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Environment Agency Pension Fund

Your Pension

August 2020

News from the Environment Agency Pension Fund

1. Welcome

Welcome to the summer edition of your contributing member pension newsletter, from the Environment Agency Pension Fund. This edition gives you important pension news and updates, and the exciting changes for your new interactive Annual Pension Statements that you'll be receiving this year and will be able to access on your EAPF Online pension account.

But firstly, we know that living in the current Coronavirus Pandemic, is an unprecedented time for all of us. However, we want you to know that your pension is safe. In our 'Pension news' section, you'll find out how your pension is protected from difficulties in the financial markets, and see what our fund is doing to put our members' interests first.

See how we've been engaging with our members to find out your views about how your pension is invested. Your views are important to us and will help shape future discussions about our Responsible Investment Strategy. Check out our 'Investments' section for more on this.

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

2. Pension News

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

The Cost-cap - What is it?

In 2014 the LGPS reformed to become a [CARE scheme](#). It was understood, at this time, that the cost of funding future pension benefits would be 19.5% of an employee's salary.

As part of the reform, and to ensure the ongoing affordability of the LGPS, the Government introduced a 'cost cap' mechanism. This mechanism involves checking the cost of LGPS pension provision every four years to ensure these costs haven't materially changed. If the cost fell within 2% of 19.5%, no changes would be made to the Scheme's design. But if it fell outside this range, changes would be needed.

What is the McCloud Judgement?

The McCloud judgment was a Supreme Court case about members of the judicial and firefighter pension schemes.

When these schemes reformed to become CARE schemes, only older members were given a protection to ensure that the move to CARE was not detrimental to their benefits. The McCloud judgment ruled that this protection was age discriminatory to their younger members.

[Find out more](#)

How has the McCloud judgement affected the 'Cost cap'?

The cost of extending the pension protection now needs to be worked into the 2016 valuation result, and it is expected this will result in an increase to the cost of pension provision. This means that once the cost of extending pension protection is factored into the 2016 valuation results, changes to the scheme design may or may not take place.

Under the Government's proposals, for LGPS members to be eligible for pension protection, they will need to have been a contributory member of the LGPS on 31 March 2012 and also have pensionable service in the LGPS after 31 March 2014.



[Find out more](#)

Reassurance about your LGPS pension during COVID-19

You might be worried about the impact of COVID-19 on financial markets and what this means for your pension. We'd like to reassure our members that a fall in stock markets will not affect the value of your defined EAPF benefits in the LGPS.

New Contribution bands from 1 April 2020

The amount of contributions you pay into your pension is based on how much you're paid and the contributions table is reviewed every April to make sure your pay stays in line with inflation.

As the EAPF is a 'Defined benefit' pension scheme, the pension which you build up is based on your service and salary earned.



[Find out more](#)

This year sees a 1.7% increase to the table. Click 'Find out more' to see this year's contribution rates.



[Find out more](#)

Changes to survivor benefits for opposite sex civil partners

From 31 December 2019, survivor benefits payable to an opposite sex civil partner are now equal to those paid to the widow or widower depending on their gender.

This means that the survivor's pension is payable to the survivor of a civil partner, where the civil partnership took place after the member stopped contributing to the EAPF.



[Find out more](#)

Now that we've left the EU, how will my pension be affected?

There's still some uncertainty when it comes to many aspects of leaving the European Union. But we do know that most people will see very little or no difference to financial services going forwards.

If you're an EU, EEA or Swiss citizen and you plan to remain living in the UK after 30 June 2021, you and your family can apply to the EU Settlement Scheme; you must do this before 30 June 2021.



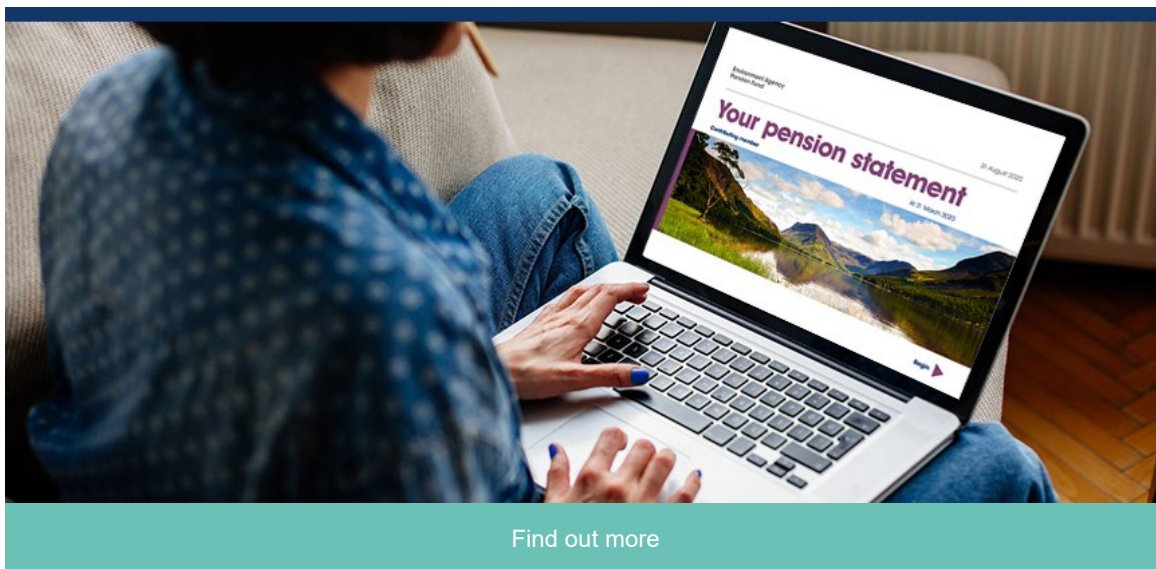
[Find out more](#)

Annual Pension Statements

This year, we're sending your statement in an exciting new interactive format which will be added to your online pension record. Your statements will also be sent to your home address by 31 August. You'll notice that your statement looks different this year and is now in landscape view. Don't worry, it still contains the same useful information as your previous statements.

This is the last year that you'll receive a paper statement from the EAPF. As part of our digital strategy and our aim to reach zero carbon emissions by 2030, from next year we plan to send your contributing member annual pension statements electronically.

You'll be able to access your statement via [EAPF Online](#) at any time you choose. Simply click on your 'Mailbox' when logged into the portal and then click on the PDF icon to open your new interactive annual pension statement.



Beware of pension scams!

The coronavirus pandemic has brought out the best in many people! Unfortunately, it has also brought out the worst in others, with Cybercrime, as well as pension scams, on the increase. Some key things to note:

- Reported pensions scams are up by 400% since the 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: The LGPS is a defined benefit, statutory scheme, backed by Government. Transferring is a risky business so you should always seek independent financial advice from an authorised & registered specialist. You can find one by searching 'retirement adviser directory' at www.moneyadviceservice.org.uk



Tax allowances

Lifetime allowance

The lifetime allowance (LTA) for the 2020/21 tax year is £1,073,100. The LTA is a limit on the amount of pension benefit that can be paid from pension schemes without triggering a tax charge. If, on retirement, your benefits exceed the LTA you'll have the additional tax charge deducted from either your pension (25%) or lump sum (55%). The value of your pension for LTA purposes is calculated as 20 x pension + lump sum.

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](#)

3. Pension basics

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

I can't afford my pension contribution; can I pay less into the Scheme?

Did you know you can choose to pay half your normal contribution for half the amount of pension?

This option is called the 50:50 Section, which allows you to keep paying into the Scheme when things are difficult financially.



[Find out more](#)

If something happens to me, can I nominate someone for a lump sum?

Protecting your loved ones financially in the event of your death is one of the most important benefits of being a member of the EAPF.

If you die in service whilst you're a member of the LGPS, a lump sum death grant of three times your assumed pensionable pay is payable. You can decide who you wish to receive your lump sum death grant by completing a nomination form.



[Find out more](#)

4. Investments

EAPF Responsible Investment Community – a resounding 'star-studded' success!

In February, we asked for your views on responsible investment. We had a great response with over 2,600 of you taking part in the survey.

We were really encouraged to see that you share our passion for investing responsibly. You'll find the results of the survey on our website at www.eapf.org.uk/members/videos-and-presentations/surveys

Despite a global pandemic, we couldn't miss the opportunity to ask what you want your £4billion pension fund invested in.

Through the last 2 weeks of July, we ran an online 'EAPF RI Community' where those who joined in, got to engage in activities, polls and see some really interesting videos – and most importantly share their views. Some also took part in one-to-one interviews where we got to delve a bit deeper.

The videos even include Richard Curtis, Comic Relief co-founder and award winning writer of critically acclaimed films, such as Four Weddings and a Funeral.

[Find out more](#)

5. Communications

EAPF website has some exciting updates coming soon!

As part of the EAPF digital strategy, we've been working hard to improve our digital offering for all members.

As well as continuing to improve our EAPF Online portal, we're now pleased to tell you that our public website at www.eapf.org.uk is going to look much better later this year too!

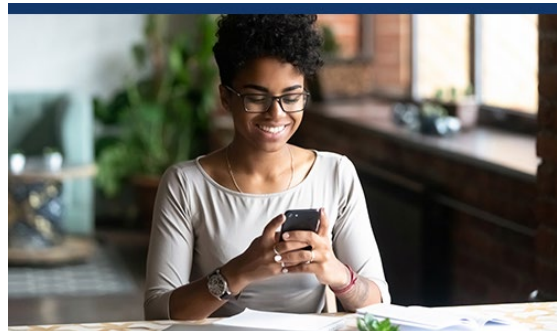


[Find out more](#)

COVID-19 update for contacting us

Please be assured during this time we're continuing to process retirement applications, payments and other essential processes.

If you have a query, please send this via email to info@eapf.org.uk or through our online portal [EAPF Online](#) (if registered). If you'd like to send your query on EAPF Online, simply log on, click 'Contact us' at the top and select the first option 'info@eapf.org.uk' which allows you to complete our online 'Contact us' form.



[Find out more](#)

Contributing member webinars

We'll be running our contributing member pension webinars throughout October and November this year to show you the benefits of being in the Scheme.

Our webinars can help all types of members. Whether you've been in the Scheme for years or a few months, we'll cover the choices you can make now, helping you plan and save for your retirement.

You can also learn more about how your fund is invested and what we've been doing since the activities collecting your views about this.

We'll host morning and afternoon sessions, so you can choose whichever webinar suits you. If you're unable to attend, don't worry you can also watch or download our presentations from our website towards the end of November.

[Find out more and register your attendance!](#)

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