
Deferred member briefing

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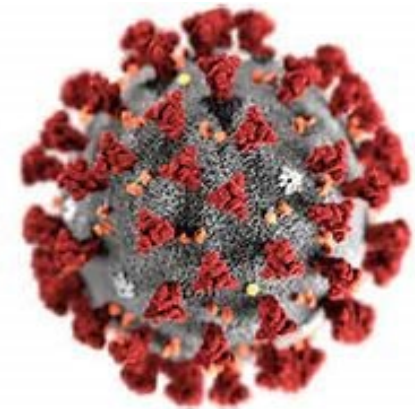
Agenda

- Our Pension Funds
 - Summary of Pension Benefits & Options
 - Death benefits
 - Topical Changes
 - Communications
-

Impact of Covid-19

- The Covid-19 ('the coronavirus') pandemic has resulted in stock market crashes throughout the world
- Is my deferred 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 you can download from our 'Other useful factsheets' section at <https://www.eapf.org.uk/publications>

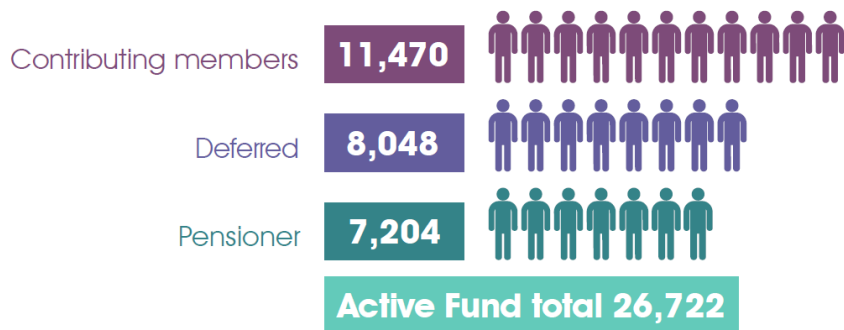
LGPS benefits are fully protected!



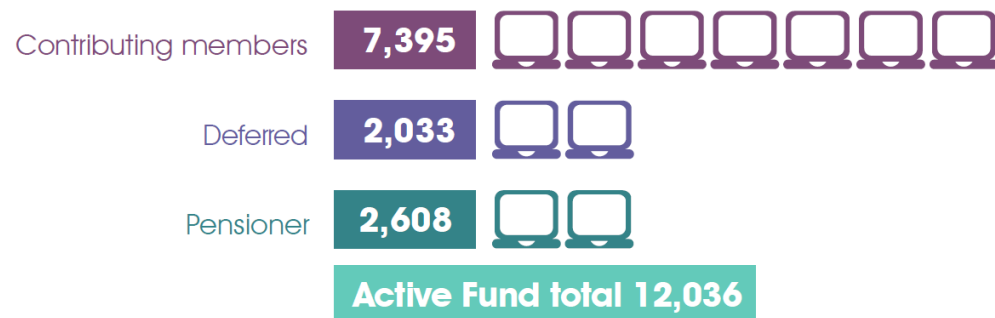
Our Pension Funds

Membership vs Online registrations

Active Fund - as at 31 March 2020



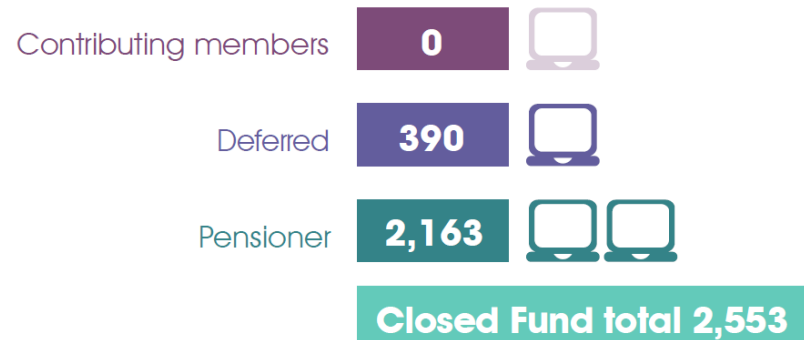
Active Fund - as at 31 March 2020



Closed Fund - as at 31 March 2020

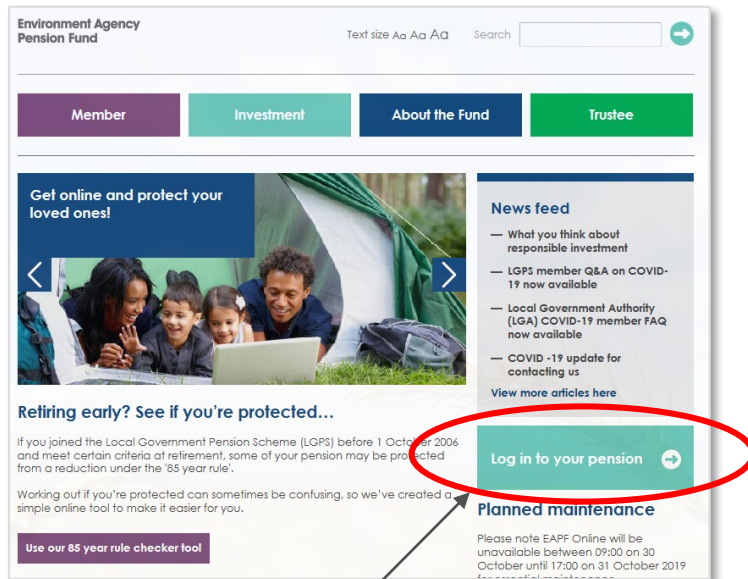


Closed Fund - as at 31 March 2020



Register on EAPF Online

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



Environment Agency Pension Fund

Text size Aa Aa Aa Search

Member Investment About the Fund Trustee

Get online and protect your loved ones!

News feed

- What you think about responsible investment
- LGPS member Q&A on COVID-19 now available
- Local Government Authority (LGA) COVID-19 member FAQ now available
- COVID-19 update for contacting us

View more articles here

Retiring early? See if you're protected...

If you joined the Local Government Pension Scheme (LGPS) before 1 October 2006 and meet certain criteria at retirement, some of your pension may be protected from a reduction under the '85 year rule'.

Working out if you're protected can sometimes be confusing, so we've created a simple online tool to make it easier for you.

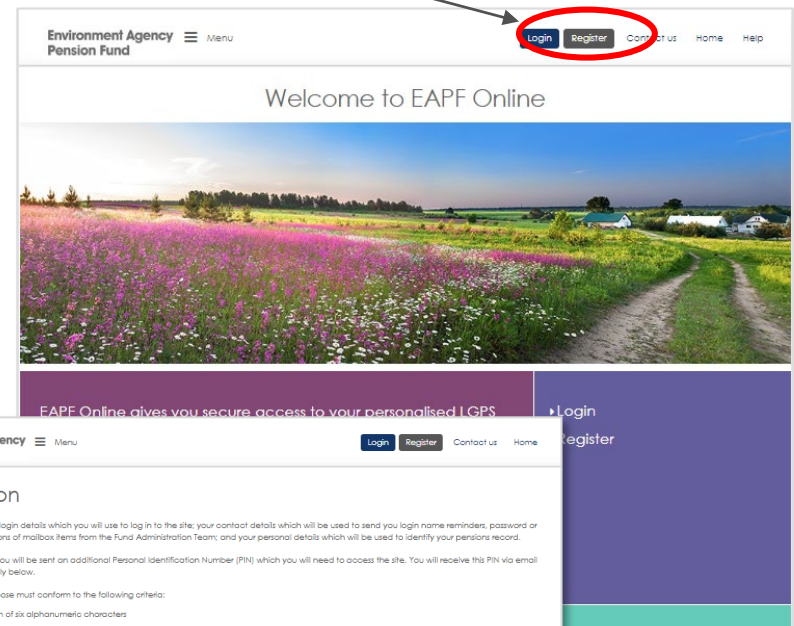
Use our 85 year rule checker tool

Log in to your pension

Planned maintenance

Please note EAPF Online will be unavailable between 09:00 on 30 October until 17:00 on 31 October 2019

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



Environment Agency Pension Fund

Menu

Login Register Contact us Home Help

Welcome to EAPF Online

EAPF Online gives you secure access to your personalised LGPS

Log in Register

Registration

Here you will enter your login details which you will use to log in to the site; your contact details which will be used to send you login name reminders, password or PIN resets and notifications of mailbox items from the Fund Administration Team; and your personal details which will be used to identify your pensions record.

As a security measure, you will be sent an additional Personal Identification Number (PIN) which you will need to access the site. You will receive this PIN via email at the address you supply below.

The login name you choose must conform to the following criteria:

- Must be a minimum of six alphanumeric characters

The password you choose must conform to the following criteria:

- Be 8 or more characters long
- Must contain number(s)
- Must contain lower case letter(s)
- Must contain an upper case letter OR punctuation character
- It is strongly advised you do not enter a Password that you have previously used

Refresh

Please enter the Security Code shown above to proceed.

Security Code:

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
-

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



Summary of Pension Benefits & Options

Summary of pension benefits

- Pension for life, revalued in line with cost of living
 - Optional lump sum at retirement
 - Automatic lump sum if you were a member before 1 April 2008
 - Pension for dependants
 - All the benefits that you've built up are protected by the Government
-

Cost of living revaluation – April 2020

LGPS pension and deferred lump sum

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

CPI

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

Impact on deferred & pensioner members

- Benefits increased by 1.7%



Options for deferred members

- Taking your pension benefits
 - Payable from Normal pension age (NPA)
 - Can be paid earlier or later than NPA
 - Re-joining the LGPS
 - Transferring out
 - Exchanging your pension rights for a 'one off' lump sum
 - Trivial Commutation & 'small pot' payments
-

Normal Pension Age (NPA)

Date of leaving	NPA
After 31 March 2014	Later of 65 or State Pension Age
Between 1 October 2006 & 31 March 2014	Age 65
Before 1 October 2006	Between age 60 and 65, depending on date of joining

Early payment of benefits

Type	Age	Former employer's consent required
Early payment (voluntary)	55 to NPA	No
Ill health	Any age	Yes

If you take up new employment you must tell the Pension Fund, however your pension won't usually be affected.

Early retirement reductions

Years Early	Pension Reduction (%) (Unisex)	Lump Sum (Unisex)
0	0	0
1	5.1	2.3
2	9.9	4.6
3	14.3	6.9
4	18.4	9.1
5	22.2	11.2
6	25.7	13.3
7	29	15.3
8	32.1	17.3
9	35	19.2
10	37.7	21.1
11	41.6	N/A
12	44	
13	46.3	

Deferring payment – ‘late’ retirement

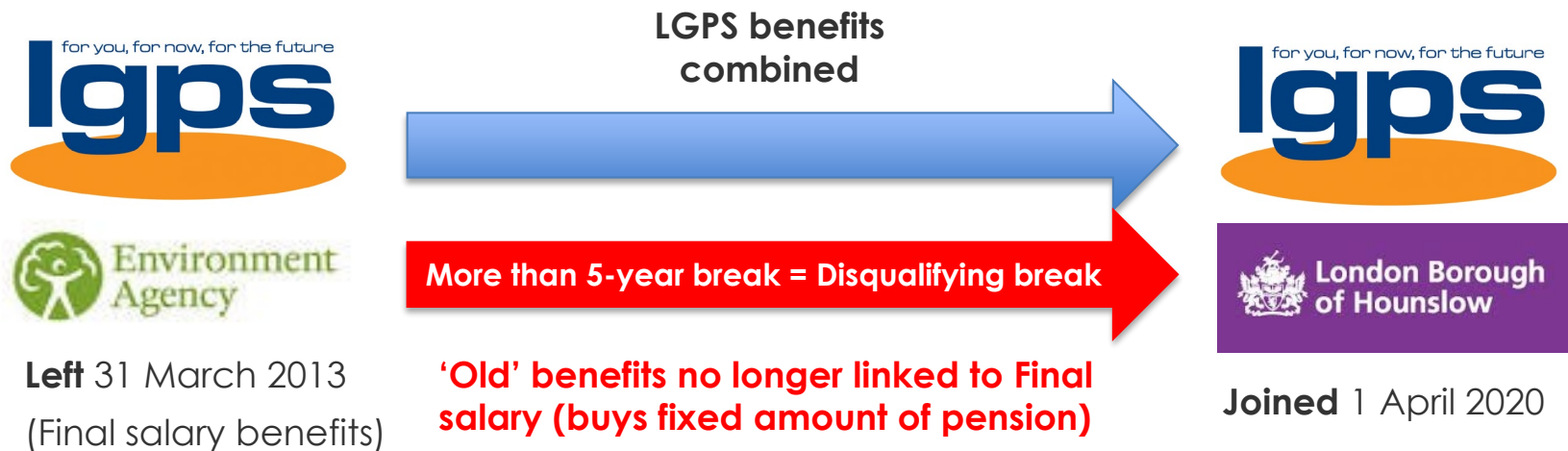
- Option for you, if:
 - You stopped contributing to the Scheme **after** 31 March 1998, and
 - Your EAPF pension hasn't come into payment yet, and
 - You don't want to receive your EAPF pension on reaching NPA
 - To defer payment beyond NPA, must elect in writing to do so
 - Where benefits deferred beyond NPA
 - Pension & lump sum increased for each day of deferment
 - Must be in payment by age 75
-

Re-joining the LGPS

- **Build up a new pension**
 - Separate to deferred pension
 - Option to aggregate (combine) deferred and 'new' LGPS benefits
 - **Benefits acquired on aggregation determined by:**
 - 'Make up' of the deferred benefit; and
 - Any 'disqualifying breaks' between leaving and re-joining LGPS
 - **'Disqualifying break'**
 - A single break in active membership of a public service pension scheme > 5 years
 - Impact of disqualifying breaks shown on the next slide
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Re-joining the LGPS

Example



Re-joining the LGPS

Example



Left 31 March 2013
(Final salary benefits)



Joined 1 April 2020

'Old' benefits linked to Final salary in new job

Transferring out of the LGPS

- May transfer to:
 - Another public service pension scheme (final salary link still possible)
 - A UK private sector scheme
 - A HMRC approved overseas pension scheme
- HMRC restrictions on transferring out
 - Also, new scheme may impose time limits on transferring in
- Financial advice **required** (which **you** must pay for) if:
 - Transferring to a money purchase scheme; and
 - Transfer value is **more** than £30k

Beware of the potential risks and scams associated with transferring out!

Death Benefits

Death Grants

Date of Leaving	Deferred members
Before 01/04/2008	Equivalent to scheme lump sum (usually 3 x deferred annual pension)
After 31/03/2008	5 x deferred annual pension
	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 <p>But not always payable</p>
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
 - Nomination forms can be submitted online by logging into your [EAPF Online](#) account or you can download an 'Expression of wish' form at www.eapf.org.uk/forms
-

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

Beware of Pensions Scams!

- Reported pensions scams are up by 400% since Covid-19 outbreak
 - Stock market volatility has caused some people to consider transferring their pension pots elsewhere
 - Scammers are targeting people by phone, email & letter
 - Always be vigilant – pensions ‘cold-calling’ is illegal!
 - As well as losing your pension pot, you could also be subject to a hefty tax charge from HMRC!
 - **Remember:**
 - LGPS is a defined benefit, statutory scheme, backed by Government!
 - **Transferring is a risky business** – always seek independent financial advice from an authorised & registered specialist
 - Search ‘retirement adviser directory’ at www.moneyadvice.service.org.uk
-

‘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

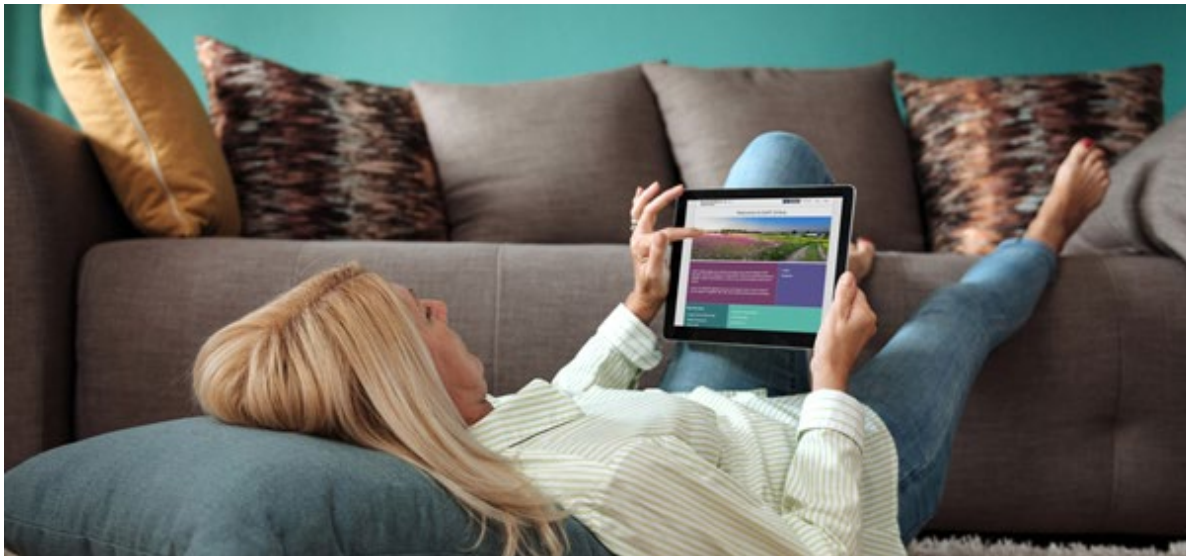
- Between 2010 and 2018 the women's State Pension age (SPA) gradually increased to 65
 - Applied to women born after 5 April 1950
 - The SPA for men and women, once equalised at age 65, has increased at the same rate thereafter
- Women Against State Pension Inequality (WASPI) formed in 2015
 - WASPI 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



Communications

Web Portal

- On [EAPF Online](#) you're able to update your personal details online, and nominate a beneficiary at a time that suits you.
- You get instant access to your annual pension statements and you can use our 'Contact us' form if you need to ask us a question securely.
- If you've any suggestions for improvement or any comments please contact us at Engage@eapf.org.uk



Deferred member newsletter

- Newsletter sent to our deferred members in June 2020
- 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
- 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 with details of:

- Your death – they should provide original/certified copy of death certificate
- You becoming incapable of looking after your own affairs – they should provide copy of Enduring Power of Attorney

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

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

Disclaimer

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