

Pensioner member briefing

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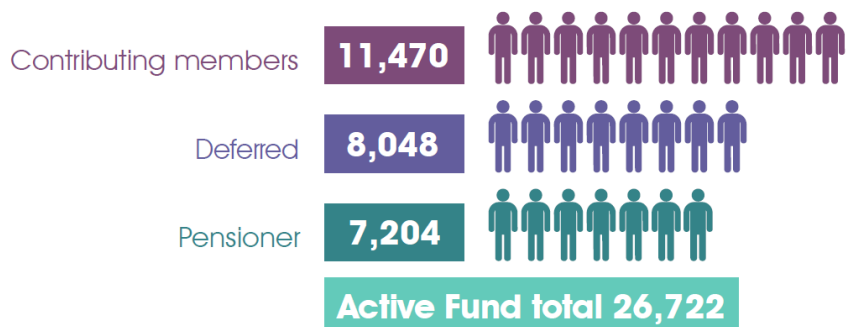
Agenda

- Our Pension Funds
 - Summary of Pension Benefits
 - Personal allowance & Income tax
 - Death benefits
 - Topical Changes
 - Communications
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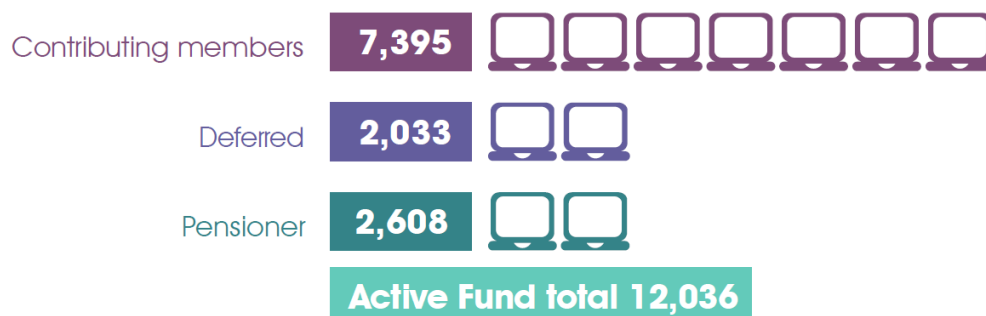
Our Pension Funds

Membership vs Online registrations

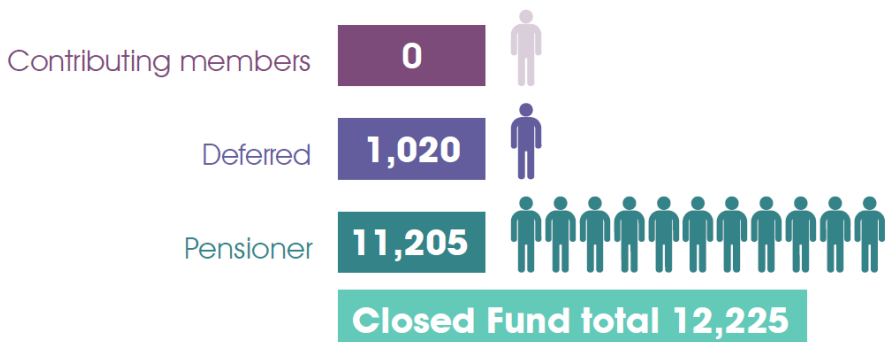
Active Fund - as at 31 March 2020



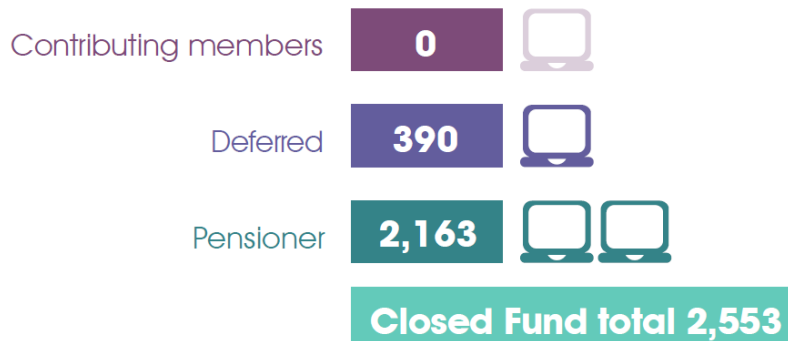
Active Fund - as at 31 March 2020



Closed Fund - as at 31 March 2020

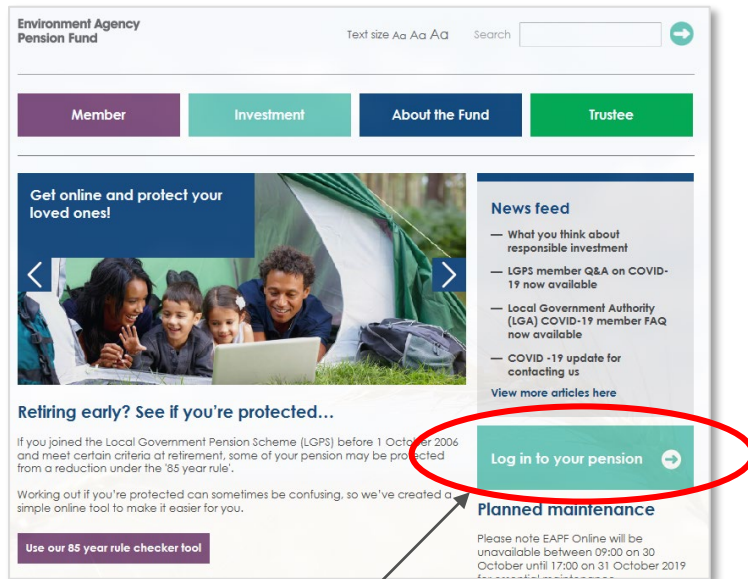


Closed Fund - as at 31 March 2020

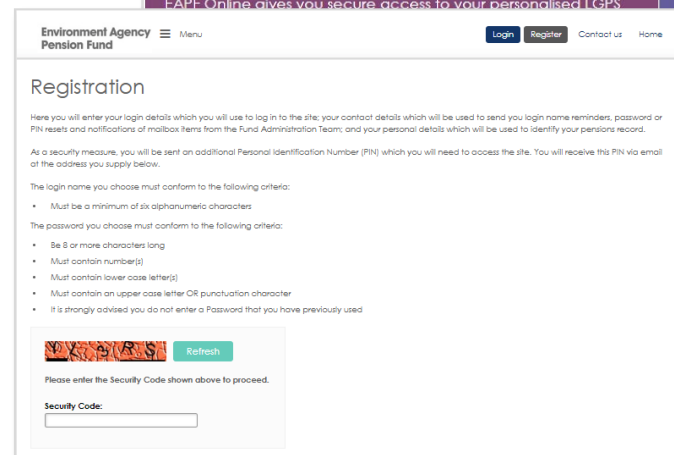
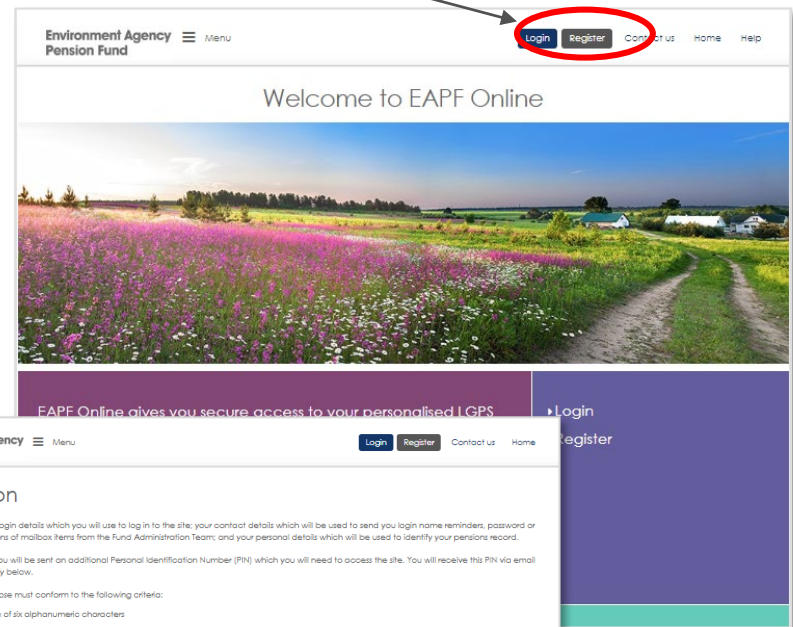


Register on EAPF Online

Or go directly to portal.eapf.org.uk then click 'Register' and follow the easy steps



From www.eapf.org.uk select 'Log in to your pension' and follow the easy steps



Management of the fund

Governance

- EAPF has both Pension Board and Committee
 - Safeguard interests of all EAPF Members
 - Pension Fund Management Team
 - www.eapf.org.uk/trustees/governance-policies
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Investments



Valuation Results

- Our last triennial valuation was in March 2019, where our assets were valued at around £4 billion and a funding ratio of 106%
 - Still a healthy level as at 31 March 2020 at just over 100%
 - Funding levels at the previous Fund valuations in 2016 was 103% and in 2013 it was 90%
 - We have one of the highest funding levels across all of the Local Government Pension Scheme (LGPS)
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Commendations

Recognised Global Leader in Responsible Investments by the Principles for Responsible Investment (PRI).



Customer Service Excellence scoring highest rating of 'Compliance Plus' in 5 out of the 57 scoring areas.

Compliance Plus received for:

- commitment to delivering excellent services
- staff empowerment
- customer insight
- responsible investment strategy
- national and international awards on climate change AGM initiative

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Summary of Pension Benefits

Summary of pension benefits

- Pension for life, revalued in line with cost of living
 - Pension for dependants
 - All the benefits that you've built up are protected by the Government
 - Though benefits **could be reduced** on re-entering employment
-

Cost of living revaluation

LGPS pension

- Pension revalued by Pensions Increase (Review) Orders (i.e. inflation, currently CPI)

Guaranteed Minimum Pension (GMP)

- Revalued as above, shared between EAPF and State pension

State pension

- Higher of growth in prices (currently CPI), average earnings or 2.5%
 - 'Triple lock guarantee'
-

Cost of living revaluation – April 2020

CPI

- Period assessed = October 2018 – September 2019
- CPI = 1.7%
- Applied in April 2020

Impact on contributing members

- Career average benefits increased by 1.7%

Impact on deferred & pensioner members

- Benefits increased by 1.7%



Pensions Increase (PI) & GMP

Met SPA before 6 April 2016

- Pre 88 GMP = no revaluation (paid by the State)
- Post 88 GMP = revalued in line with PI, up to 3% (excess paid by State)
- Pension in excess of GMP = revaluation paid by EAPF

Meet SPA between 6 April 2016 & 5 April 2021

- **All** revaluation paid for by EAPF

Meet SPA after 5 April 2021

- To be confirmed – **watch this space!**
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Your State Pension

- State pensioners before 2016 had a 'two-tiered' State pension
 - Since 2016, new State pensioners could qualify for flat rate 'single tier' State pension of £175.20 pw (2020/21 rate)
 - Need 35 qualifying years for a full pension
 - Applies to:
 - Women born after 5 April 1953
 - Men born after 5 April 1951
 - **To calculate or forecast your State pension, contact www.gov.uk/check-state-pension**
-

Topping up your State Pension

- You **may** be able to pay contributions to fill any 'gaps' in your National Insurance records
 - The rules concerning eligibility are complex and differ depending on your circumstances
 - For more information
 - Visit www.gov.uk/check-state-pension
 - Contact the 'Future pension centre' on 0800 7310175
 - Complete an online enquiry form at www.gov.uk/future-pension-centre
-

Re-entering employment

- If, having taken your LGPS pension, you enter:
 - **Non-LGPS employment** – no issue
 - **LGPS employment** – you **must** tell the EAPF
- Re-entering LGPS employment – if you stopped contributing:
 - **Before 1 April 1998** – your LGPS benefits **may** be affected
 - **After 31 March 1998** – your LGPS benefits **won't** be affected*, **unless** you:
 - Retired on Tier 3 ill health; or
 - Were awarded Compensatory Added Years on retirement

*If you receive a LGPS pension from another fund, their policy may be different

Personal Allowances & Income Tax

Income Tax

All income is taxable including:

- State pension
- Occupational or personal pension
- Employment income
- Interest on savings, etc.



The amount you can earn before you pay tax is shown on the following slides.

Personal Allowances & Income Tax – Thresholds (E & W)

Personal allowance	2020/21	Income limit
Basic*	£12,500	£100,000
*Applies to everyone, whatever your date of birth		
Income Tax	Rate	2020/21
Basic rate	20%	£12,501 – £50,000
Higher rate	40%	£50,001 – £150,000
Additional rate	45%	Over £150,000

Death Benefits

Death Grants

Date of Leaving	Pensioner members
Before 01/04/1998	Dependent on: <ul style="list-style-type: none">• Period of membership• Reason for retirement• Age at date of retirement• Pay at leaving But not always payable
01/04/1998 to 31/03/2008	5 x pension, less any pension already paid
After 31/03/2008	10 x pension, less any pension already paid
DEATH GRANTS CANNOT BE PAID AFTER AGE 75	

Nominating Beneficiaries

- Nominate who you wish to receive a death grant in the event of your death
 - Not legally binding, but the Environment Agency Pensions Committee will endeavour to abide by your wishes
 - **May** enable payment to be made to your loved ones more quickly
 - Payments made in this manner are not subject to inheritance tax
 - Forms can be submitted online by logging into your [EAPF Online](#) account or download a paper version at www.eapf.org.uk/forms
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Survivors' Pensions

Spouse/partner (payable for life)

- Husband/wife
- Civil partner
- Cohabiting partner
 - Leavers after 31 March 2008 only



Eligible child

- Up to age 18, or age 23 if in full time education
- Any age, if unable to work due to permanent incapacity/impairment at member's date of death

Survivors' pensions revalued each year in line with inflation (currently CPI)

Survivors' Pensions

Normally...

	Benefits built before 01/04/2008	Benefits built between 01/04/2008 & 31/03/2014	Benefits built after 31/03/2014
Member	final salary, 80 th	final salary, 60 th	Career average, 49 th (main) / 98 th (50:50)
Spouse/ Partner*	50%*	37.5%	30.625% (of main section)
Eligible children**	50%, Split between 2+ eligible children	37.5%, Split between 2+ eligible children	30.625%, Split between 2+ eligible children

*Spouse/partner's pension *may* not be based on all of your pre 1 April 2008 benefits

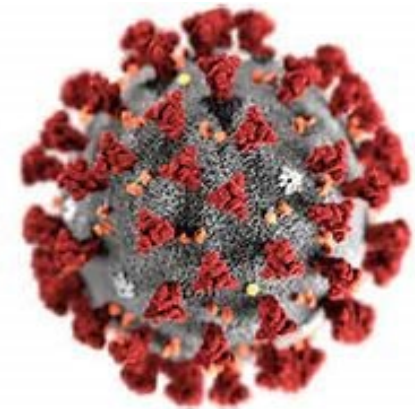
**May be higher if no spouse/partner's pension payable

Topical Changes

Impact of Covid-19

- The Covid-19 ('the coronavirus') pandemic has resulted in stock market crashes throughout the world
- Is my LGPS pension affected by the stock market crashes?
 - No!
 - LGPS is a **statutory** scheme, backed by a government promise
- We've recently published an 'LGPS member Q&A on Covid-19' which is downloadable from our 'Other useful factsheets' section at <https://www.eapf.org.uk/publications>

LGPS benefits are fully protected!



‘Cost cap’ – changes to LGPS benefit structure

- Government introduced a ‘cost cap’ mechanism for public service pensions schemes in 2013
 - Estimated in 2013 that it would cost 19.5% of an employee’s salary to fund future pension benefits
- ‘Cost cap’ tolerance limit set at 2%
 - >2% at next valuation = Scheme changes **need** to be made
- Based on 2016 valuation, it costs <17.5% to fund future pension benefits
 - **Positive changes were planned for benefits built up after 31 March 2019**
- The LGPS consulted on possible changes to Scheme design; **but**
 - A high profile court case led to the **changes being put on hold...**

'McCloud' – the return of final salary?

- Supreme Court case about the protections given to older members when the public service pension schemes changed from 'final salary' to 'career average' (CARE) schemes
 - LGPS gives the better of final salary or CARE for such members
- Supreme Court ruled that this protection for older members was age discriminatory
 - 'Appropriate remedy' for those affected
 - Remedy will be applied automatically – no need to claim!
- McCloud ruling raises many questions on what 'remedies' should be offered
 - Remedies likely to be costly!
- Government have said that McCloud remedy take priority over Cost Cap changes
 - May result in Cost Cap changes being altered for the worse
 - Unions not happy, as some members entitled to Cost Cap changes aren't eligible for McCloud remedy

Opposite-sex civil partnerships

- Supreme Court ruled in 2018 that civil partnerships should be extended to hetero-sexual couples
 - Brought into law on 31 December 2019
- LGPS Regulations amended with effect from 31 December 2019
 - Survivors of opposite-sex civil partnerships are now treated the **same** as widows & widowers of opposite-sex marriages



WASPI's 'Backto60' campaign

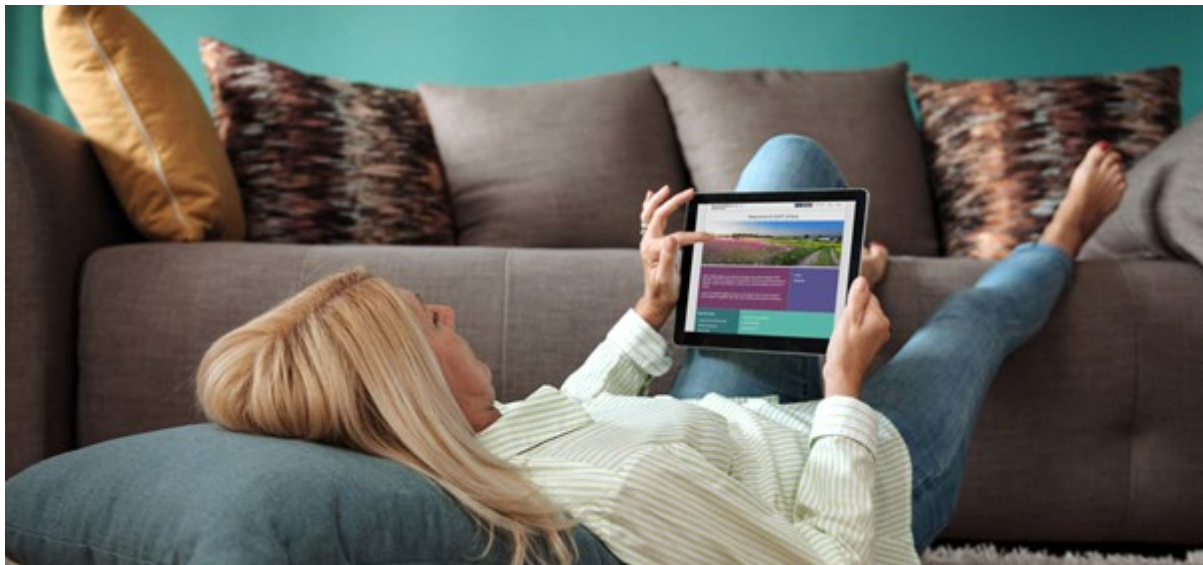
- **Between 2010 and 2018 the women's State Pension age (SPA) gradually increased to 65**
 - Applied to women born after 5 April 1950
 - The SPA for men and women, once equalised at age 65, has increased at the same rate thereafter
- **Women Against State Pension Inequality (WASPI) formed in 2015**
 - WASPI argued that those born in the 1950s had inadequate time to prepare for the changes
 - 'Backto60' campaign seeks transitional payments for those affected
 - Age and sex discriminatory charges were brought against the DWP
- **High Court ruling in October 2019**
 - Ruled that SPA changes did **not** discriminate on age &/or gender
 - WASPI have since been granted leave to appeal this decision
- **Due to COVID-19 crisis, WASPI are now arguing to receive early access to State Pension**



Communication

Web Portal

- On [EAPF Online](#) you're able to update your personal details online, and nominate a beneficiary at a time that suits you.
- We're currently developing the option to be able print and download your payslips and P60s – Watch this space!
- If you've any suggestions for improvement or any comments please contact us at Engage@eapf.org.uk



Pensioner newsletter

- Newsletter sent to our retired members in April
- It covers a lot of the topical issues covered in this webinar
- You can also download all our newsletters from <https://www.eapf.org.uk/newsletters-and-spotlight/newsletters>
- We'd like to hear your suggestions for content or how we can improve?



Protecting personal data

General Data Protection Regulation (GDPR)

- EAPF is a Data Controller under the GDPR
 - We store, hold and manage your personal data in line with statutory requirements
 - Enables us to provide you with pension administration services.
- We're required to share your information with certain bodies, but will only do so in limited circumstances.
- You can find out more about how we hold your data, who we share it with and what rights you have to request information from the Fund, by visiting www.eapf.org.uk/privacy-policy

Contact us

Please contact us if you:

- Move house or change bank account
- Have a change in circumstances such as marriage/divorce or enter/dissolve a civil partnership

Please make sure your dependents/carer know they should contact Capita in the event of:

- **Your death:** We've created a new guide called '[Bereavement and how we can help you](#)' to help people deal with things such as notifying us of a death, dealing with Probate and what they might need to send us. You can download this from our 'Other Useful factsheets' section at www.eapf.org.uk/publications
- **You becoming incapable of looking after your own affairs** – they should provide copy of Enduring Power of Attorney

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



Following on twitter
[@EAPensionFund](https://twitter.com/EAPensionFund)



Calling **0800 121 6593**
+44 114 452 5008 (overseas)



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

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If you require advice on this subject you should contact an independent financial adviser.