

London Borough of Hackney Pension Fund Newsletter Summer 2019



Hello, and welcome to the annual newsletter for the London Borough of Hackney Pension Fund. 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 get in touch.

LGPS & Other News

LGPS - HMRC Tapered Annual Allowance

Since 6 April 2016 the Tapered Annual Allowance further limits the amount of tax relief high earners can claim on their pension contributions by reducing the annual allowance for any particular tax year.

- The annual allowance is reduced for individuals who have 'adjusted income' over £150,000 a year.
- The annual allowance reduces by £1 for every £2 over £150,000
- The maximum reduction is £30,000
- The reduction does not apply to individuals who have 'threshold income' of no more than £110,000.

Details on how to determine the adjusted income and what needs to be included, can be found on the HMRC guidance at <https://www.gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance>



'Take Five' to Stop Fraud

The threat of being scammed out of your pension savings is very real and you should take steps to help protect yourself.

Financial Fraud Action UK (FFA) in conjunction with HM Government have launched a campaign called **"Take Five – To Stop Fraud"** to try and tackle the threat.

'Take Five' is a national campaign that offers straightforward and impartial advice to help everyone protect themselves from preventable financial fraud. Take a look at the website www.takefive-stopfraud.org.uk where you will find lots of useful tips, guidance, information and videos to help you **stay safe**. **Why not take 5 minutes and have a look and take the 'TOO SMART TO BE SCAMMED' quiz while you're there!**

Finally, remember - never give your PIN or passwords details to anyone else. You are the only person who ever needs to know these.



Beware of cold-calls from fraudsters claiming to be from The Pension Regulator



There has been a number of reports that fraudsters are trying to steal valuable savings by falsely claiming to be calling from The Pensions Regulator (TPR).

TPR has received reports of pension holders being cold-called by individuals who have posed as TPR staff and have offered a 'free pension review' – a common warning sign of a scam. TPR never cold-calls individuals about their pensions. Such cases have been referred to the Information Commissioner's Office (ICO) for investigation.

If you are cold-called about your pension, or believe you could be the victim of pension fraud, please contact: **Action Fraud**



The frequency of pension scams is on the increase, but there are a number of things you can do to protect yourself. Have a look at **ScamSmart** on the FCA's website (Financial Conduct Authority) - <https://www.fca.org.uk/scamsmart/how-avoid-pension-scams> for tips on how you can prevent yourself, your friends and your family from becoming a victim. It has some practical tips, such as:-



Reject unexpected Offers - an offer out of the blue is probably a scam. If it's too good to be true, it probably is!!



Check who you're dealing with - check with the Financial Services Register to make sure they are FCA authorised - www.register.fca.org.uk



Don't be rushed or pressured into making a decision - take your time and do all the necessary checks

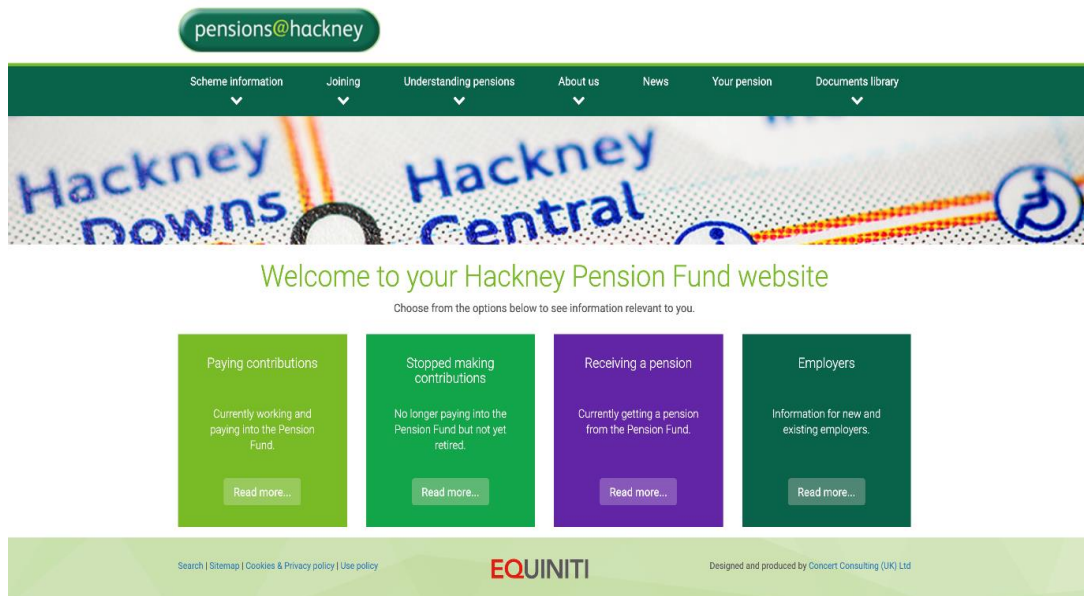


Get help & impartial information - the Pension Advisory Service provides free independent and impartial information and guidance - www.pensionsadvisoryservice.org.uk

NEW - Hackney Pension Fund Website

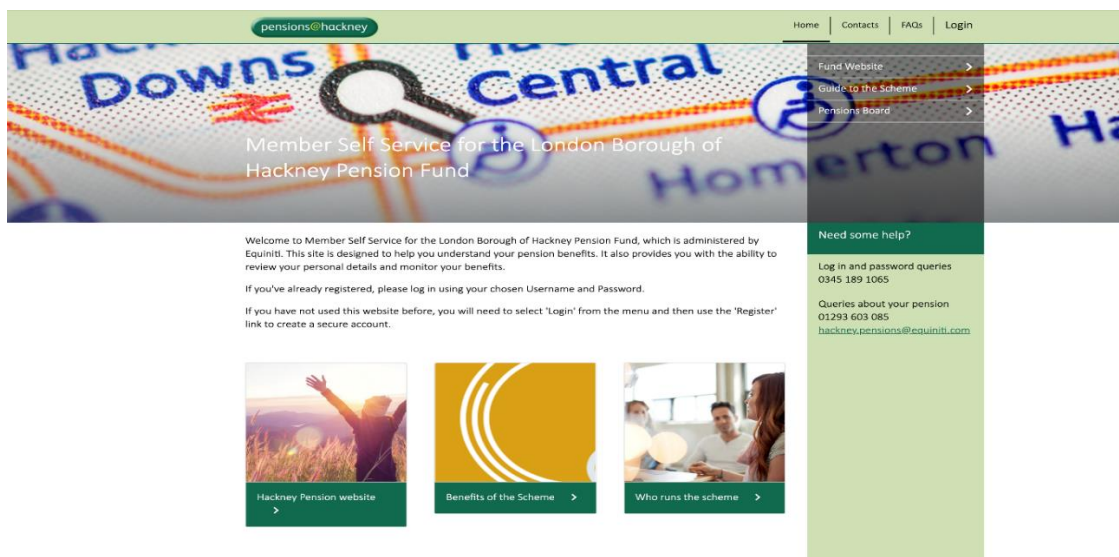
Hackney Pension Fund has just completed a revamp of its website – it has all the information that you should need as a member of the LGPS. Whether you are an active member, or have left the LGPS and have deferred benefits, or if you are already in receipt of your pension – the new website has everything you need!!

Why not take a look: www.hackneypension.co.uk



We've made the website easy to use and it's designed to help you understand your pension benefits.

There is also a link to our ***new* Member Self Service - MSS** area which, once you are registered, gives you access to view your personal details, pensionable service and annual benefit statements. You can also run your own pension estimates for early retirement (age 55 and over) or normal retirement (at your normal pension age – i.e. state pension age)



We will be officially launching the **new MSS** in October 2019, so watch out for your invite to join MSS!

There will also be some exciting additions to the website later in the year that will enhance your on-line experience, so watch this space!

About the Pension Fund

Contributions and Benefits

Contributions are paid into the Fund by employers, employees and transfers in from other pension funds. There were 37 employers in the Fund at the end of the financial year.

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.

Fund Value at 31 March 2019

= £1,575m

The value of the Fund has increased from £1,475m at end of March 2018, despite a turbulent 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

The tables below give an overview of the Fund's income and expenditure during the year to 31 March 2019.

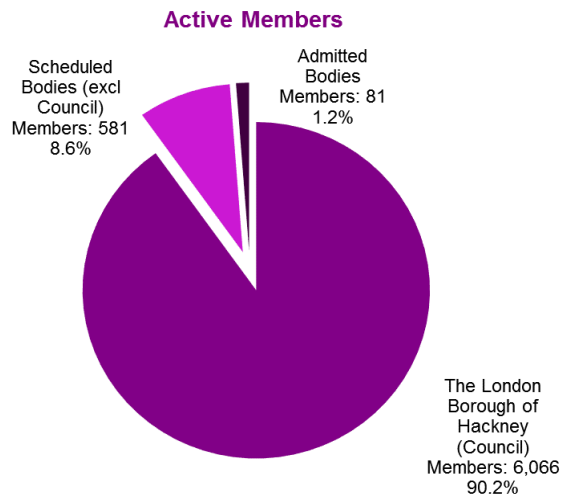
Income

Income Type	2019	2018
Employer contributions	£63.1m	£62.7m
Employee contributions	£12.6m	£12.1m
Transfers in	£8.8m	£8.0m
Investment income	£12.3m	£15.6m

Expenditure

Expenditure Type	2019	2018
Annual Pensions	£44.7m	£42.5m
Lump Sums	£10.0m	£8.7m
Death Benefits	£1.3m	£1.1m
Transfers out	£4.4m	£5.7m
Management costs	£8.1m	£8.7m

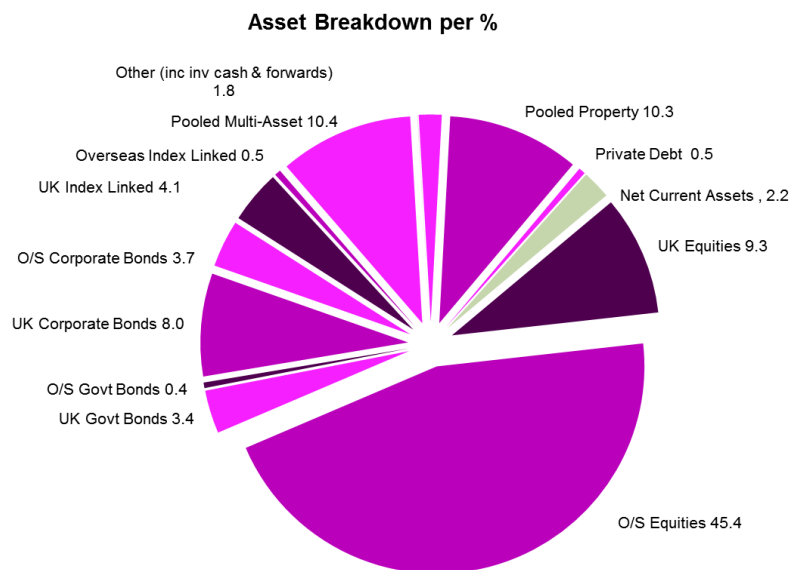
Active Membership in the Fund



The breakdown of the active membership of the Pension Fund (i.e. those contributing to the Pension Scheme,) by type of employer as at 31 March 2019 is shown alongside; the Council being the largest employer in the Fund by a considerable margin

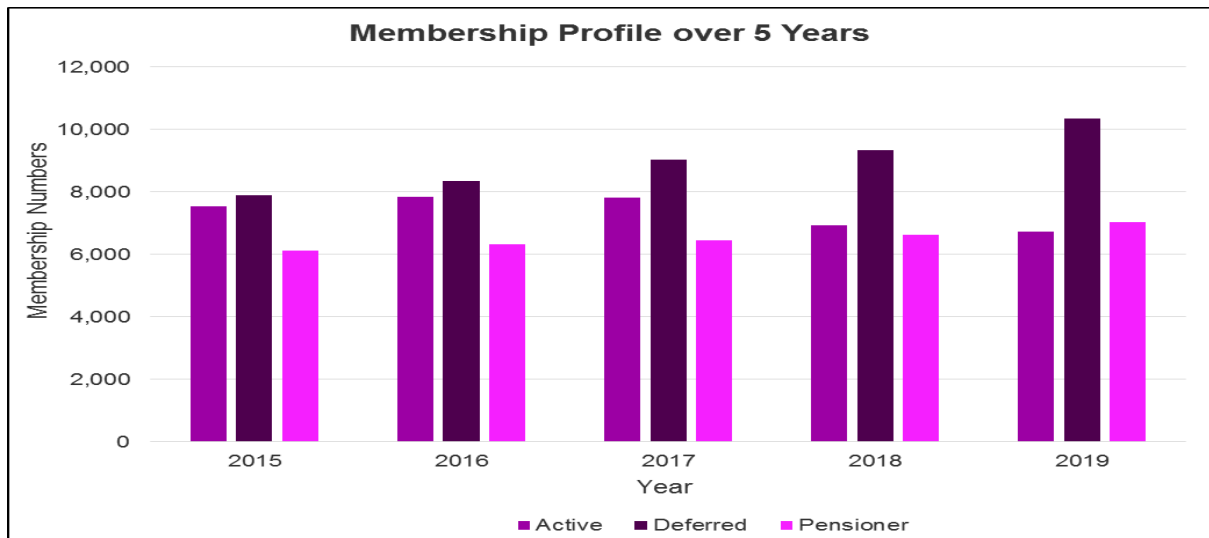
Asset Allocation

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. However, the performance of investments do not affect individual's pensions' benefits as these are set out in law. The split between different asset classes at 31 March 2019 is shown below:-



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:



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 pensionable pay. 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. This is especially important if your circumstances change, or the person already nominated you are no longer in touch with or has died.

If you want to change your nomination, all you need to do is fill in a new form and send it to Equiniti (the pension administrator) – it will then replace any previous ones you have sent: the form is on the Hackney Pensions website: <https://hackneypension.co.uk/documents-library/member-forms>. 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.

Contact Us

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 <https://hackneypension.co.uk/documents-library/member-forms>



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

pensions@hackney

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

EQUINITI

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hackney.pensions@equiniti.com
Tel: 01293 603 085

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