



North East Scotland Pension Fund

nespf

Pensions Newsletter 2023



Your Pension Increase

Pensions are increased each April to keep up with the cost of living. This year your pension will increase by **10.1%**.

However, depending on your age and the date you retired, you may not get the full increase. If you are under age 55, and did not retire due to ill health, your pension will not increase. When you turn 55, your pension will increase to the level it would have been, had it increased every year since you retired.

If your pension payments began after **25 April 2022**, you will only get part of the increase. The table below shows how much your pension will be increased by based on the date your pension began.

Date Pension Began	% Increase
On or Before 25 April 2022	10.10%
26 April 2022 – 25 May 2022	9.26%
26 May 2022 – 25 June 2022	8.42%
26 June 2022 – 25 July 2022	7.58%
26 July 2022 – 25 August 2022	6.73%
26 August 2022 – 25 September 2022	5.89%
26 September 2022 – 25 October 2022	5.05%
26 October 2022 – 25 November 2022	4.21%
26 November 2022 – 25 December 2022	3.37%
26 December 2022 – 25 January 2023	2.53%
26 January 2023 – 25 February 2023	1.68%
26 February 2023 – 25 March 2023	0.84%

How is the pensions increase decided?

The Fund does not set the pension increase amount. We must follow legislation which states the increase to be applied each April should be based on the Consumer Prices Index (CPI) for the previous September. So the 10.1% increase in April, is based on the CPI rate from September 2022. These regulations also outline the partial increase for certain members as described on the previous page.

When will my pension increase?

Your pension will increase from 10 April. As this is part way through the month, you'll only receive part of the increase. From May onwards, your monthly pension will include the full increase.

You will receive a payslip in April which will confirm your new pension amount. If your pension has increased by 50p or more per month, you will also receive a payslip in May showing your new monthly payment.

Why is the increase lower than expected?

If you paid into the Fund before 6 April 1997 and have now reached state pension age, it is likely you will have a Guaranteed Minimum Pension (GMP). GMP is the minimum amount of pension we must pay you. Your GMP is also increased but some or all of it is paid with your State Pension. So while the increase from us may be lower than expected, your State Pension will also increase giving you the full 10.1% increase you are entitled to.

The exception to this is members whose State Pension Age is after 5 April 2016, the Fund will pay the full increase in these cases.

State Pension Increase

The basic state pension will increase by **10.1%**

For more information on your state pension visit www.gov.uk or call **0800 731 0469**



Keep an eye out for your new look P60s and payslips this April.

They'll be enveloped and posted out by the end of the month.

If you can't wait until then, they'll be available online mid-April.

Tax

P60

We will issue a P60 to you at the end of April. Your P60 will show you how much pension has been paid to you over the last 12 months and the tax deducted from it.

Tax Codes

Your final tax code for 2022/23 can be found on your P60. Your tax code for the coming year (2023/24) will be on your April payslip.

If your tax code changes you do not need to contact us as HMRC automatically tell us of any changes.

If you receive a letter from HMRC informing you of a change to your tax code, please check your April payslip to ensure the correct code has been used.

Any questions about tax must be directed to HMRC. The Fund does not set and cannot change your tax code so queries must go to HMRC at 0300 200 3300.

Pay Days 2023/24

Your pension is paid on the 15th of each month. If this falls on a Saturday, Sunday or public holiday, it will be paid on the previous working day.

2023	
April	Friday 14
May	Monday 15
June	Thursday 15
July	Friday 14
August	Tuesday 15
September	Friday 15
October	Friday 13
November	Wednesday 15
December	Friday 15
2024	
January	Monday 15
February	Thursday 15
March	Friday 15

Change of Circumstances

Please let us know if you change your:

- ▶ **Name**
- ▶ **Marital Status**
- ▶ **Address**
- ▶ **Bank details**

You can update your address and bank details online through My Pension. Alternatively, you can send a letter notifying us of any changes. We cannot accept bank details over the phone for security reasons.

Going Online

See all your pension details in one place, at any time.

My Pension is our secure, online tool that gives you instant access to your pension details. It makes keeping up to date with your pension easier than ever.



Pension Values

- ▶ Check your pension value
- ▶ See your spouse's/partner's pension
- ▶ View the value of your death grant



Documents

- ▶ See payslips and P60s
- ▶ Upload forms, certificates and other documents
- ▶ Access newsletters, guides and forms



Update Details

- ▶ Change bank account details
- ▶ Update address and contact information
- ▶ Make or change death grant nominations



Security

- ▶ Fully accredited and certified to meet the latest online security requirements

To register visit nespf.pensiondetails.co.uk and follow the "How to sign up" steps.

Cost of Living

The rising cost of living is putting pressure on people's finances. Whether it's the cost of filling up your car, the checkout at the weekly shop or when paying your energy bills, everyone's feeling the pinch.

Here's where you can find extra support:

- ▶ **Age Scotland:** Provide information on a range of topics from energy bills to benefits that you may be entitled to. Call for free, confidential advice over the phone **0800 12 44 222** or visit www.ageuk.org.uk/scotland/
- ▶ **Citizens Advice:** Get help with queries about employment, housing, debt, benefits and consumer issues like energy bills. Call free on **0800 028 1456** or visit www.cas.org.uk/

Your Pension is Safe

Towards the end of last year, there was a lot of uncertainty and talk around financial markets, the economy and pension funds. We'd like to reassure you that your pension with us is safe.

Your pension is not based on investments or their performance and any financial volatility will not affect its value. The Fund remains in a financially strong position and your pension is guaranteed by law.

Fund in Figures



£5.9bn
Total Fund Value



73,642
Members



25,219
Pensioners



1,956
Votes at AGMs



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Award Win

**Best Pension Scheme Administration
at the Pension Age Awards**

Financial Summary

Income	£m	Outgoing	£m
Employee Contributions	34	Pension Benefits	156
Employer Contributions	116	Transfers & Refunds	3
Transfers In	3	Admin & Investments	27
Investment Income	71	Costs	

Top 5 Directly Held Stock as at 31 Dec 2022

	£(m)	% of Fund
Amazon	£64.5	1.19
Intuitive Surgical	£57.2	1.05
Microsoft	£54.7	1.01
Boston Scientific	£50.1	0.92
Prudential	£45.6	0.84

Responsible Investment and ESG

As a long-term investor the Fund has a duty to engage with the companies we invest in on environmental, social and governance (ESG) issues, and to work with others to effect change.

ESG in practice

There are several things that we as an investor can do to make changes for the better.



Help us reduce our carbon footprint by opting to get your newsletter, payslips and P60s online. Simply contact us or login to My Pension to update your communication preference.

► Climate Statement

NESPF recognises the risks associated with climate change and the potential for these to impact on the long-term value of Investments. However we also see the opportunity for investment particularly during the transition to a lower carbon economy.

We believe that company level engagement continues to successfully drive behaviour, an outcome we do not believe divestment would have to the same effect. The Fund's approach to managing climate-related risks and opportunities involves both its asset allocation decisions and a robust approach to engagement and voting.

► Direct Investment

The Fund has been increasing exposure to renewable energy opportunities since 2017, including wind, solar and energy from waste infrastructure projects. The Fund has approximately £200 million in direct renewable holdings. The Fund continues to seek further investments in low carbon and sustainable initiatives where there are opportunities to meet the Fund's return requirements and risk parameters.

► **Collaborate**

There are limits to what we can achieve as a single investor and believe greater progress can be made through collaboration with other investors. To accomplish this, we are members/signatories of the following ESG initiatives:

- **2022 Global Investor Statement**
- **2022 Non-Disclosure Campaign (NDC)**
- **Bangladesh Accord on Fire and Building Safety (the Accord)**
- **Climate Action 100**
- **Carbon Disclosure Project**
- **Principles for Responsible Investment**
- **Local Authority Pension Fund Forum**

We also engage with our Fund Managers on a regular basis.

By working together, we can use our collective size to influence decision making and promote better standards of corporate responsibility.



► **Asset Specific**

Grid Infrastructure Investment

The Fund is investing into transmission assets, providing an opportunity to invest into the growing market of the UK's grid stability services. This investment involves the construction of a synchronous condenser in Moray, which is expected to be operational in 2024.

A synchronous compensator is a rotating machine that does not produce electricity but helps manage the stability of the national grid including the relationship between voltage and current, and the resilience of the system to sudden faults.

With the move towards decarbonisation of electricity, to meet net zero targets, technologies such as these will help stabilise and strengthen the grid. This is particularly important as renewables, which can be intermittent, are integrated into the UK power system.

More information on our investments can be found on our website.

Contact Us

If you have any questions or would like more information please get in touch.

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Visit: We are now welcoming visitors for face-to-face appointments. Appointments must be booked in advance to ensure availability and can be booked via our website or by phone.

Our telephone number has changed!
From now on you should call us on
01224 045 045.

Our opening times and all other contact details remain the same.

Data Protection

Member privacy is paramount to us and all personal information collected is managed in accordance with the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).

To enable us to carry out our statutory duty, we are required to share your information with certain bodies but will only do so in limited circumstances. To find out more, view our Privacy Notice available on our website www.nespf.org.uk/about/data-privacy/