

Your Deferred Pension Statement 2017





Welcome to your annual benefit statement 2017.

This shows the value of your deferred benefits as at **10 April 2017**. Whilst we have taken every care please remember this statement is only an **estimate** and should not be treated as a guarantee of your entitlement.

There are notes to help you understand your figures but if you have any questions or the details are incorrect please contact us.

Contents

.....	
Your Personal Details	3
Your Pension	4
Death Benefits	6
Frequently Asked Questions	8
Your Pension moves online	10
Scams	11
Fund News	12
Contact Us	16



Personal Details

Name:

Date of Birth:

NI Number:

Date Left:

Benefits Payable from:


Your Pension:

Annual Pension

This is the total pension which will be paid to you every year in retirement. Once your pension is in payment, it will continue to increase each year in line with the cost of living.


For members between 60 & their benefits payable date (see page 3), the value of your benefits may be reduced if you take them before the date they become payable. Note these figures do not include a reduction.

For members past their benefits payable date (see page 3), there **may** be a small increase to your pension for late payment. Note these figures do not include any increase.




Lump Sum:

This is a one-off lump sum payable at retirement. If you joined on or after 1 April 2009 there is no automatic lump sum and the value shown is zero. When you take your pension you can swap some annual pension to get, or increase, your tax-free lump sum.



Cost of Living Increases

Every year your pension increases in line with the cost of living. This figure shows how much your pension and lump sum have increased since leaving. **Note these figures opposite include this increase.**





Current Annual Pension:



Current Lump Sum



**Total increase applied
to your pension and
lump since leaving**

**See the FAQs section
(page 8) for more
information on when you
can take your pension**



Your Death Benefits

Survivor's Annual Pension

If you die while your benefits are deferred, we will pay a survivor's pension to your spouse, civil partner or **eligible*** co-habiting partner and any **eligible** children.

This figure is only an estimate and has been calculated on the assumption you are married or in a civil partnership and were so at the date you left the scheme.

For information on survivor's pension and your personal circumstances contact the Pension Fund.

* A co-habiting survivor's pension will only be paid if:

- **You were paying into the scheme on or after 1 April 2009, and**
- **your relationship meets certain conditions.**

Death Grant

This is a tax free lump sum payable upon your death. If you left the scheme before 1 April 2009 the death grant is equal to your deferred lump sum. If you left the scheme on or after 1 April 2009, it is worth 5 times the value of your deferred pension.

Be aware, if you die and are also an active member only one death grant will be paid, either:

- **Death in service lump sum, or**
- **Deferred benefits lump sum** whichever is greater



Survivor's Pension:

For more information and to nominate a co-habiting partner please see the *"Notification of Co-habiting Partner"* form available on our website.



Death Grant:

Your Death Benefits

Death Grant Wishes:

These are the individuals and organisations you have nominated to receive your death grant. You can make or change your wishes, by updating your records online via My Pension or by completing an “*Expression of Wish*” form available on our website. Your wishes are not legally binding but we will follow your wishes wherever possible. Any expression of wish may cease to have effect if you marry or enter into a civil partnership or end your marriage or civil partnership.

Death Grant Wishes:



Name	Percentage %
------	--------------

FAQs

How is my pension calculated?

How your pension is calculated depends on when you were paying into the scheme:

- **Membership up to 31 March 2015**

Your pension is based on your final salary and length of membership up to 31/3/2015. For membership up to 31/3/2009 an automatic lump sum is also payable. There is no automatic lump sum for membership after 31/3/2009.

- **Membership after 1 April 2015**

You build up a pension each year worth 1/49th of your pay (or 1/98th if you were in 50/50) plus inflation.

The pension for each of the above periods is calculated separately and then added together to give your total annual pension. For more details visit

<http://www.nespf.org.uk>

FAQs

When can I get my pension?

You can choose to take your pension anytime between age 60 and 75. However if you take your pension before your **Normal Pension Age** your pension may be reduced due to early payment. Your pension can be paid unreduced if you were born before 1/4/1960 and you retire with Rule of 85 protection or if at any age you retire on ill health grounds.

What is Normal Pension Age (NPA)?

It is simply the age your pension benefits can be paid in full, without any reduction. Normal Pension Age varies depending on when you built up benefits:

- **Before 1 April 2015:** NPA is 65
- **On or after 1 April 2015:** NPA is the same as your state pension age with a minimum age of 65 (i.e. if your SPA is below 65, your NPA remains 65).

You can find out your state pension age at www.gov.uk/state-pension-age

Do I Qualify for Rule of 85 Protection?

Rule of 85 protection is a way of calculating whether your pension will be reduced for accessing it before Normal Pension Age.

There are two levels of Rule of 85 protection. To qualify for either you must have been an active member, paying into the scheme before 1 December 2006.

The level of protection which then applies depends on when you reach age 60:

- **Before 1 April 2020:** When you take your pension, if you meet the Rule of 85, all benefits built up to 31 March 2020 will be paid, unreduced. Pension built up after this date will be reduced.
- **After 1 April 2020:** When you take your pension, if you meet the Rule of 85, all benefits built up to 31 March 2008 will be paid, unreduced. Pension built up after this date will be reduced for early payment.

The rule of 85 is met if your age when you retire and your scheme membership (in whole years) adds up to 85. Remember you cannot retire before age 60 so even if you meet the rule before then, you cannot take your pension before your 60th Birthday.



FAQs

Can I withdraw or cash in my pension?

No you cannot. If you wish to withdraw or cash in your pension, you must be at least 55 and will need to transfer your pension from the Local Government Pension Scheme (LGPS) to another pension provider who offers these services. If the value of your pension benefits is more than £30,000, you are legally required to obtain independent financial advice before the transfer can be made and you must prove this advice has been sought.

Can I transfer my pension?

You can transfer your LGPS pension to another scheme as long as you have no other active records with us and not within 12 months of your Normal Pension Age. You will need to speak to your new provider to see if they will accept LGPS pension benefits. If they do they will contact us to begin the transfer process.

Access your Pension Online

Whether retirement is 5, 10 or 30 years away keep on top of your retirement plans with **My Pension**. **My Pension** is a secure online tool that gives you instant access to the details we hold on your pension, making checking your pension just as easy as online banking.

With **My Pension** you can:

- **See the value of your pension & check how much you could get when you retire**
- **Update your contact details so we can keep you informed**
- **Change your death grant nominations**
- **View scheme forms, guides and other documents.**

To register with My Pension visit axis.nespf.org.uk and follow the steps to complete your registration.

Remember this is the last year of paper benefit statements. Next year your pension benefit statement will be moving online through My Pension. So get ahead and register now.

Beware of Scams – Keep your Pension Safe

Pension scams are on the rise so keep your pension safe from fraudsters by recognising common warning signs:

- **Cold calls, text messages, emails or someone coming to your door with promises of quick cash, legal loopholes and pension loans**
- **Claims of accessing your pension before age 55**
- **Proposing single investment and promising large returns**
- **Enticements of upfront cash**

If it sounds too good to be true, it probably is.

Always ensure you are aware of the facts when making decisions regarding your pension. Find out more about pension fraud and what to do if you think you have been targeted by visiting **www.thepensionsregulator.gov.uk**



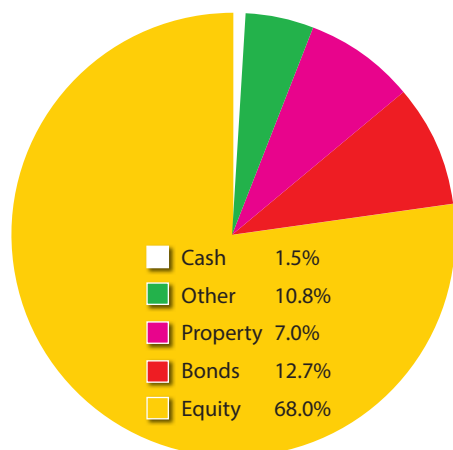
Fund in Figures 2017

Asset Allocation and Fund Value as at 31 March 2017 *

Total value of the Pension Fund **£3,800 million**

Income to Fund 2016/17	£(m)	Expenditure 2016/17	£(m)
Employee Contributions	29	Pension Benefits	121
Employer Contributions	99	Leavers and Transfers	5
Transfers received	2	Administration & Investment Costs	18
Investment income	50		

Asset Allocation as at 31 January 2017



Fund in Numbers

62,800
Members



17,012
Deferred Members



Award nominations
including DB
Scheme of the Year
& Public Sector
Scheme of the Year



Award win
Quality of service at
the LGC Investment
Awards 2016



Top 6 Directly Held Stock as at 31 March 2017	£(m)	%
Amazon	64.5	1.69
Tencent	55.9	1.47
Facebook	55.7	1.46
Tesla	51.2	1.34
BAT	51.2	1.34
Illumina	50.2	1.31

* These are the draft figures subject to change

15,133
Helpline calls
answered



You Said – We Did

Last year the Fund issued Customer Satisfaction surveys to a random sample of members.



Surveys will once again be mailed to a random sample of members alongside this newsletter with an online version available for everyone at www.surveymonkey.co.uk/r/NESPF2017 All feedback received is greatly appreciated as it assists in the planning and production of future communications so please take the time to share your opinions.

Managing your data & data protection

To comply with regulations the Fund shares some limited information with other public service bodies to prevent and detect fraud:

- **LGPS National Insurance Database** – allows all LGPS Funds to know if a member has records elsewhere to ensure benefits are calculated correctly.
- **National Fraud Initiative** – a counter fraud exercise led by Audit Scotland which the Fund is legally required to participate in.
- **Tell Us Once** – Registrars service allowing the Fund to be notified of a member's death as soon as registrars are informed.

The Fund does not share or sell information to third parties and data collected and shared is done in line with the Data Protection Act. More information on how your data is managed is available on our website.



Contact details

You can visit us in person, Monday – Friday (except public holidays) between 9:00am – 4:30pm. Simply visit the Customer Service Centre at Marischal College and ask for the Pension Fund.

North East Scotland Pension Fund

Corporate Governance
Business Hub 16
3rd Floor - West
Marischal College
Broad Street
Aberdeen AB10 1AB

Phone: 01224 264 264

Email: pensions@nespf.org.uk

Web: www.nespf.org.uk



@NESPF

Let us know what you think of your pension statement by completing our short online survey at: www.surveymonkey.co.uk/r/NESPF2017