

London Borough of Hackney Pension Fund Newsletter Summer 2022



Britannia Leisure Centre, N1

Hello, and welcome to the annual newsletter for the London Borough of Hackney Pension Fund. We hope that you, your friends and loved ones continue to keep safe and well.

In this edition, we'll provide you with an update on issues affecting both the Local Government Pension Scheme (LGPS) and the wider pensions' landscape, and also an update on how the Hackney Pension Fund has performed over the last financial year.

Our contact details are at the end of this newsletter, so if you would like to get in touch, have any questions or want to update the details we hold for you, please do contact us.

LGPS & Other News

National LGPS Member Website *Updated*

LGPS has updated its member website to improve the user experience and make it easier for members to understand their pension. The site holds the most up to date information about the Local Government Pension Scheme and is provided by the Local Government Association.

There are a number of useful resources and calculators allowing you to work out

- How much extra pension you can buy
- what contributions you will pay as a member of the scheme
- how your pension is built up in the care scheme

The site also hosts a catalogue of helpful bite-size videos explaining different elements of the scheme visit lgpsmember.org



Visit lgpsmember.org to see the new national website

Simple | Friendly | Confident



Lifetime Allowance

If you are an active member of the Fund you will see that a Lifetime Allowance amount and Lifetime Allowance percentage are shown on your 2022 Annual Benefit Statement.

The Lifetime Allowance (LTA) is the total amount of pension savings that you can build up in UK registered pension arrangements over your lifetime without incurring a tax charge. The LTA is £1,073,100 for the current tax year and the government



has said it will remain at that level until April 2026. It is expected that it will then increase in line with the increase in the Consumer Prices Index (CPI) each year from 6 April 2026.

Further details concerning the LTA, including examples of how yours is calculated, can be found on the Fund website under Member Fact Sheets called Tax Controls on Pensions.

State Pension Age Equalises

State Pension Age (SPA) is the age at which the State Pension can start to be paid. SPA became the same (age 65) for both men and women in November 2018. It is now in the process of gradually rising to age 68 for everyone by 2046.

Your LGPS benefits are paid in full if you choose to take them from your Normal Pension Age (NPA). For benefits built up from April 2014 onwards, your NPA is linked to your SPA, but is at least age 65....do you know yours???

You can check your own SPA by visiting: www.gov.uk/state-pension-age

Check your State Pension age

Your State Pension age is the earliest age you can start receiving your State Pension. It may be different to the age you can get a [workplace or personal pension](#).

[The State Pension age is under review](#) and may change in the future.

Use this tool to check:

- when you'll reach State Pension age
- your Pension Credit qualifying age
- when you'll be eligible for free bus travel

[Start now >](#)

Part of

[Plan your retirement income: step by step](#)

[Show all steps](#)

1 Check when you can retire

[Hide](#)

Check what age you can get your State Pension

[Find out about working after you reach State Pension age](#)

[Find out if you can retire early with your workplace or personal pension](#)

LGPS - McCloud Judgment

When the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes. The Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often called the 'McCloud judgment'.

The Public Service Pension and Judicial Offices Bill received Royal Assent on 10 March 2022. This now enables the Department of Levelling up, Housing and Communities (DLUHC) to make the regulations needed to implement the McCloud remedy within the LGPS.

Initial LGPS Regulations are currently expected in Autumn 2022. The coming in force date of the regulations is now expected to be 1 October 2023.

We will of course keep our members up to date with any changes as and when we are made aware of them so keep an eye out for updates to the News section on the website.

If you qualify for protection it will apply automatically - you do not need to make a claim.

Signs of a scam

According to the Pensions Regulator, thousands of people have lost their life savings to scammers. Cold calling about pensions is illegal in the UK, and Government backed bodies would never contact you for a pension review.

The Financial Conduct Authority (FCA) is aware that scammers are targeting consumers searching for investments online, in particular through search engines like Google and Bing. Although some scammers offer high returns to tempt you into investing, they may also offer realistic returns to make their offer appear more legitimate. Those offering or promoting products or investment opportunities found through search engines are not necessarily authorised or regulated by the FCA. You can check the FCA warning list for firms to avoid:

<https://www.fca.org.uk/consumers/unauthorised-firms-individuals>

Reject unexpected offers

If you're contacted out of the blue about an investment opportunity, the chances are it's a high-risk investment or a scam.

Scammers usually cold-call but contact can also come by email, post, word of mouth or at a seminar or exhibition. Scams are often advertised online too.

If you get cold-called, the safest thing to do is hang up. If you get unexpected offers by email or text, it's best to simply ignore them.

You can register with the Telephone Preference Service <https://www.tpsonline.org.uk/> and the Mailing Preference Service <https://www.mpsonline.org.uk/> to reduce the number of letters and cold calls you receive.

Callers may pretend they aren't cold calling you by referring to a brochure or an email they sent you – that's why it's important you know how to spot the other warning signs.

Spot the warning signs

- Unexpected contact – traditionally scammers cold-call but contact can also come from online sources, e.g. email or social media, post, word of mouth or even in person at a seminar or exhibition.
- Time pressure – they might offer you a bonus or discount if you invest before a set date or say the opportunity is only available for a short period.



Pension scams often 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

- Social proof – they may share fake reviews and claim other clients have invested or want to take up the deal.
- Unrealistic returns – fraudsters often promise tempting returns that sound too good to be true, such as much better interest rates than elsewhere. However, scammers may also offer smaller, more realistic returns to seem legitimate.
- False authority – using convincing literature and websites, claiming to be regulated, speaking with authority on investment products.
- Flattery – building a friendship with you to lull you into a false sense of security.
- Remote access – scammers may pretend to help you and ask you to download software or an app so they can access your device. This could enable them to access your bank account or make payments using your card.

Check if a firm is FCA authorised

Almost all financial services firms must be authorised by the FCA – if they're not, it's probably a scam. Check the Financial Services Register <https://register.fca.org.uk/s/> to see if a firm or individual is authorised or registered. Always access the Register from the FCA website, rather than through links in emails or on the website of a firm offering you an investment. Check if the firm's 'firm reference number' (FRN) and contact details are the same as on the FCA Register.

If there are no contact details on the Register or if the firm claims they're out of date, call the FCA Consumer Helpline on 0800 111 6768.

If you're dealing with an overseas firm, you should check with the regulator in that country and also check the scam warnings from foreign regulators via the IOSCO website. If you use an **unauthorised firm**, you won't have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) if things go wrong – and you're unlikely to get your money back.

If you use an **authorised firm**, access to the Financial Ombudsman Service and FSCS protection will depend on the investment you are making and the service the firm is providing. Not all investments are regulated by the FCA– find out more about unregulated investment products on the FCA website.

Check it's not a 'clone firm'

A common scam is to pretend to be a genuine firm (called a 'clone firm').

Always use the contact details on the FCA Register, not the details the firm gives you. You should also check the firm's details on their website or via Companies House to make sure they're the same.

You can also find out more about pension scams by visiting

www.pension-scams.com

www.fca.org.uk/scamsmart

Please take a few minutes to look at the FCA website, it could save you thousands!!



Don't let a scammer enjoy your retirement 

Follow our four steps on how to protect your pension

Be ScamSmart with your pension.  

Hackney Pension Fund Website

The Hackney Pension Fund website contains lots of information about the fund plus useful member forms and factsheets which you can download. Whether you are an active member, have left the LGPS and have deferred benefits, or if you are already in receipt of your pension – the website has everything you need!!

Take a look: www.hackneypension.co.uk



You can keep up to date with all the current news in the 'News' section of the website <https://hackneypension.co.uk/news>

Member Self Service - MSS

The launch of MSS has unfortunately been delayed further. Progress on this is being made during 2022 so please keep a look out for more information on this as we progress throughout the year.

This delay does not stop you, in the meantime, finding answers to general questions about the pension scheme, and reading lots of useful information by visiting our website www.hackneypension.co.uk

Alternatively, if you have questions about the pension benefits you have in the London Borough of Hackney Pension Fund, you can contact the administrator, Equiniti, on 03713 842369 or at hackney.pensions@equiniti.com

About the Pension Fund- as at 31 March 2022

Fund Value at 31 March 2022 = £1,964.5m

The value of the Fund has increased from £1,864m at end of March 2021, following a strong year in the investment markets. **However, the value of the benefits you receive are set out in law, and are not dependent on the performance of the Fund**

Contributions and Benefits

Contributions are paid into the Fund by employers, employees and transfers in from other pension funds. Benefits are paid out of the Fund as annual pensions, lump sum payments to retirees and death benefits.

The Fund generates income from contributions and investment income and has to spend money on benefits, transfers to other schemes and the cost of running the scheme including: investment managers, administration and governance and oversight.

The tables below give an overview of the Fund's income and expenditure during the year to 31 March 2022.

Income

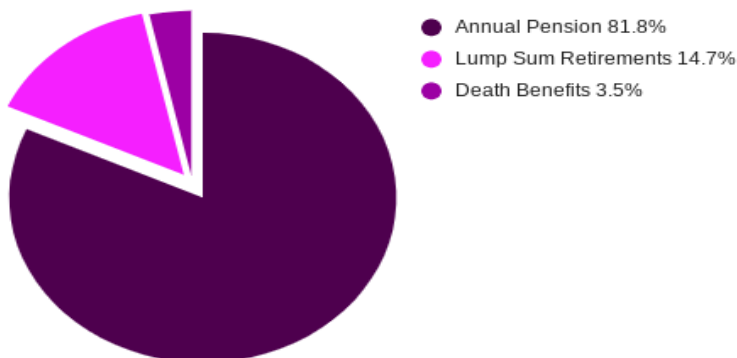
Income Type	2022	2021
Employer contributions	£61.4m	£62.3m
Employee contributions	£14.6m	£13.9m
Transfers in	£5.0m	£4.6m
Investment income	£19.2m	£20.1m

Expenditure

Expenditure Type	2022	2021
Annual Pensions	£51.2m	£50.7m
Lump Sums	£9.2m	£11.8m
Death Benefits	£2.2m	£1.0m
Transfers out	£8.4m	£6.4m
Management costs	£15.2m	£12.0m

Benefits Paid Out from the Fund

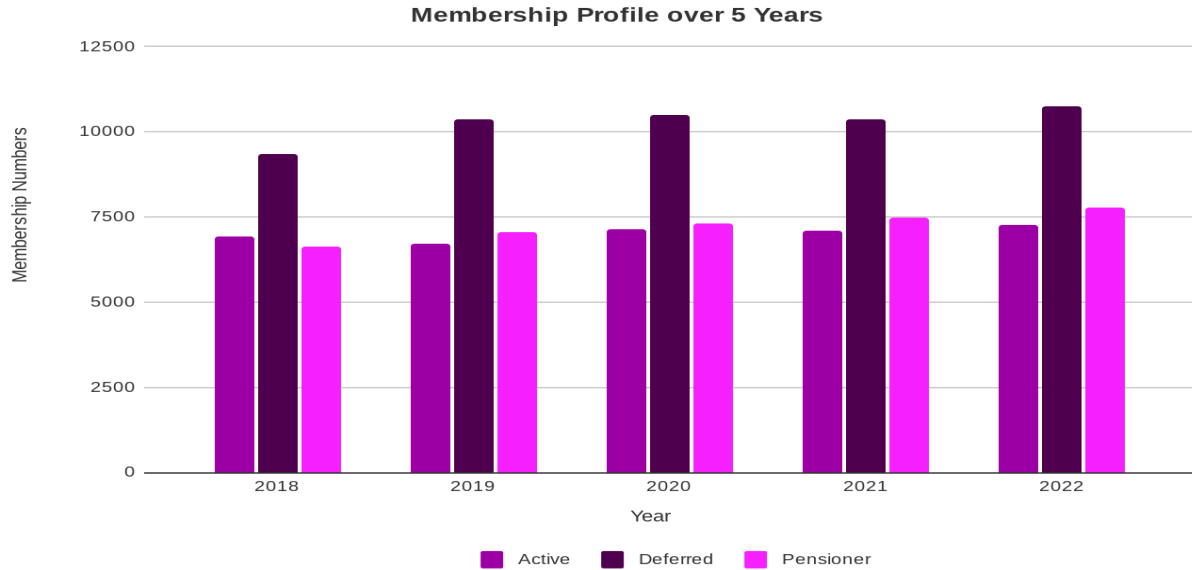
Benefits Paid Out in 2021/22



The breakdown of the benefit types paid out of the Pension Fund up until 31 March 2022 is shown alongside; the largest is annual pension by a considerable margin

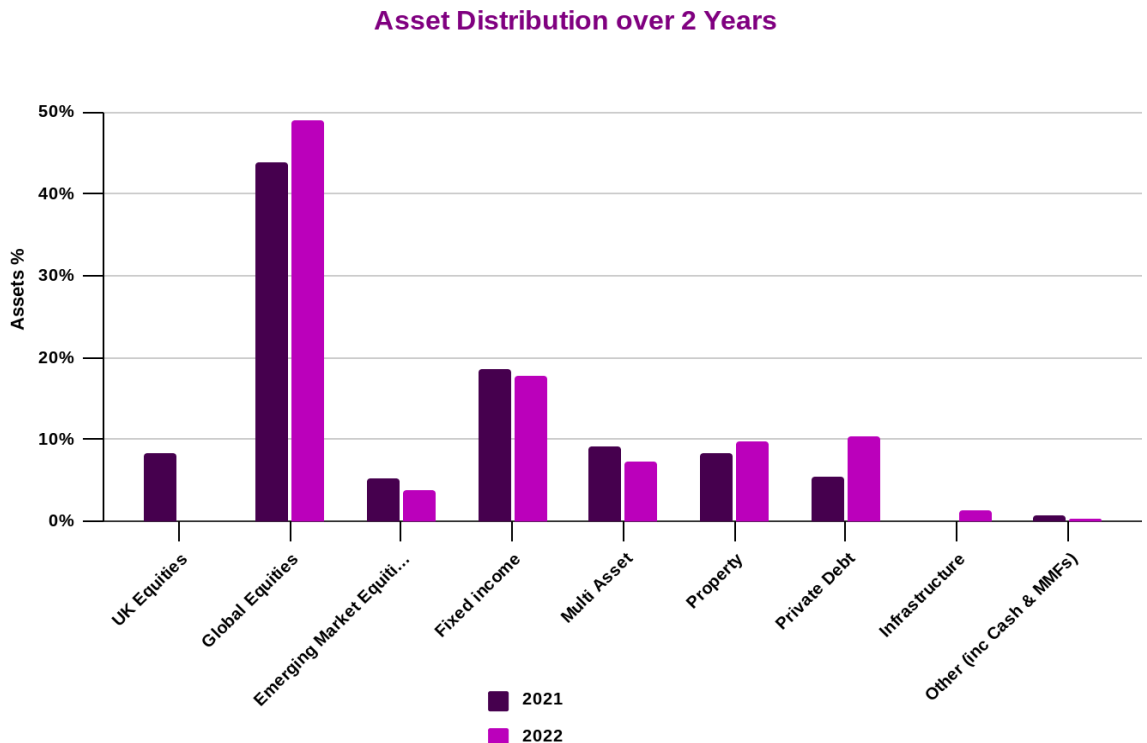
Fund Membership

The membership of the Fund is broken down between active members (those still employed and paying into the pension scheme), deferred members (those who are no longer active members, but are yet to draw their pension benefits) and pensioners. The breakdown over the last 5 years is as follows:



Asset Distribution

The Fund's assets are invested across a variety of asset classes with different risks and returns taking into account advice from its specialist investment consultant. The split between different asset classes over the last 2 years is shown below:-



Please note that the above Pension Fund figures for 2021-22 are draft figures and could be subject to change.

What you need to do if things change

Life Cover - Don't forget you have lump sum life cover as a member of the LGPS!

This means that **if you die in service** i.e. whilst still an active member of the scheme (still paying contributions), the Fund will normally pay out a lump sum of 3 times your assumed pensionable pay at your date of death, no matter how long you have been a member for, provided you are under 75 at the date of death. If you have **already left** the LGPS with deferred benefits, and were to die before receiving those deferred benefits, a one off lump sum death grant is payable. If you left the LGPS before 1 April 2008, the lump sum payable will be your deferred lump sum. If you left the LGPS on or after 1 April 2008 the lump sum payable will be 5 times your deferred annual pension.



If you die **after you have retired** and are already in receipt of your pension, your pension benefits will stop. Your spouse, civil partner, eligible cohabiting partner, next-of-kin or person dealing with your estate should inform Equiniti of your date of death as soon as possible to avoid your pension being overpaid. There may be some death grant benefits payable and Equiniti will be able to confirm at that time.



But have you thought about who this lump sum payment would go to? There's an easy way of letting us know your wishes, and that's by filling in an **expression of wishes form** and telling us who you want to nominate.

If you want to change your nomination, all you need to do is fill in a new form and send it to Equiniti – it will then replace any previous ones you have sent: the form is on the Hackney Pensions website. Even if you have already filled in a form, please do remember to keep it up to date. If you don't fill in an **expression of wishes form**, we will still pay out the lump sum but we will use our discretion to decide who to pay it to - normally a spouse, partner, or your Executors.

Moving House

Do we have your correct address?

Don't forget to let us know when you move house, otherwise we can't keep you informed about your benefits and update you with news that might affect you. You can download a change of address form from our website.



Please note that the Fund instigated a deferred member address trace and verification exercise recently so that we can check that the addresses we hold are correct and up to date. Thank you to all those who have responded. If you have received one of these letters and not yet responded can you please complete the tear off slip and return in the envelope provided as it is important that the Fund holds correct addresses so you can be contacted when your benefits are due to come into payment.

Contact Us

Don't forget, you can contact the Hackney Pensions Team or Equiniti, the administrators, using the contact details below:

London Borough of Hackney Pension Fund Team
4th Floor, Hackney Service Centre
1, Hillman Street
London
E8 1DY
pensions@hackney.gov.uk
Tel: 020 8356 2521

The logo for pensions@hackney, featuring the text "pensions@hackney" in white on a dark green rounded rectangular background.

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**The Equiniti enquiry team are available from 9 am - 5 pm Monday to Friday.
Please make a note of this number as it has recently changed.**

This newsletter is also available on the Fund's website www.hackneypension.co.uk