



Environment Agency Pension Fund

Your Pension

January 2020

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 the important work we do as a responsible investor. Our 'Pension basics' section covers pension topics such as Partial retirement and the various tools you can use to manage your pension.

If you'd like to download our newsletter, you'll find a PDF version in our [Newsletters section](#) of our website. If you've any feedback about the communications we send you, please email us at Engage@eapf.org.uk

2. Investments

Responsible investment

We've recently launched our new [Responsible Investment Strategy](#). The Strategy outlines our plans to tackle climate change and other sustainable issues and is very much written with you, our members, in mind.

We've included a number of case studies to 'bring to life' some of the great investments that your money supports, whilst giving a good financial return for the pension fund.



[Find out more](#)

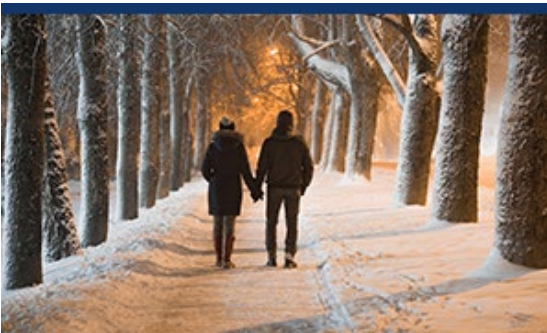
3. Pension news

We'll always keep you informed of any pension changes that could affect you as a member of the EAPF.

Civil partnerships for opposite sex couples

New Local Government Pension Scheme (Amendment) Regulations 2019, effective from 31 December 2019, will now allow for survivor benefits to be paid to opposite sex civil partners.

This means a person, who is the surviving opposite sex civil partner of a deceased member, will be treated as a widow or a widower depending on their gender.



[Find out more](#)

High court dismisses State Pension age discrimination claims

On 3 October 2019, the High Court dismissed claims that the increase in State pension age from 60 to 66 for women born in the 1950s was discriminatory.

The judgment found that there had been no discrimination based on sex, or age and sex combined.



[Find out more](#)

McCloud Judgment (age discrimination in public service pension schemes)

The 'McCloud judgment' was a Supreme Court case in which the Court ruled that the additional final salary protections that were given to certain older members of pension schemes (and, by extension, all public service pension schemes) were age discriminatory. Although the Court ordered that the inequalities across the scheme be remedied, it's unclear currently what remedies will be taken, and who they'll apply to.

On 6 November 2019, the LGPS' Scheme Advisory Board (SAB) met to discuss the potential impacts of the McCloud judgment, and how the LGPS is expected to be affected by it. Their current understanding of the situation is as follows:

- Central Government will likely make any decisions on who is an 'affected' member, the extent of any final salary service protection and the retrospective application of any remedy; pension funds, like the EAPF, aren't expected to be involved in making these decisions
- Tax issues are expected to be decided by central Government and not by pension funds
- 'Cost cap' calculations (i.e. the average cost of funding LGPS benefits for each member) will be re-run once the McCloud remedy has been agreed

In addition, any remedy is not expected to be implemented before 5 April 2021.

We'll keep you updated as soon as we have more information.

Equitable Life to Reliance AVC transfers

In 2018 we told you that Equitable Life had entered an agreement to transfer the Society and all its policies to 'Utmost Life and Pensions' which would result in an increase to their 'with-profits' policies.

On 1 November 2019, eligible policyholders voted in favour of the transfer. Then, on 4 December 2019, it was announced that approval of the proposed changes had been granted by the High Court.



[Find out more](#)

PLSA launches new Retirement Living Standards tool

The Pensions and Lifetime Savings Association (PLSA) recently launched its new 'Retirement Living Standards'. The Retirement Living Standards are designed to help people picture the lifestyle they want when they retire, and what that lifestyle might cost. This tool complements our Budget planner tool to help you get a real feel for what you will need in your retirement.



[Find out more](#)

Brexit

Since our last update, a Brexit deal has been agreed in principle with the EU.

The withdrawal agreement needs to be approved and signed by the UK and the EU.

Negotiations will have to be made for new arrangements and a transition period would have to be implemented to prepare for new rules coming into effect.



[Find out more](#)

Treasury Order increase rate expected to be 1.7%

HM Treasury confirmed that the Consumer Price Index (CPI) for September 2019 was 1.7%.

Official confirmation is expected from HM Treasury by March 2020, before the increase takes effect in April 2020.



[Find out more](#)

Tax allowances

Lifetime allowance

The lifetime allowance (LTA) for the 2020/21 tax year is expected to increase to £1,073,000 from 6 April 2020. The LTA is a limit on the amount of pension benefit that can be paid from pension schemes without triggering a tax charge.

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 benefits 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 read our Tax Controls and Pension savings factsheet](#)

Who's looking after your financial future?

Employee representatives on the Pensions Committee are safeguarding the interests of 40,000 EAPF members.

Currently there are 5 EA active member representatives and 1 shadow member appointed to the Pensions Committee. The Pensions Committee is responsible for ensuring the Pension Fund is run properly and that members' benefits are secure.



Meet the team!

4. Pension basics

Here we've answered some common questions that you've asked about your EAPF pension.

What's Partial retirement?

If you're a contributing member of the EAPF with at least 2 years' membership, Partial retirement is an employer discretion that could give you the option to take some, or all, of the pension that you've built up while you continue working on either reduced hours or at a lower grade. You can apply if you're aged 55 or over.

If your application for Partial retirement is successful, you'll continue to build up further pension benefits which will become payable when you fully retire.



Find out more

What tools are available to help manage my pension?

Our websites give you access to a wide range of tools – all to help you manage your pension easily.

Whether you want to work out how much you'll pay as a contribution in the Scheme, how much it costs to boost your pension or if you want to forecast an estimate of your individual pension benefits, we can help you.



Check out our pension tools

EAPF is a 'defined benefit' scheme, but what does this mean?

There are 2 main types of pension schemes:

Defined benefit – this is a pension based on your salary and how long you've worked for your employer. How much you get depends on your pension scheme's 'defined benefit' calculation and **not** on investment performance, share prices or on the contributions from you and your employer. The EAPF will promise to give you a guaranteed future income each year when you retire. Whilst your employer pays a generous contribution on your behalf, this doesn't affect the amount you will receive, as it is a defined formula used to calculate your pension. The contributions are made in to the Fund to ensure you receive the guaranteed pension that was promised to you.

Defined contribution – this is a pension pot based on how much you've paid in contributions. The money paid in by you or your employer is put into investments (such as shares) by the pension provider. This type of pension depends on how much has been paid in and how well your investments have done.



5. Communications

Shaping the future of our online services

We're continuing to work hard to develop and create an online service that meets the needs of you, our members.

Throughout 2019, we ran several research sessions as well as sending a survey to help us better understand our members, improve our public website and ensure we're accommodating the needs of all our members.

Contributing member webinars

We held our Contributing member webinars throughout October and November last year. Our webinars cover a variety of topics whether you've recently joined, want to boost your pension or even plan your retirement.

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

We surveyed those who attended our latest sessions, click below to see the results.



Find out more



See how you rated us!

Are you like Helen, Ray or Michelle?

We've recently created some case studies to help you relate to specific stages of your pension life.

Whether you're a new starter, have been in the Scheme for years or are approaching retirement there's a case study for you! Each one gives you a realistic example of an Environment Agency employee, a checklist of useful links to give you more information and also access to useful pension tools.

Get online and see who you relate to!

Environment Agency Pension Fund



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



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