to 57

After several years in the making, the Government has now published the Finance Bill 2021-22, which aims to increase the normal minimum pension age (NMPA) for Scheme members from 55 to 57 with effect from 6 April 2028; for reference, the NMPA is the earliest point a member, in good health, can claim their pension.

The increase in the NMPA will apply to all pension schemes, though some exceptions will apply.

[Find out more](#)



Treasury Order increase rate expected to be 3.1%

The increase in the Consumer Price Index (CPI) for the year ending September 2021 was confirmed by HM Treasury as 3.1%.

Official confirmation from HM Treasury as to whether the 3.1% increase will apply to public service pension schemes (including the LGPS) is expected by March 2022, before the increase takes effect in April 2022.

[Find out more](#)

Tax allowances (LTA/AA)

Lifetime allowance

The lifetime allowance (LTA) for the 2022/23 tax year will remain at £1,073,100. Normally, the LTA is revalued each year in line with the increase in the CPI, though the Government changed the law earlier this year so that the LTA was 'frozen' until at least 5 April 2026.

The LTA is a limit on the amount of pension savings that can be built up in pension schemes without triggering a tax charge when you take your pension.

Annual allowance

Annual allowance (AA) is set by the Treasury and is currently £40,000. The AA is the amount by which the value of your pension savings may increase in any one year without you having to pay an excess tax charge. Your personal AA may be less than £40,000 if your taxable income exceeds HMRC limits or you've accessed flexible benefits.

For more details and examples on calculating LTA or AA, you can read our Tax Controls and Pensions savings factsheet by clicking the link below.

[Download our Tax Controls factsheet](#)

4. Pension basics

How can I identify a pension scam?

Unfortunately, the threat of fraudsters looking to get their hands on your pension is still one that looms and has increased dramatically over the global Covid-19 pandemic.

Scammers come in many forms, but we want to point out the more common things to be wary of.

- **Unexpected contact** – Sometimes, members are contacted by companies 'out of the blue' and encouraged to transfer their pension benefits elsewhere. If you receive unexpected contact by phone and you're encouraged to transfer (known as 'pensions cold-calling'), it's illegal!
- **Time limited pressure** – members are often encouraged to transfer within a very limited timeframe, which stops you from giving the transfer some more thought. In some cases, the scammer will even send a courier around to your house to get you to sign the transfer forms, which they'll then return to the scammer.
- **Unrealistic returns in comparison to other firms** – in some cases, the receiving pension scheme may offer very high returns on investments that are simply just too good to be true.
- **Flattery** – watch out for over-friendly advisers, who'll often attempt to build a good relationship with you in order to get your trust; flattery might get you most things, but don't let it get your pension!

Remember:

Your pension in the EAPF is a fully protected, guaranteed income, and transferring your pension to another pension scheme can be a risky business – always seek independent financial advice from an authorised and registered specialist if you're considering a transfer out of the EAPF.

[You can search the 'retirement adviser directory' at www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

[Visit www.fca.org.uk to check that you're dealing with a legitimate company.](http://www.fca.org.uk)

[Watch a video on pension scams](#)

Can I transfer external pension into the EAPF if I'm only on a temporary contract?

There's a common misunderstanding when it comes to transferring in other pension rights when you're only working for the Environment Agency (EA) on a temporary contract. Many think it's not worth their while if they're expecting to work for the EA for less than 2 years because you need 2 years of pensionable service to qualify for a deferred benefit (we call this initial 2 years the 'vesting period').

Normally, where a member joins the fund, but then leaves within 2 years, their contributions are refunded to them (less a free standing tax charge of 20%). Having a refund of contributions extinguishes the member's pension rights in the EAPF. However, if you choose to transfer in other pension rights from outside the EAPF within 12 months of joining, but still leave within 2 years, the 2 year vesting period may no longer apply.

[Read more on transferring](#)

5. Online services

Check out our new public website!

We launched our new look public website this summer at www.eapf.org.uk

With simplified menus and improved accessibility, our new public website links you to the key information related to your member type.

We've created a new 'Resources' section where you'll find our latest member newsletters and publications to keep up to date with the Scheme. There's also useful videos and webinars, including recordings of this year's, and previous years webinar series, and also the 'Pensions made simple' series to help you understand how your pension works.

[Visit our new Resources section](#)

We're always looking to make continued improvements and so your feedback is important to us.

[If you'd like to give us feedback on our new public website, please complete our short survey.](#)



Improvements to EAPF Online

In our last newsletter, we told you the portal was going through a migration upgrade this year to improve accessibility, functionality, and overall user experience of EAPF Online.

We've made great progress on these developments and we're hoping to launch our refreshed EAPF Online portal next year to all our members. Don't worry, you won't need to re-register when this eventually happens.

We'll contact you by email when we're closer to going live so watch this space!

Don't forget too, that your pension statements are now only sent to your EAPF Online pensions account, unless you've asked us to post them – so why not register to EAPF Online to see your statement if you haven't already!

[Register to EAPF Online](#)

6. Communications

Join our community

We know that pensions can be a confusing topic, and we want to make it as simple as possible. As part of this, we're setting up an online forum where we'll share ideas and gather feedback.

Your comments will help to inform our communications and ensure we're engaging with Scheme members in the best way possible.

If you'd like to be involved, please register your interest by clicking the link below and we'll send you more information (you can opt out at any time, full terms and conditions to be confirmed).

[Register your interest](#)

Christmas opening times

Capita will be closed from 12.30pm on Friday 24 December and will reopen at 9am on Wednesday 29 December. For New Year, they'll close at 12.30pm on Friday 31 December and will reopen at 9am on Tuesday 4 January 2022.

We wish everyone a Merry Christmas and a Happy New Year!



Contributing member webinars 2021

Our annual Contributing member webinars were held online through October and November this year.

Our pension webinars can help you, whether you're planning for retirement, you're looking to boost your pension, or you've recently joined.

If you didn't get a chance to attend this year, don't worry you can [watch or download our presentations on our website](#).

We also surveyed those who attended our latest sessions and 339 of you completed our survey.

Here's what you told us:

- 100% agreed that the presenter's knowledge was good
- 98% thought the presentation of material was good
- 99% thought the webinar was interesting and informative
- 94% thought the webinar was the right length
- 99% would be interested in participating in future webinars
- 98% would recommend this webinar to others
- 97% felt they'd learnt something new
- 86% feel they still need to learn more about the Scheme

[See more survey results](#)

Changes to our email communications


You may start to notice some minor differences in our email communications.

This comes from us changing to a new email service provider from 12 November. From this point, emails that we've sent you before this date will not display their original images and some links may not work.


If you find that this issue affects you, please contact us at Engage@eapf.org.uk with details of the email affected and we'll provide you with a PDF version containing the links that you need.


We don't expect there to be any significant visible changes to the emails you receive

from us after 12 November, but please be aware that if you have any issues with receiving our communications, you may need your IT security to allow emails from noreply@mail.eapf.org.uk

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**Environment Agency
Pension Fund**

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