

Your Pension

News from the Environment Agency Pension Fund





News from the EAPF

The re-launch of www.eapf.org.uk

Making it easier to understand your EAPF pension

We are launching our redesigned website this winter and have built it with your needs in mind.

We've also provided a new calculator that you can use to get a personal projection of what you're likely to receive at retirement. This is available on your own personal area of the EAPF website.

Some of the key benefits of the new site to you are:

- around the clock access using a range of devices, laptops, tablets and smart-phones
- details of the valuable benefits you get as a member
- information to help you understand how much you pay in and what you get
- guidance on what you need to do if your circumstances change
- access to the latest news, forms and resources
- the ability to ask us questions directly about any aspect of your pension

Registering for EAPF Online

To view your own pension details online, you'll need to register at www.eapf.org.uk. Once there, click on the 'log in to your pension' button. Enter either a valid email address or mobile phone number and your National Insurance (NI) number. Once you've entered these details, we will send you a secure PIN number, either by text message or email and you will be ready to access your details online.

If you've registered before and lost your secure PIN number or your password, you can reset both of these on the site.

Visit us now at our new website to find out more about your pension.

Don't get caught out by pension scams

Pension scams are on the increase and there have been cases where people have been approached about transferring their benefits. These have included:

- pretending that the government or your pension scheme has asked them to contact you
- claiming that you can access your pension pot before age 55
- enticing you with upfront cash
- offering a free 'pension review' or trying to lure you in with so-called 'one off' investment opportunities

If you are thinking about transferring your pension benefits please check the facts before you make an irreversible decision. If we have concerns over your transfer we may get in touch with you directly and this might mean it takes longer to process your transfer. We are acting in your interests so you do not lose your pension savings.

Remember:

- never be rushed or pressured into making a decision
- if you have any doubts, talk to one of the contacts above

You can find more information at the Pensions Regulator's website: www.pension-scams.com

If you think you have been targeted:

✉ Contact Capita (see contact details on the back page), or

☎ Contact the Pensions Advisory Service on **0300 123 1047** or Action Fraud on **0300 123 2040**.

What you'll find on the website

- We've been busy over the last year providing responses to a number of government consultations on changes that affect us as part of the Local Government Pension Scheme (LGPS). You'll find our responses in the Latest News section.
- The Fund and your employer have separate responsibilities and can exercise a number of discretions under the LGPS Regulations. You'll find our updated employer and Fund discretions statements in the Policies section.
- We've been recognised by Pension Expert magazine for the work we've done in redesigning our website as part of our drive to boost engagement among our members. To view the article, visit the Latest News section.



Latest pension news

Pension changes in the 2014 Budget

The Government announced its plans to reform pension saving in this year's Budget. The proposed changes give more flexibility and choice in how you can use your retirement savings to provide an income. The majority of changes are due to come into force in April 2015, but some are already in place.

The change mainly affects people with defined contribution (DC) pensions. The EAPF is part of the LGPS and is not a DC scheme; it is a defined benefit (DB) pension scheme. We will provide further information on our website about these changes as they become clearer.

Increase to the minimum retirement age

By 2028 the Government plans to change the minimum age that you can take your benefits from 55 to 57. The state pension age is also set to rise to 67 by 2028. We expect that the minimum retirement age in the future will be ten years before the minimum state pension age.

Lifetime allowance

You can save as much as you like towards your pension but you are limited on the amount of tax relief you receive.

The lifetime allowance is the maximum amount of pension savings you can build up over your lifetime and if you build up pension savings that are higher than this you will pay a tax charge when the benefits become payable.

The lifetime allowance has now reduced from £1.5 million to £1.25 million for this tax year and a new form of protection, Individual Protection 2014, is now available until 6 April 2017, if you register with HMRC and meet certain criteria. You can find out more in our **Tax controls on pension savings** factsheet in the publications section of the EAPF website.

If you think you already have lifetime protections, or have pension benefits held elsewhere, please provide Capita with these details.



Increasing your benefits

Help from the taxman

For every £100 a month you save into additional voluntary contributions (AVCs) or additional pension contributions (APCs), the actual cost to you will only be £80 if you pay tax at the basic rate. If you pay tax at the higher rate, the actual cost will only be £60. The contribution comes from your salary before it is taxed, so any money the taxman would normally take goes straight to your AVC or APC instead. This is how tax relief on your additional contributions works and is subject to tax limits. The taxman is letting you invest this money in this way rather than taking it from you as tax. Pension income in retirement is taxed as earned income.

Additional pension contributions (APCs)

The 2014 LGPS introduced a new facility that allows you to increase your pension by up to £6,500 using additional pension contributions (APCs).

You can also use APCs to buy back 'lost' pension following a period of unpaid leave, say maternity, paternity, or adoption leave. You can make regular or one off lump sum payments.

If you want to buy extra or lost pension look at the calculator on the Fund website. You can also find more detailed information about how APCs work in the **I want to pay more into the Scheme** section of our website.

If you already pay added years or additional regular contributions (ARCs), you will be able to carry on with these contracts post April 2014 but you cannot enter into any new contracts.

Additional voluntary contributions (AVCs)

You can pay AVCs using either or both of our two providers, Prudential and Standard Life. For more information visit the **I want to pay more into the Scheme** section of our website.

Your AVCs grow largely tax free, boosting the amount you have when you come to retirement. You can normally take up to 25% of your AVC pot as a tax free cash lump sum, subject to tax and Scheme limits.

If you started paying AVCs before April 2014, you can take 100% of them as a cash lump sum, if this is taken with your main Scheme benefits.

AVCs allow you to stay in control of your finances. You can make changes easily through our providers. You can stop, adjust or start your AVCs at anytime. You can also make a one off lump sum contribution.

If you stop or reduce your payments, this will affect how much you have when you retire. If you stop your payments, charges will still apply.

Your Fund

A summary of the Fund year

We highlighted the work we've been doing as part of the Fund's triennial valuation and the introduction of the LGPS reforms in our spring newsletter. Since then, we have been responding to a number of government consultations and bedding in the new LGPS regulations.

The Fund celebrates its tenth anniversary of working to reduce climate risk as part of our investment strategy. We've produced a report about our exposure to 'carbon stranded assets', which looks at the fossil fuel reserves on the balance sheet of companies we invest in. You can view the full report in the **publications** section of our website.

We developed a 'mandate for the future', which concentrates on sustainability and long term investing to encourage fund managers to take a long term view in their approach to investment.

If you want to see more information about this or would like to view our Active and Closed Annual Reports, please visit our website at www.eapf.org.uk



Performance

We are pleased to report that there has been continued improvement in the value of the Active Fund's assets from £2.12 billion at 31 March 2013 to £2.31 billion as at 31 March 2014 (a rise of £188m). Our assets are made up from employer and employee contributions and the growth of our investments.

Our investment strategy delivered excellent results with an 8.4% return on performance for the year, which is a 3.9% increase on the Fund's strategic benchmark. As at 31 March 2014 the Closed Fund's net assets decreased from £166.2m to £165.6m.

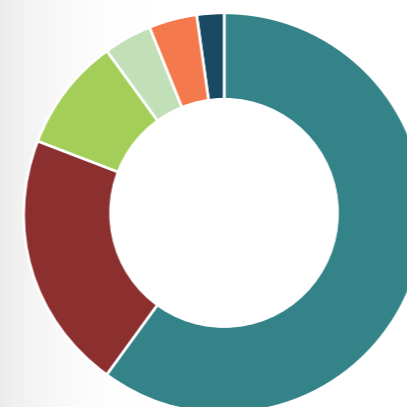
We had a robust funding position of 90%, as assessed by our triennial actuarial valuation in March 2013 and our funding at March 2014 was estimated to be a very healthy 99%. The EAPF is one of the best funded schemes in the LGPS.

A new electronic publication

We will shortly be launching the very first edition of Spotlight on our website. This is a new annual publication that provides facts and figures on the EAPF's Active and Closed Funds.

Spotlight provides a clear view of both our Funds' financial performance to 31 March 2014 along with a breakdown of the accounts and an update on membership, asset allocation and performance.

How we invest the Active Fund



- Equities - 63%
- Bonds - 20%
- Gilts - 9%
- Property - 3%
- Private equity - 4%
- Cash - 1%

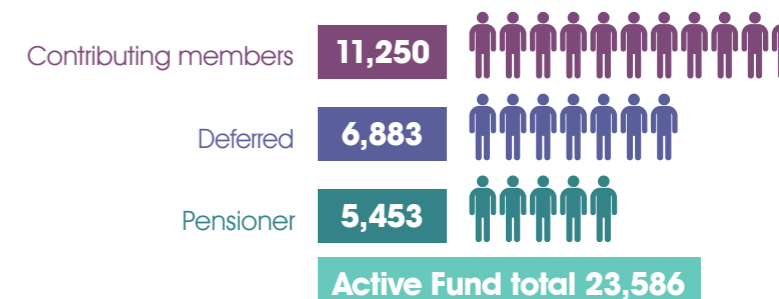
Investing responsibly

The Fund has recently featured as a case study on the Principles for Responsible Investment (PRI) website as part of a work programme on environmental and social themed investing.

Our approach to responsible investment was recently highlighted in Responsible Investor magazine, which explored best practice and recognised our Active Fund as an influential investor.

Fund membership at 31 March 2014

Active Fund



Closed Fund



Active Fund account

	2014 £'000	2013 £'000
Contributions & benefits		
Contributions	91,633	68,038
Transfers	5,079	5,797
Benefits payable	-70,696	-61,193
Payments to and on account of leavers	-3,143	-1,933
Administration expenses	-1,662	-1,304
Net addition from dealing with members	21,211	9,675
Return on investments		
Investment income	42,140	32,489
Taxes on income	-915	-799
Change in market value of investments	137,574	231,902
Investment expenses	-11,695	-8,328
Net returns on investments	167,104	255,264
Net increase in Fund during the year	188,315	264,939
Opening net assets as at 1 April 2013	2,125,661	1,860,722
Net assets of the Fund at 31 March 2014	2,313,976	2,125,661

Contact details

If you have any questions regarding your pension entitlement you can contact our pension administrator, Capita, by:



Using the '**Contact the EAPF**' button on the website at **www.eapf.org.uk**



Emailing **info@eapf.org.uk**



Calling **0800 1216593**



Sending your query to

**Capita
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL**