

aboutMyPension

Fife Pension Fund

aboutMyPension is for information. Any decision made in regards to your benefits is made in accordance with the overriding LGPS (Scotland) Regulations as amended.

2020

Hello and Welcome

Welcome to the 2020 About My Pension newsletter, we hope you and your family are staying safe and well in these difficult times.

The Pension Fund office is currently closed but we are homeworking to maintain a service to our members and employers. You can contact us by email at pensions.section@fife.gov.uk and we will get back to you as soon as we can. Please remember to include your National Insurance number and date of birth to help us trace your pension record.

Currently, we only deal with surface mail twice a week, so we would be grateful if you could email documentation, including forms relating to an impending retirement, to pensions.section@fife.gov.uk or upload on Member Self Service (MSS) at pension.fife.gov.uk

We really encourage you to use pension.fife.gov.uk which allows you to

- View your annual benefit statements (and guidance notes)
- Calculate your benefits at dates of your choice
- Make/update your nomination
- Upload/view documents
- Raise queries

We will update our website at www.fifepensionfund.org when there are changes to the Team's working arrangements. You will also find lots of information about the LGPS as well as links to forms, guides and news bulletins on our website.

Benefit Statement 2020

Your 2020 statement is now available to view by logging in to your MSS (Member Self Service) account. You can access your MSS account by going to our website at www.fifepensionfund.org and clicking on the link to Member Self Service at the top of the home page.

If you have not yet registered, you can do so now by going to www.fifepensionfund.org clicking on the Member Self Service link at the top of the home page and following the registration instructions. If you have any problems registering with MSS, there's a registration guide on the forms and publications page of the website.

When you leave the pension scheme, either by retirement, or if you defer your pension benefits, you'll still be able to access your pension record on-line. The registration details that you create when you first register will still be valid, and you'll have access to either your deferred or pensioner record. You will still be able to access your record using the same Username but if you used your work email address, you will need to change your email address on MSS to your home email address.

Don't let a scammer enjoy your retirement!

Fraudsters' tactics include:

- Contacting you out of the blue
- Promises of high/guaranteed returns
- Free pension reviews
- Access to your pension before age 55 without telling you that you'll be hit with a large tax bill
- Pressured to make a quick decision

Pension cold calling is illegal, so you should be very wary.

To find out more about how pension scams work, how to avoid them and what to do if you suspect a fraud go to www.fca.org.uk/scamsmart

Contact the Pensions Team at pensions.section@fife.gov.uk

or write to the Pensions Team, Fife Council, Rothesay House, Rothesay Place, Glenrothes, Fife KY7 5PQ

Can I cash in or transfer out my pension?

Freedom and choice legislation, which lets you take all or some of your pension as cash from age 55, does not apply to the LGPS because it is a defined benefits pension scheme. LGPS regulations allow payment of your pension from age 55 with the option of giving up part of your pension to increase your tax-free lump sum.

If you are considering transferring your benefits to a scheme that allows freedom and choice flexibilities, investigate the company you are thinking of transferring to and don't be rushed into making a decision. Take your time to make all the checks you need and ask all the questions you need to ask. A transfer out of the LGPS is a major financial decision and it is important that you get guidance or advice before making a decision. The Pension Advisory Service (pensionsadvisoryservice.org.uk) and PensionWise (pensionwise.gov.uk) provide free and impartial advice.

The Pensions Regulator, Financial Conduct Authority (FCA) and the Money & Pensions Service jointly prepared a letter for LGPS members warning of the heightened risk of pension scammers and market volatility due to the COVID-19 pandemic. You can view this important letter here at www.fifepensionfund.org/media/5498/covid19_cetv_letter.pdf You should also visit the FCA's ScamSmart website at www.fca.org.uk/scamsmart to find out if what you are being offered is a known scam or has the signs of being a scam. The FCA has also issued updated guidance on transferring from a defined benefits scheme at fca.org.uk/consumers/pension-transfer-defined-benefit

You can transfer your benefits to a new scheme as long as you elect more than 12 months before your Normal Pension Age, you are not in receipt of a LGPS pension and you transfer all your Scottish LGPS benefits out at the same time. If the transfer value of your benefits is £30,000 or more, you are legally obliged to take independent financial advice at your own cost.

What you get from the LGPS

The LGPS is one of the best pension schemes there is. Here's a reminder of some of the Scheme's key features

A secure pension and lump sum on retiring

You get a pension for life that increases in line with the cost of living (currently in line with the Consumer Price Index (CPI)). You can also take part of your benefit as tax free cash. For every £1 of pension you give up you get £12 tax free cash.

Your employer pays in too

Your employer contributes to the cost of providing your LGPS benefits.

Flexibility to pay more or less contributions

You can boost your pension by paying more contributions. This can be done by paying Additional Voluntary Contributions (AVCs) or Additional Pension Contributions. Information on these options can be found on our website at www.fifepensionfund.org

Our AVC providers are Prudential and Standard Life.

You also have the option in the LGPS to pay half your normal contributions in return for half your normal pension. This is known as the 50/50 section of the scheme and is designed to help members stay in the scheme when times are financially tough.

Remember pension contributions are tax free.

Peace of Mind

Your family enjoys financial security, with immediate life cover and a pension for your spouse, civil partner or eligible cohabiting partner and eligible children in the event of your death in service. The scheme also provides an ill health pension from any age if you have two years' service and have to leave due to permanent ill health.

Freedom to choose when to take your pension.

You can now choose to retire and draw your pension any time between age 55 and 75. If you retire before your Normal Pension Age (NPA) reductions will normally apply. NPA is simply the age you can retire and take payment of your benefits in full. If you are thinking of retiring early, please in the first instance calculate pension estimates on-line through Member Self Service. The estimates will take into account reductions that would apply at your proposed retirement date. The earlier you retire, the greater the reductions.

If you retire after your NPA then benefits attract an increase.

Early payment of unreduced benefits

You will receive unreduced benefits if you are made redundant or retired on the grounds of efficiency of service with 2 years' service and you are aged 55 or over (or 50 and over if you were a member of the LGPS on 5 April 2006).

McCloud Judgement

When the LGPS (Scotland) changed from a final salary to a career average pension scheme in 2015, 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 Government is still considering exactly what changes need to be made to remove the discrimination from the LGPS. This means it has not been possible to reflect the impact of the judgment in your annual benefit statement this year. If you qualify for protection it will apply automatically - you do not need to make a claim.

When will the changes come into effect?

We do not expect any changes to be introduced before April 2022.

Will the changes apply to me?

The Government intend for the changes to apply to members who were in service on 31 March 2012 and also have service after 31 March 2015 (without a break of more than five years).

Will my Pension increase?

Most members are unlikely to see an increase to their pension, and where an increase is applied, it is likely to be small. This is because most members will build up a higher pension in the career average pension scheme than they would have under the final salary scheme.

Continuing to work after you retire on redundancy

If you are under 55 and retire from one post on redundancy grounds and remain in another post, you will become subject to "unauthorised payment" tax charges.

Returning to work within local government, or with another organisation that participates in the LGPS, after retiring on redundancy grounds may also have significant implications for you. You should consult us if you return to work after retiring on redundancy or efficiency

Tax limits on your pension

Annual Allowance

The annual allowance is the amount by which the value of your pension savings can increase in any one year, without you having to pay a tax charge. The period over which your pension growth is measured is known as the 'pension input period' (PIP). If the value of your pension benefits grows by more than the limit, you may have to pay a tax charge on the extra amount. However, any 'unused' annual allowance from the previous three years can be used to offset the tax charge. The annual allowance is currently £40,000.

If your pension savings in the LGPS are more than the annual allowance limit for the previous tax year, we will send you a pension savings statement by 6 October. If you go over the annual allowance limit, the statement will tell you your options relating to the tax charge.

Lifetime allowance

Your lifetime allowance is the overall limit on the amount of pension savings you can build up over your working life without having to pay a tax charge. The lifetime allowance limit for 2020/2021 tax year is £1,073,100.

These limits do not affect the vast majority of members. If you want more information on these limits, annual allowance and lifetime allowance factsheets are on the forms and publications section of our website www.fifepensionfund.org/fife-pension-fund/about-us/forms-and-publications

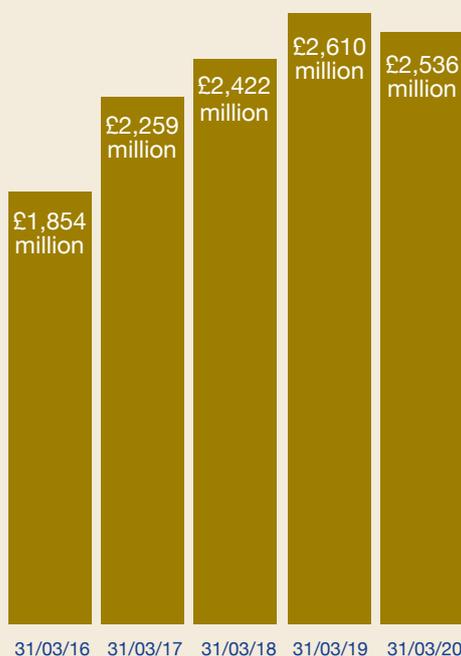
Fund News

Asset Allocation as at 31st March 2020

Equities	60%
Bonds	15%
Absolute Return	9%
Property	9%
Cash	4%
Infrastructure	3%

Change in Market Value of Assets

Change in Market Value of Assets under management since 31/03/16 as at 31/03/20



Scheme Membership as at 31st March 2020

Active Members	15,679
Deferred Members	7,194
Pensioners / Dependant Members	13,735
Total Members	36,608

Protecting your loved ones

Lump sum Death Grant

If you die in service, a lump sum of three times your pensionable pay is paid out.

If you have other LGPS membership(s) the actual amount payable would be determined after considering your other LGPS membership(s)

The LGPS regulations do not spell out who the death grant is paid to.

Fife Pension Fund has absolute discretion in deciding to whom a death grant is paid but by completing a nomination form you can help ensure quick and accurate payment of the death grant to the person or persons you would like it paid to.

The easiest way of keeping your nomination details up to date is by updating the information through Member Self Service.

Alternatively you can download, complete and return an 'Expression of Wish Form' available from the forms and publication section at www.fifepensionfund.org

Even if you have already completed one, please do remember to keep it up to date –

this is especially important should your circumstances change.

However, if you do not complete one, we will still pay out the lump sum death grant, but we will use our discretion to decide who to pay it to – normally a spouse, partner and so on. But it is far better to let us know your wishes.

Survivor/Children's Pensions

You do not need to nominate your wife, husband, civil partner or dependent children to receive a pension on your death.

Co-Habiting Partner's Pension

If you are living with someone you are not married to, we may pay a cohabiting partner's pension.

At the date of your death, you and your partner must have been free to marry or form a civil partnership.

Also, your partner must provide evidence to show that for at least 2 years before your death

- You were living together as a married couple/civil partners
- Your partner was financially dependent on you or you were financially interdependent

Member Self Service

- Edit personal information
- View scheme membership details
- Update security information
- Access your benefit statement
- Carry out pension calculations

If you haven't already registered you can start the registration process at pension.fife.gov.uk

You'll need your National Insurance number to complete the process.

When you leave the pension scheme, either by retirement, or if you defer your pension benefits, you'll still be able to access your pension record.