

The Quill

Spring 2019

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THE ROYAL COUNTY OF
BERKSHIRE
PENSION FUND

The newsletter for active members of the Local Government
Pension Scheme in Berkshire

Welcome

Welcome to the Spring 2019 edition of **The Quill**, the newsletter for active members of the Royal County of Berkshire Pension Fund.

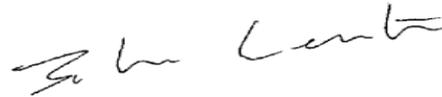
The employee pension contribution bandings have changed from 1 April 2019 in line with inflation. Turn to page 4 to find out your contribution rate for the coming year.

Your CARE Pension Account will be revalued from 1 April 2019 in line with the Consumer Prices Index - which this year is 2.4%. Details of how the increase is applied to your pension can be found on page 10.

We also invite you to take part in a survey to seek your views and comments on the service provided by the pension team. Your feedback is valuable to us so turn to page 21 to find out more.

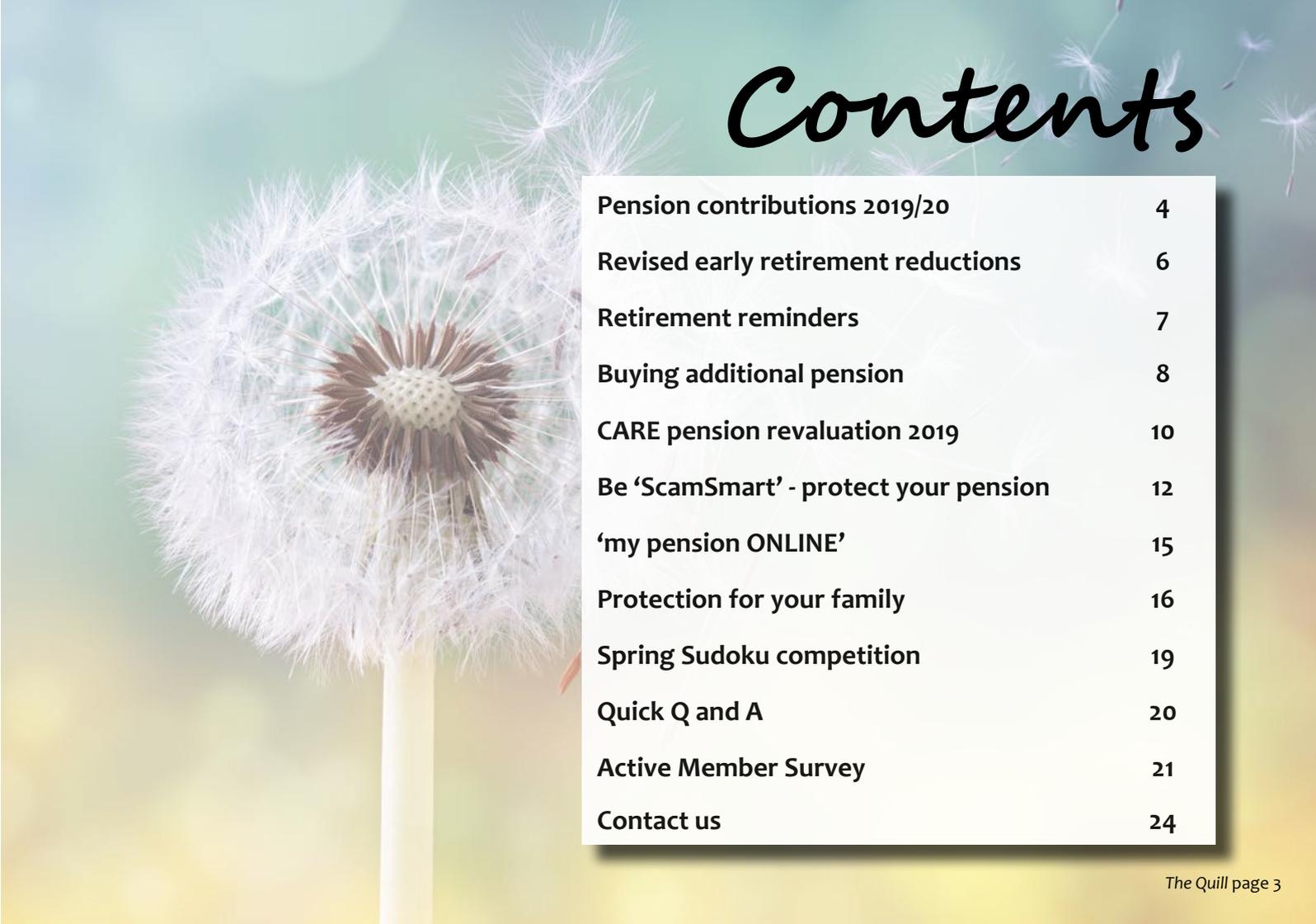
Don't forget to have a go at the Spring Sudoku puzzle on page 19 to be with a chance of winning a £25 gift voucher.

We hope you enjoy reading this edition of **The Quill** and as always please feel free to contact us if you have any questions about your LGPS pension. Our contact details are on the reverse of this newsletter.



Councillor John Lenton
Chairman, Berkshire Pension Fund and
Berkshire Pension Fund Advisory Panels





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Pension Contributions 2019/20

The contribution rate you pay each month is based on the annual pensionable pay you earn.

There are nine contribution bandings ranging from 5.5% to 12.5%. Every April your employer will apply the appropriate rate of contribution for each contract of employment by matching your annual pensionable pay to the appropriate band in the contribution table. The contribution bandings for 2019/2020 are:

	Pay bands	Contribution rate
1	£0 to £14,400	5.5%
2	£14,401 to £22,500	5.8%
3	£22,501 to £36,500	6.5%
4	£36,501 to £46,200	6.8%
5	£46,201 to £64,600	8.5%
6	£64,601 to £91,500	9.9%
7	£91,501 to £107,700	10.5%
8	£107,701 to £161,500	11.4%
9	£161,501 or more	12.5%

Pay more... did you know you can purchase more annual pension through additional pension contributions? Turn to page 8
Or pay less... you can also reduce your monthly pension contribution by joining the 50/50 section of the LGPS, see page 5

Pension contributions and tax relief

Contributions are deducted from pay before tax. This means that for an employee who pays tax at 20%, every £1 contributed to the scheme actually only costs 80 pence.



Calculate your monthly cost

You can use the online contribution calculator to find out how much you will pay each month from your salary based on your contribution banding: <https://lgpsmember.org/more/contscalc.php>

Decrease your contribution?

By entering into the 50/50 section of the LGPS you pay half your normal monthly pension contribution and receive half of your normal pension build up in return. If you have more than one employment you can elect to join the 50/50 section in one, some or all your employments.

The table opposite shows the contribution rate you would pay under the 50/50 section of the LGPS for 1 April 2019 to 31 March 2020.

Under the 50/50 section your annual pension builds up based on a 98th of your pensionable pay each year rather than a 49th under the MAIN section.

Regardless of the section of the LGPS you are in, you retain full life cover and you are fully protected under ill-health retirement regulations.

	Pay bands	50/50 contribution rate
1	£0 to £14,400	2.75%
2	£14,401 to £22,500	2.90%
3	£22,501 to £36,500	3.25%
4	£36,501 to £46,200	3.40%
5	£46,201 to £64,600	4.25%
6	£64,601 to £91,500	4.95%
7	£91,501 to £107,700	5.25%
8	£107,701 to £161,500	5.70%
9	£161,501 or more	6.25%

Example - MAIN section versus 50/50 section
(based on an annual salary of £20,000)

SECTION	MAIN	50/50
Percentage per month	5.8%	2.9%
Annual pension build up per year	£408.16	£204.08
Death in service grant	£60,000	£60,000

For more information on the 50/50 section please visit our website

Revised early retirement reductions

If you claim your pension before you reach your Normal Pension Age (NPA) an actuarial reduction will be applied to the value of your benefits to reflect early payment of your pension. The reductions are applied in line with percentages supplied by the Government Actuary's Department (GAD).

GAD have produced revised early retirement percentage reductions which apply from **8 January 2019**. The new factors are slightly more favourable and have been equalised for males and females.

The table opposite displays the reductions in whole years, however any reductions applied will be calculated to your exact date of retirement.



Years early	Reduction %	Reduction %	Lump sum
	Males	Females	All
0	0.0%	0.0%	0.0%
1	5.1%	5.1%	2.3%
2	9.9%	9.9%	4.6%
3	14.3%	14.3%	6.9%
4	18.4%	18.4%	9.1%
5	22.2%	22.2%	11.2%
6	25.7%	25.7%	13.3%
7	29.0%	29.0%	15.3%
8	32.1%	32.1%	17.3%
9	35.0%	35.0%	19.2%
10	37.7%	37.7%	21.1%
11	41.6%	41.6%	N/A
12	44.0%	44.0%	N/A
13	46.3%	46.3%	N/A

The above reductions do not apply in the case of redundancy, business efficiency or ill-health retirement.

Retirement reminders

Early voluntary retirement from age 55

If you are aged 55 or over and have at least two years membership of the LGPS you can choose to draw your benefits providing the contract in which you built up those benefits has ended. If you choose to take your pension before your Normal Pension Age (NPA) the value of your benefits will be reduced to reflect early payment.

The amount of any reduction to your benefits will be based on how many years and days earlier than your NPA you draw them (see page 6).

Early voluntary retirement <i>before</i> the age of 60
Three month written notice period required to be sent to pensions team via e-mail or post.
Early voluntary retirement <i>from</i> the age of 60
No separate notice period required by pensions team, pension options provided to member on formal confirmation of leaving details from employer.
Redundancy/business efficiency retirement (from age 55 onwards)
Pension options provided to member on formal confirmation of leaving details from employer.

Normal Pension Age (NPA)

Your NPA within the LGPS is in line with your State Pension Age (SPA) with a minimum age of 65.

If you retire and claim your pension benefits at your NPA your benefits will be released without any actuarial reduction.

Redundancy/Business efficiency

If you are over the age of 55, have at least two years of scheme membership and you are retired on redundancy or business efficiency grounds you will be entitled to the early release of you pension benefits without an early retirement penalty being applied. **Please note, the value of your pension is calculated to your date of leaving and is not automatically enhanced to your NPA.**

To find out more about redundancy/efficiency retirement please visit our retirement section on our website:

http://www.berkshirerpensions.org.uk/info/11/active_members/15/retirement/9

Buying additional pension

If you are in the MAIN Section of the LGPS you can pay additional contributions to purchase additional annual pension - these are known as *Additional Pension Contributions (APCs)*. With effect from 1 April 2019 the maximum additional annual pension you can purchase within the LGPS is £7,026.

You can pay **APCs** as regular monthly contributions over a number of complete years (minimum 12 month contract) or you can pay a lump sum either from your salary or paid directly to the Pension Fund.

The cost to purchase additional annual pension through APCs is determined by your **age, term of payment** and the **amount you wish to purchase**.

If you pay APCs through your Gross monthly salary and you are a tax payer you will receive tax relief.

Please note APCs are not available for scheme members paying into the 50/50 Section of the LGPS.

You can find out the cost of buying additional annual pension by using the online APC calculator.

<https://lgpsmember.org/more/apc/extra.php>

Alternatively you can contact the pensions team to request an individual APC quotation.

You can choose to stop paying APCs at any time by contacting the pensions team in writing. You will be credited with the additional pension you have paid for at the point you cease contributions. Any additional pension you buy is added to your Pension Account and paid from your Normal Pension Age (NPA).

If you cease payment of APCs earlier than the end of the prescribed payment period you will only be entitled to a proportion of the additional pension you elect to purchase.

Any amount of additional annual pension purchased, whether a pro rata amount or the full amount will be subject to a percentage reduction if payment of your benefits commences before your NPA. A percentage reduction will also be applied if you decide to purchase additional pension by way of a 'one-off' lump sum payment.

Topping up your pension with **AVCs**

As an LGPS member you can pay Additional Voluntary Contributions (AVCs) to our in-house AVC scheme run by the **Prudential**.

You can pay a monthly contribution and choose how you would like your contributions to be invested. AVCs are invested separately from the main LGPS Fund and a number of investment opportunities are available to you.

AVCs are deducted from your monthly salary so you will receive tax relief automatically on the contributions you pay at your marginal rate. This means that your LGPS contributions and your AVCs are deducted from your gross pay before income tax is calculated.

Deductions commence from the next available pay date following your election to pay AVCs and you can vary or cease payments at any time whilst you are contributing to the LGPS.

As AVCs are investment based, it's important to remember that the value can go down as well as up and you may not get back the amount you put in. The tax you pay depends on your individual circumstances.

If you have an AVC fund with Prudential, you have a number of options at retirement:

- take up to 100% of your AVC fund as a tax-free cash lump sum at the point you claim your LGPS pension (as long as you are within certain tax limits to do so)
- use your AVC Fund to buy an annuity pension from an insurance company, bank or building society of your choice
- use your AVC fund to buy an additional amount of annual pension within the Berkshire Pension Fund

To find out more about AVCs and how to start contributions download our LGPS AVC Guide. https://www3.rbwm.gov.uk/bpf/downloads/file/338/lgps_avc_guide or contact the Prudential on **0800 032 6674**



CARE revaluation 2019

Any membership that you have built up within the LGPS since 1 April 2014 will be part of the Career Average Revalued Earnings (CARE) Pension Scheme.

The benefit you build up in a CARE Scheme is calculated on the actual pensionable pay you receive during each scheme year (a scheme year runs from **1 April** to **31 March**). If you are in the MAIN section of the LGPS, every scheme year you will build up annual pension based on **1/49th** of your actual pensionable pay and this will be added to your '**Pension Account**'. Each year your total CARE Pension is revalued by the Berkshire Pension Fund in line with an inflationary increase (currently based on the Consumer Prices Index).

If you are paying into the 50/50 section of the LGPS you will build up annual pension based on **1/98th** of the pensionable pay you receive each scheme year.

MAIN: Pensionable pay / 49 = Annual pension

50/50: Pensionable pay / 98 = Annual pension

CARE revaluation 2019

The 2019 inflationary increase is 2.4% and will be applied to your pension account from 1 April 2019.

An example of how your pension builds up within CARE is shown on page 11.



CARE calculation *example*

An example of the pension calculation and revaluation under the CARE Scheme is detailed below. This example is based upon a member's annual pensionable salary history as follows:

Year	Pensionable salary	Pension build up rate	Annual pension
2016/2017	£20,500	1/49 th	£418.37
2017/2018	£21,000	1/49 th	£428.57
2018/2019	£21,500	1/49 th	£438.77
2019/2020	£22,000	1/49 th	£448.98

Your annual pension built up under the CARE Scheme is then revalued each year in line with CPI:

Year	Opening balance	Annual pension built up	Revaluation applied from 1 April	Closing balance
2016/17	£0.00	£418.37	£418.37 1%	£422.55
2017/18	£422.55	£428.57	£851.12 3%	£876.65
2018/19	£876.65	£438.77	£1,315.42 2.4%	£1,346.99
2019/20	£1,346.99	£448.98	£1,795.97 TBC	TBC

CARE Revaluation history

Since the introduction of the CARE Scheme on 1 April 2014 your Pension Account has been revalued using the following rates of CPI:

Effective date	Revaluation %
1 April 2015	1.2%
1 April 2016	-0.1%
1 April 2017	1.0%
1 April 2018	3%
1 April 2019	2.4%



Be ‘ScamSmart’

National campaign launched by FCA to combat pension scams.

The Financial Conduct Authority (FCA) and the Pensions Regulator have joined forces to launch a new campaign aimed at raising awareness of the increase in pension scams. The latest figures reveal that victims of pension scammers lost an average of £91,000 each in 2017.

As part of the campaign the FCA have a range of literature, factsheets and posters
<https://www.fca.org.uk/scamsmart>

The Berkshire Pension Fund have dedicated a section of our website to Pension Scams and what to look out for: http://www.berkshirepensions.org.uk/info/1/members/99/pension_scams

Pension scam tactics include:

- **contact out of the blue**
- **promises of high / guaranteed returns**
- **free pension reviews**
- **access to your pension before age 55**
- **pressure to act quickly**

If you suspect a scam, report it

✓ Report to the FCA by contacting their consumer helpline on 0800 111 6768 or using the reporting form at www.fca.org.uk

✓ Report to Action Fraud on 0300 123 2040 or at www.actionfraud.police.uk

✓ If you're in the middle of a transfer, contact your pension provider immediately and then get in touch with The Pensions Advisory Service (TPAS) at www.thepensionsadvisoryservice.org.uk



Ban on pensions cold calling becomes law

As part of the Government's crackdown on pension fraud, it is now illegal for companies to make unsolicited calls to people about their pensions.

This new law should go towards stopping cold-calling resulting in people being scammed out of their pension savings.

Companies that break the rules can face fines of up to £500,000. This law came into effect from 9 January 2019.



2019 annual benefit statement

Your annual benefit statement is produced every year to provide you with an estimated value of your LGPS pension benefits calculated to your Normal Pension Age (NPA). Your online account will hold a history of your benefit statements in the **'Member Documents'** section.

You will only receive a hard copy of your statement if you have specifically requested to receive one in this format.

If you would prefer to have your future annual benefit statements and newsletters posted to your home address please contact us on 0845 602 7237 or e-mail info@berkshirerpensions.org.uk

To find out more about **'my pension ONLINE'** please visit: www.berkshirerpensions.org.uk



2019 is valuation year for the Royal County of Berkshire Pension Fund.

Every three years the Berkshire Pension Fund is required to appoint an independent actuary to carry out a valuation of the Fund. The valuation is a health check to see if the Fund's assets are

- sufficient to meet its liabilities. It is carried out by the
- actuary to the Fund, **Barnett Waddingham.**
- Employer contribution rates for the forthcoming
- three year period (**1 April 2020 to 31 March 2023**) will
- be set out as part of the valuation process.
- Your employer pays the balance of the cost of
- providing your benefits. The employer contribution
- rates are set out in a Rates and Adjustment Certificate
- which is included in the full valuation report.

'my pension ONLINE'

'my pension ONLINE' is an internet based application which enables you to securely access and update your own pension details online via the Royal County of Berkshire Pension Fund website from the comfort of your own home or workplace using a desktop PC, laptop, smartphone or tablet.



As an *Active* member of the scheme you can:

- View/update your personal details
- View and update your Expression of Wish
- Perform benefit calculations
- View your annual benefit statements
- Access all publications and newsletters

To register for 'my pension ONLINE' or log into your existing account please visit www.berkshirerpensions.org.uk

Protection for your family

As an active member of the LGPS you have peace of mind that should the worst happen, your loved ones will be provided for. If you pass away whilst an active member of the LGPS a survivor's pension is payable to:

- a husband or wife
- Civil partner
- Cohabiting partner
- Children - under the age of 18 or up to age 23 if still in full time education.

Death Grant - In addition to the survivor's pension, a Death Grant is payable equal to three times your Assumed Pensionable Pay (APP) at date of death, no matter how long you have been a member of the pension scheme.

If you have not already done so you can choose who you would like to receive any Death Grant payable by completing the 'Expression of Wish' form on the opposite page. You can also update your Expression of Wish via your online account - '**my pension ONLINE**'.

Cohabiting partners

If you pass away and leave a cohabiting partner he or she, may become entitled to part of your pension.

For a cohabiting partnership to be valid both you and your partner **MUST** satisfy the following conditions at your date of death:

- Your cohabitation had been continuous for at least 2 years at the date of death
- You are free to marry or enter into a civil partnership at any time
- You are living together as if husband and wife or civil partners
- You are not living with a third person as if husband or wife or civil partners
- Either your partner is financially dependent upon you or you are financially inter-dependent upon each other.

Expression of wish form

In the event of my death I wish the administering authority for the Local Government Pension Scheme to make payment of any lump sum death grant to which entitlement may arise by virtue of my membership of the Scheme to the beneficiary(ies) listed below:

Beneficiary 1		
Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Beneficiary 2		
Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Beneficiary 3		
Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Beneficiary 4		
Name:	Relationship	Proportion (%)
Date of birth (if known)	Address	

Please note that your expression of wish will only be valid if the proportions listed above total 100%



IMPORTANT: If you have nominated your husband, wife, cohabiting partner or civil partner and in the event of you both passing away together please indicate here how you wish the Death Grant to be distributed (e.g split equally between children or other family members etc.)

NAME	RELATIONSHIP	PROPORTION (%)

I understand that this notice may be cancelled or varied, in writing, at any time and that the administering authority is not bound by the notice, that it has absolute discretion when making payment and that it may be disregarded in certain circumstances.

Signed: _____ Date: _____

Full name: _____ Employer: _____

Home address: _____

_____ Postcode: _____ NI number: _____

Please return your completed form to: The Royal County of Berkshire Pension Fund, Minster Court, 22-30 York Road, Maidenhead, Berkshire, SL6 1SF



Spring *sudoku* competition

In our Autumn 2018 edition of *The Quill* we invited our readers to try our wordsearch competition. Thank you to everyone who entered.

For another chance to win a £25 Marks & Spencer gift voucher, why not have a go at our spring sudoku competition?

Please send your entry to **Joanne Brazier, Royal County of Berkshire Pension Fund, Minster Court, 22-30 York Road, Maidenhead, SL6 1SF** to reach us by 31 July 2019. The winner will be drawn at random from the correct entries received. Good luck!

Please note this competition is not open to members of the administration or investments pension teams.

Name	
Address	
Postcode	
Tel. number	

Fill in the squares in the grid, so that each row, each column and each 3 x 3 contains all the digits from 1 - 9.

		1						
3				1	2			
		6		3			1	
				4				
4			8			9	7	
7	3	9				5		4
9					8	6	4	3
	7				1			9
		3					2	

Quick Q and A

Q
A

What type of scheme is the LGPS?

The LGPS is known as a Defined Benefit (DB) Scheme which means the benefits paid from the LGPS are defined in legislation and therefore set out in law. There are set formulae and strict regulations governing how benefits are calculated and paid. The LGPS is currently a Career Average Revalued Earnings (CARE) Scheme. Prior to 1 April 2014 it was a Final Salary Scheme.

Q
A

How long is my pension payable for in retirement?

Once you retire and claim your pension it is payable for your lifetime.

Q
A

Can I transfer former pension rights in to the Berkshire Pension Fund?

You have 12 months from joining the LGPS to request that a transfer in is investigated. A **“Declaration of Previous Pension Rights”** form must be completed and returned to the pensions team. Please visit www.berkshirerpensions.org.uk to find out more or contact us on 0845 602 7237.

Q
A

Will I receive a lump sum when I retire?

When you claim your pension you will have the option to exchange some of your annual pension for additional tax-free cash. In addition if you were a member of the LGPS before 1 April 2008 you will also have an automatic tax-free lump sum.

Active Member Survey

The purpose of this survey is to seek your views and comments, as active members, on the service provided by the pensions team at the Royal County of Berkshire Pension Fund. In an effort to improve the services we provide we welcome your feedback so please take a few minutes to complete the questions below and feel free to make any additional comments in the spaces provided. Please return your completed survey to Berkshire Pension Fund, Minster Court, 22-30 York Road, Maidenhead, SL6 1SF or e-mail a scanned copy to info@berkshirerpensions.org.uk

If you prefer to complete this survey online please visit: <https://www.surveymonkey.co.uk/r/NWMK6HS>

Question 1

Have you ever contacted the pensions administration team in Maidenhead (either by telephone, e-mail, post or in person)? **Yes / No** (please circle)

Question 2

If yes, how would you rate the service you received?
Please rate the following statements:

The Berkshire Pensions team...	Strongly agree	Agree	Disagree	Strongly disagree
...are clear in their written communication				
...are clear in their verbal communication				
...inform me of the information/ services that they can provide				
...provide high quality information/ services				
...are able to answer my questions				
...are knowledgeable and approachable				
...are courteous				
...are helpful				

Question 3

Do you believe you are kept up to date and informed about issues and updates surrounding the LGPS?

Yes / No (please circle)

Active Member Survey

Question 4

How do you rate the communications offered by the Berkshire Pension Fund? Please score the following areas of communication on a scale of 1-4 (4 being the highest).

Please place a tick in the boxes provided	1	2	3	4
Pension surgeries				
Paper communications (including the Quill newsletter and general correspondence)				
Berkshire Pension Fund website				
'my pension ONLINE'				
Other pension events (Annual Meeting, Seminars, presentations)				

Question 5

An annual benefit statement is made available every year for you to keep track of your retirement benefits.

Do you find your annual benefit statement helpful in preparing for your retirement? **Yes / No** (please circle)

Question 6

Do you find your annual benefit statement easy to understand? **Yes / No** (please circle)

Question 7

Please comment on any areas of our pension service where you feel we could improve?

Question 8

How do you rate the overall service provided by the Berkshire Pension Fund? Please score on a scale of 1-5 (5 being the highest).

Please place a tick in the boxes provided	1	2	3	4	5

Question 9

Please feel free to add any other comments below

Thank you for taking the time to complete our survey



Useful contacts

We have provided some contacts below which you may find helpful:

Pension Wise

www.pensionwise.gov.uk

0800 138 3944

State pension information

www.gov.uk/state-pension

The Pensions Advisory Service

www.pensionsadvisoryservice.org.uk

0300 123 1047

Find an advisor

www.unbiased.co.uk

0800 0236868

The Money Advice Service

www.moneyadvice.org.uk

0800 1387777



Contact us

Royal County of Berkshire Pension Fund

Minster Court, 22-30 York Road, Maidenhead, Berkshire, SL6 1SF

Pensions Helpdesk: 0845 602 7237

lines are open Monday to Thursday 8.30am to 5pm and Friday 8.30am to 4.30pm



Reception Desk:

Tel: 01628 796 668

Fax: 01628 796 700

info@berkshirepensions.org.uk

www.berkshirepensions.org.uk

If you would like this newsletter in large print or audio please contact us on 01628 796754 or e-mail info@berkshirepensions.org.uk

The Royal Borough of Windsor & Maidenhead is the administering authority to the Royal County of Berkshire Pension Fund

www.rbwm.gov.uk



Royal Borough
of Windsor &
Maidenhead