

# Your Pension

News from the Environment Agency Pension Fund





## Chairman's welcome

Welcome to the summer edition of our newsletter, which provides you with an update on the Local Government Pension Scheme (LGPS) and other topical pension matters.

This year sees the Fund busy preparing for its triennial valuation. It also sees us continue our collaborative work with a number of Local Government Pension Funds in the South West and wider afield. This is in response to the Government's announcement in the July 2015 budget statement that they intend to work with LGPS Funds to ensure that they pool investments to significantly reduce costs and maintain investment performance.

This has led to the creation of the Brunel Pension Partnership, and the group will follow up its initial submission to the consultation in July of this year. You can find further information in this newsletter.

The team has also been recognised for its hard work by being ranked #1 in the AODP World Global Climate Index for 2016, and we were featured as #6 in a list of asset owners, who contributed to the wider Socially Responsible Investment debate globally, by IRR1.

We applied for, and received Customer Service Excellence (CSE) accreditation earlier this year, in recognition of the emphasis that we place on developing customer insight, and understanding what you, our members, want from us.

CSE is a government service standard developed to drive customer-focused change within organisations, and we committed ourselves to achieving the CSE accreditation in 2016 and achieved this with a number of 'compliance plus' accreditations.

I hope that you will find this newsletter useful and informative. We do value your feedback, so please get in touch with any comments or suggestions via the contact details on the back page.

**Clive Elphick**

**Chairman of the Pensions Committee**

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# How we invest



**2016 GLOBAL CLIMATE INDEX**  
THIS FUND RANKS AMONG THE TOP 2% OF ASSET OWNERS IN THE WORLD WHEN IT COMES TO MANAGING CLIMATE RISK.

## Pooling our pension investments

In 2015 the government announced that they wanted the 89 Local Government Pension Scheme funds to pool their investments into larger pools in order to achieve savings in investment management costs.

In response the Brunel Pension Partnership (BPP) project was set up to explore the options for pooling investment assets across ten Funds. The founding Funds include The Environment Agency Pension Fund, and the Local Government Funds of Avon, Buckinghamshire, Cornwall, Devon, Dorset, Gloucestershire, Oxfordshire, Somerset and Wiltshire.

The collective assets of the pool are approximately £23 billion. The pool will look to deliver the savings based upon the collective buying power the collaboration initiative will produce and more effective management of the investment assets.

Local accountability will be maintained as each individual fund will remain responsible for strategic decisions including asset allocation. Our approach to responsible investment is fully integrated into our investment strategy and this will be maintained.

We will, as part of the BPP, be submitting our latest proposal to government in July and expect to make a final decision based on a full business case by December 2016.

More information and updates about the project can be found on the Brunel Pension Partnership website at: [www.brunelpensionpartnership.org](http://www.brunelpensionpartnership.org) or via our own website.

## EAPF ranked #1 in Global Climate 500 Index 2016

The Environment Agency Pension Fund (EAPF) has achieved a AAA rating in this year's Global Climate 500 report, ranked at #1 in the World Index.

We've maintained our Triple A rating for 3 years in a row. This year's ranking builds on our previous strong showing and recognition as number 1 leader for managing climate risk globally.

Read the full report on our website or find more information on the Asset Owners Disclosure Project website at [www.aodproject.net](http://www.aodproject.net)

## Being a long term investor

As part of our 10 chapters for 10 years series, the 3rd chapter 'Being a long term investor' focuses on investing responsibly and the way environmental, social and governance issues can affect investment returns. This can be found on our website at [www.eapf.org.uk](http://www.eapf.org.uk)

The next chapter, Evidencing Responsible Investment, to be published in June 2016, will focus on carbon risk and managing the impact of climate change.



# Latest pension news

## Exit payment cap

The Government has confirmed the introduction of a 'cap' to exit payments made to employees of public sector bodies when they leave employment. This cap will cover all of the major public services, including local government, teachers, civil service and NHS employees.

The Government is proposing to apply a £95,000 limit on the total value of all payments, including both voluntary and compulsory termination of employment.

The proposed cap will include:

- Redundancy payments
- Any other compensation or severance payments
- Employer capital costs of providing early unreduced access to benefits\*

\*If you leave on redundancy or reasons of efficiency after the age of 55, you're entitled to receive unreduced benefits immediately. This generates a cost to your employer, as they're effectively covering the cost of releasing your pension early.

This cost will be added to any other payment (such as redundancy) that you receive and then measured against the £95,000 exit payment cap.

Benefits relating to ill health retirement aren't affected and SSCL employees aren't subject to the exit payment cap.

The cap will be effective from 1 October 2016 and only applies to exit payments after that date.

Another consultation on further limiting exit payments has been published and this consultation closed on 3 May 2016. We'll monitor and communicate these developments in conjunction with your employer.

## New state pension

If you keep up to date with our website or have read our previous two newsletters you'll see that the Government has introduced the new single tier State Pension from 6 April this year, so anyone reaching their state pension age after 5 April will receive the new state pension.

Our website gives further details on how this replaces the previous basic and additional State Pension.

From 6 April 2016, the LGPS will no longer be 'contracted out' of the additional State Pension, and the rebate on National Insurance (NI) contributions which LGPS members previously enjoyed has now stopped. So as a result, LGPS members will pay a higher amount of NI than in previous years.

You can find out more information on how to calculate your new state pension at [www.gov.uk/new-state-pension](http://www.gov.uk/new-state-pension) or by reading the state pension Q&A on our website.



### Contribution pay bands

The Government has confirmed that the employee contribution pay bands won't change for 2016/17.

This means, the pay bands applied in the 50:50 Section will also stay at the same rate.

### How does my CARE pension increase?

The Local Government Pension Scheme changed from a final salary scheme to a career average revalued earnings (CARE) scheme on 1 April 2014 which affects the way your pension is calculated.

The benefits you've built up before 1 April 2014 are still worked out using your final pay at the point that you retire, so we look at this date and work out your pensionable pay over the last 365 days. We then use this pay figure to work out the pension you've built up to 1 April 2014.

We'll also look at the two previous years if this gives you a higher pay figure for the calculation.

Some members can use a 'protected' pay figure that goes back further.

However, the CARE pension you've built up after 1 April 2014 is worked out by looking at your pay each year. We then divide this by 49 and add it to your pension account (unless you're in the 50:50 Section of the Scheme, in which case, we divide your pay by 98).

Every year we take the value of your CARE pension in your pension account and revalue it in line with a Government Treasury Order. Treasury orders are usually in line with the Consumer Price Index (CPI), which is a Government indicator of price inflation. If there is a fall in price inflation, HM Treasury can issue an order that means we must apply negative revaluation for that year.

#### Since the introduction of the CARE scheme:

<b>April 2015</b>	1.2% CPI
<b>April 2016</b>	-0.1% CPI

This means that the value in your account will have seen a +1.2% growth last year, and a reduction of -0.1% for this year.

This does not affect the benefits that you've built up before 1 April 2014.

We'll keep you updated on your pension through your annual benefit statement which will be issued this Autumn.





## Pension taxation reminder!

These tax changes are unlikely to affect most of our members, and we'll contact individuals who are likely to exceed these tax limits directly.

There are limits to the value that your pension benefits can increase without you having to pay a tax charge. The annual allowance for tax year 2016/17 is £40,000.

Tapered annual allowance has been introduced from April 2016, this limits tax relief for individuals with 'adjusted' incomes above £150,000.

This means we'll calculate the annual growth in your pension each tax year instead of each scheme year as before. For more information on tapered annual allowance, please visit our website at [www.eapf.org.uk](http://www.eapf.org.uk)

The lifetime allowance for 2016/17 has reduced from £1.25 million to £1 million. Additionally, from April 2018, the lifetime allowance will be indexed year on year in line with the Consumer Price Index.

## From April 2016 you'll be able to apply for one of two protections

Fixed protection 2016 (FP2016) is available for those that don't already have a previous version of protection and don't contribute into or build up further benefits in the scheme after 5 April 2016. The lifetime allowance for these individuals will be £1.25 million or the lifetime allowance at the time of retirement, whichever is higher.

Individual protection 2016 (IP2016) is available for those that have a value in excess of £1 million as at 5 April 2016. You'll be able to apply for these new protections by using a new online self-service system which will be available from July 2016. Details of this online facility will be accessible directly through HMRC.

If you've previously applied for, and received any previous protections please send a copy to Capita so that we can update your record.

## Invitation to join the EAPF's Pensions Committee

We're currently in the process of recruiting a 'contributing' member representative to join our Pensions Committee.

The successful candidate will assist the Pension Fund in further developing our governance, meeting the requirements of the regulator and supporting the Fund in assuring compliance with regulations.

Applications are now closed but if you'd like to be considered for future positions, more information can be found at [www.eapf.org.uk/trustees/pc-contributing-member-pack](http://www.eapf.org.uk/trustees/pc-contributing-member-pack)

## Are you a former DoE or HMIP employee?

As a former employee of The Department of the Environment (DoE), Civil Service or Her Majesty's Inspectorate of Pollution (HMIP), we'll be inviting you to a pension webinar in September.

The purpose of the presentation is to make you aware of the specific issues that are important to our HMIP members, such as protected normal retirement date and the treatment of benefits following the public service pension schemes reform.

To book a place on the webinar, please email [eapfbriefing@capita.co.uk](mailto:eapfbriefing@capita.co.uk) and we'll send you more information closer to the date. Alternatively, call us on **0800 121 6593**.



## Upcoming webinars

Later this year we'll be inviting you to attend a number of topical presentations about your pension. Keep an eye out for our promotional posters in August and various internal communications.

## Life cover

Have you completed an expression of wish form, nominating someone to receive a lump sum death grant in the event of your death? And have you kept this information up to date if your circumstances have changed? Visit [www.eapf.org.uk/forms](http://www.eapf.org.uk/forms) or call us for a form.

## Registering your cohabiting partner for a pension

Your cohabiting partner could be eligible to receive a 'survivors' annual pension if you've been living together and free to marry for more than 2 years. Contact Capita to register your partner's details.

# Customer satisfaction survey

We undertook a customer survey with our EAPF Online users in January to help get an understanding of what our members think of our pension service and communications.

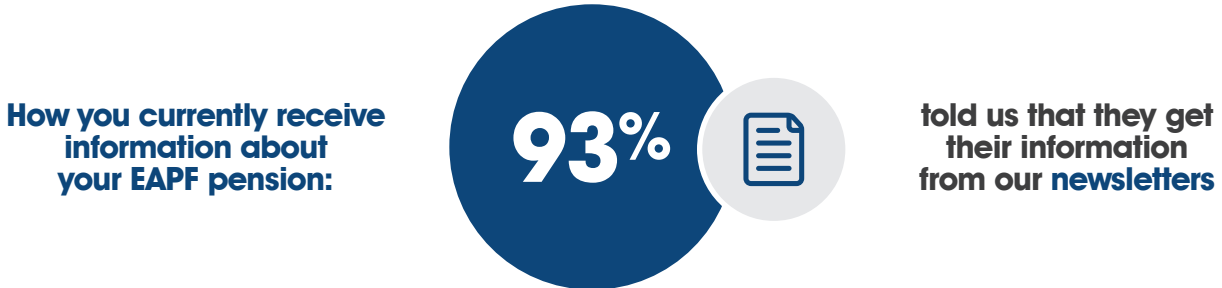
Your feedback suggested that there's a need for us to make some changes to our communications and the vehicles we use to communicate with you. Here's what you told us.



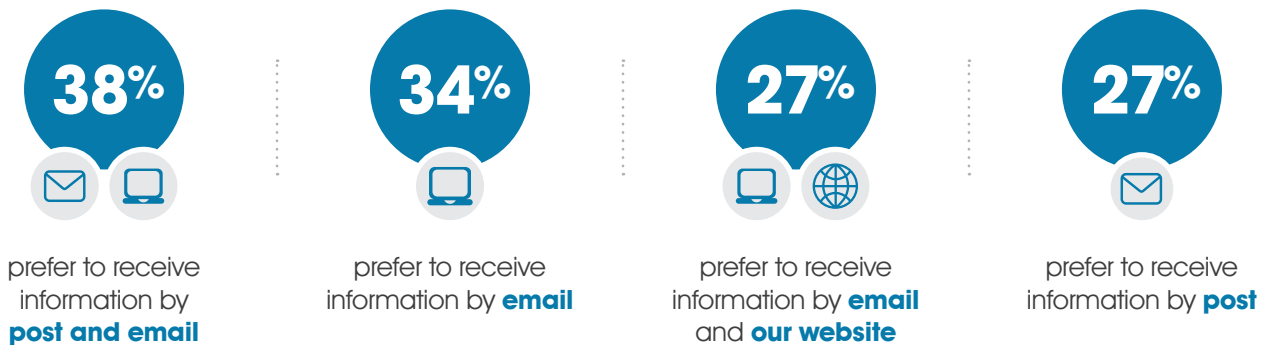
Some of the most important use of the website included viewing benefit statements, retirement pages, calculators for retirement forecasting, recent updates and important news. You also told us we don't communicate enough and when we do,

we need to ensure it's simpler, relevant and more personal to your circumstances.

**Watch this space. As there will be some changes to our communications this year!**

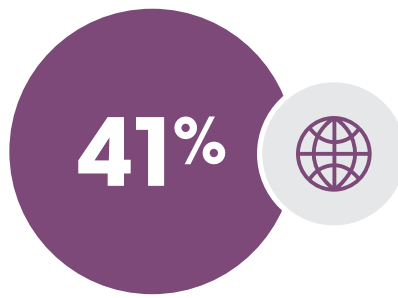


## How you prefer to receive your information:





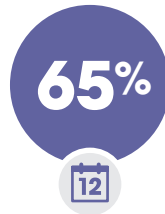
How you receive information about your EAPF pension outside of our newsletter:



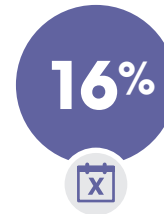
told us that they get their information from our website



have used the website in the last 6 months



have used the website in the last year

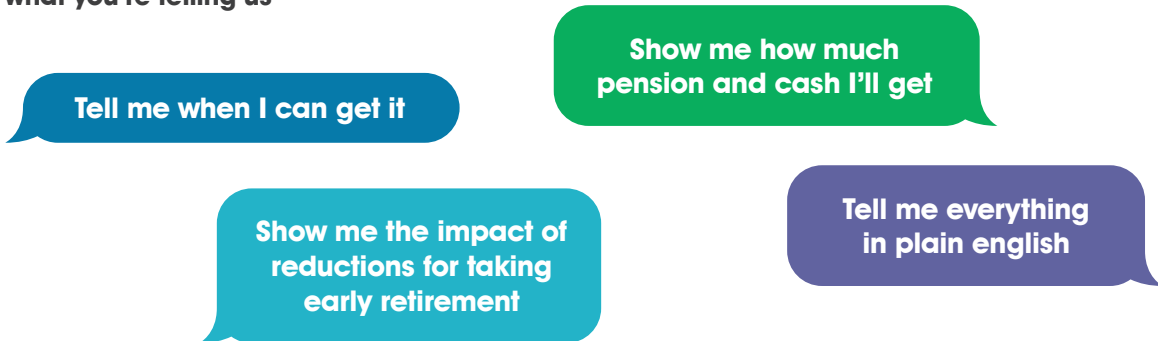


have not used the website at all in the last year

### Listening to you

As well as obtaining your feedback via our survey, we also recently undertook two focus groups in Reading and Birmingham, and one usability study in Bristol to help us get an understanding of the effectiveness of our annual benefit statement.

#### This is what you're telling us



#### When asked about our current statement, you also told us:



We would like to thank all our members who took part in the feedback, and we'll use this information to develop future statements.

# Pensioner and deferred members



## Revaluing your annual pension

There will be no change to your pension in payment this year.

We revalue your pension each year in line with the change in the Consumer Price Index (CPI). This year's CPI was -0.1%. We don't apply a negative figure to pensions in payment and this is why your pension remained at its current rate this year.

## Your latest P60 and payslip details

Your latest P60 information has been issued to your home address. On the reverse of this document you'll also find your payslip details. If you haven't received your latest P60 and payslip details, please call us on **0800 121 6593** or you can email us at [info@eapf.org.uk](mailto:info@eapf.org.uk).

Month	Pay dates	Month	Pay dates
<b>April</b>	Friday 29th	<b>October</b>	Monday 31st
<b>May</b>	Tuesday 31st	<b>November</b>	Wednesday 30th
<b>June</b>	Thursday 30th	<b>December</b>	Friday 23rd
<b>July</b>	Friday 29th	<b>January</b>	Tuesday 31st
<b>August</b>	Wednesday 31st	<b>February</b>	Tuesday 28th
<b>September</b>	Friday 30th	<b>March</b>	Friday 31st

## Protecting your money

The EAPF is required by law to protect the money we administer. Under the 'National Fraud Initiative' (NFI) we may share information from time to time with other bodies responsible for administering public funds, in order to prevent and detect fraud.

We're required to participate in an electronic data matching exercise, where we compare computer records with other bodies which can sometimes highlight inconsistencies. We may contact you with a request for more information if this happens, but please don't be alarmed as we're simply looking for clarification.

We have a fraud policy available that explains the screening that we do, and the steps we take to check unreported deaths, along with our policy for checking pensions being paid abroad.

## Keeping us informed

Remember to keep us updated if you're moving home, have changed your marital status, have any changes in respect of a cohabiting partner, or if you want to make changes to your death benefit nominations.

## Pensioner member briefing and webinar

In June we held our annual pensioner briefing in Manchester and for those who couldn't attend, we provided a webinar. We covered a number of interesting topics and issues related to your pension benefits.

## Deferred member webinar

For our deferred members you can book a place on our deferred member webinar on Wednesday 27 July between 4.30pm and 6pm.

To book a place on the webinar, please email [eapfbriefing@capita.co.uk](mailto:eapfbriefing@capita.co.uk), and we'll send you more information.

Alternatively, call us on **0800 121 6593**.

A webinar is a seminar which takes place online using a desktop computer or laptop. We'll send you details so that you can log in, and you'll then be able to see and hear the presentation as it happens. It also gives everyone who joins in, a chance to discuss and ask questions to the presenter(s).

## NI database and TUO

A national database has been created to allow funds to check if their members have LGPS pensions' records in other pension funds. Extracts from this database are periodically shared with the Department for Work and Pensions (DWP) as part of the Tell Us Once (TUO) service.

TUO is a service that lets you report a death to most government organisations. You only need to report it once and the TUO service relays this to all relevant government departments (including HMRC, DWP, the Passport Office and DVLA). Your local registrar will give you a unique reference number to access the Tell Us Once service.



# We need you – get involved

## Going digital

Based on your feedback and to help the environment, we're changing the way we communicate with you about your pension. We're looking to go digital, but in order to succeed in this we need your support.

Therefore, the next edition of the winter newsletter will be circulated via email to those we have details for and available via our website.

Later this year we'll also be asking for volunteers to access a digital annual benefit statement for the first time. This will help us to gather useful insight as to whether you'd be interested in receiving a digital statement in the future.

Going paperless is a great way to stay organised, by cutting down on your filing and having access to all the information you need in one central place as well as being more secure. You'll also be able to print copies of your statements whenever you need to and we'll email you when your statement is ready to be viewed online.

If you'd like to be part of the online trial please contact us at [eapf@environment-agency.gov.uk](mailto:eapf@environment-agency.gov.uk)

## Calling for volunteers!

Why not volunteer to take part in our focus groups? The more members taking part, the better we can understand your needs and help you get the most out of the Fund.

If you would like to join in with any future focus groups then we're very keen to hear from you, just call **0800 121 6593** or email us at [eapf@environment-agency.gov.uk](mailto:eapf@environment-agency.gov.uk)

## Customer Service Excellence (CSE)



The EAPF applied for, and received Customer Service Excellence (CSE) accreditation this year.



CSE is a government service standard developed to drive customer focused change within organisations. We committed ourselves to achieving the CSE accreditation in 2016 and achieved this with a number of 'compliance plus' accreditations.



CUSTOMER  
SERVICE  
EXCELLENCE

We have gained a greater understanding of your experience of our service by applying this standard to the work that we do.

And we hope this helps improve the way we listen and communicate with you.

## 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](http://www.eapf.org.uk)



Emailing [info@eapf.org.uk](mailto:info@eapf.org.uk)



Calling **0800 1216593**



Sending your query to  
**Capita**  
**11b Lingfield Point**  
**Darlington**  
**DL1 1AX**