



North East Scotland **PENSION FUND**

Your Active Pension Statement 2017





Welcome to your Annual Benefit Statement 2017.

This shows the value of your benefits as at **31 March 2017**. While 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.

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Personal Details

Name:

Date of Birth:

NI Number:

Employer at 31 March 2017:

Payroll Number:

Contract Number:

For members with multiple jobs

Your Normal Pension Age:

Date Joined North East Scotland Pension Fund:

This is the date you joined the NESPF and does not reflect any previous LGPS or other pension scheme membership that has been transferred in.



Before reading please remember:

- These figures are only an estimate and should not be treated as a guarantee of your entitlement
- If you have any queries about the pay figures used to calculate your pension, please contact your employer
- If you have more than one job in the Scheme, you'll get more than 1 benefit statement
- Any Additional Voluntary Contributions (AVCs) you pay are not included in these values
- If you have previously paid or are paying Added Years or Additional Regular Contributions these have been included as part of your Final Salary pension
- If you are divorced and have a pension sharing order, the figures have been reduced to take this into account.





Pension Summary:

Your **current** Pension is:

Your **current** Lump Sum is:

Your **estimated** Pension at your Normal Pension Age is:

Your **estimated** Lump Sum at your Normal Pension Age is:



Your pension is made up of **Final Salary** and **CARE** benefits. You can see a breakdown of how these are calculated on the pages that follow.



Portsoy Boat Festival





Final Salary Pension

Pension benefits built up before **1 April 2015** are based on your Final Salary

Final Salary Pension:	<input type="text"/>	per year
Automatic Lump Sum:	<input type="text"/>	
Final Pay:	<input type="text"/>	
Membership up to 31 March 2015	<input type="text"/>	(years/days)

How is my Final Salary pension calculated?

It is based on your length of membership up to **31 March 2015** and your final pay. Your lump sum is based on membership up to **31 March 2009**.

Final Pay

This is an estimate based on information provided by your employer. Its value could be affected by any absences, reduced/back dated contributions and car leasing salary sacrifice schemes. When you retire we use your final pay at retirement to calculate your pension.

Membership

While the Fund records all membership, it is only membership up to 31 March 2015 which counts when calculating your Final Salary pension. This figure includes any service transferred in or purchased.

Part time members

We use your Full Time Equivalent (FTE) pay for your post and calculate your total membership as a proportion of the FTE hours. This means the length of service shown will not reflect the actual time you have been in post. Although we scale down your membership, because your final pay is scaled up you will still receive all the benefits you are entitled to.

Lump Sum

If you joined after **1 April 2009** there is no automatic lump sum. If you do not get an automatic lump sum, or you want to increase your lump sum, you can swap some of your annual pension for a tax free lump sum (within HMRC limits). For every £1 of pension you give up, you get £12 of lump sum.



CARE Pension

Pension built up after 1 April 2015 is based on your **Career Average Revalued Earnings (CARE)**.

Opening Balance	+	<input type="text"/>	
Cost of Living	+	<input type="text"/>	
Pension Built Up in 2016/17	+	<input type="text"/>	
Total CARE Pension	=	<input type="text"/>	per year

→

Breakdown of Pension Built Up in 2016/17:				
Main Section	50/50 Section	Additional Pension	Transfers	
<input type="text"/>	+	<input type="text"/>	+	<input type="text"/>

→

Pensionable Pay in 2016/17:			
Pay in main section	<input type="text"/>	Pay in 50/50	<input type="text"/>

How is my CARE pension calculated?

Every year you build up a pension worth 1/49th of your pensionable pay (i.e. $\text{pay} \div 49$.) If at any time you were in the 50/50 section you will build up a pension worth 1/98th of your pay (i.e. $\text{pay} \div 98$). At the end of every year your pension is adjusted in line with the cost of living.

Opening Balance

This is the amount of CARE pension you had at the end of the previous year (31 March 2016).

Cost of Living

Your pension is adjusted in line with the cost of living each year. The cost of living was -0.1% on 1 April 2016. As such your CARE pension was reduced by 0.1%.

The cost of living at 1 April 2017 was 1% so in next year's benefit statement you will see a 1% increase to your pension along with any pension you have built up. Alternatively you can login to My Pension to see a more recent value of your pension.





Additional Pension

Any Additional Pension Contributions (APCs) you have purchased in 2016/17 or late retirement increases are included in the above. If you have purchased APCs in previous years, they have already been included in your opening balance.

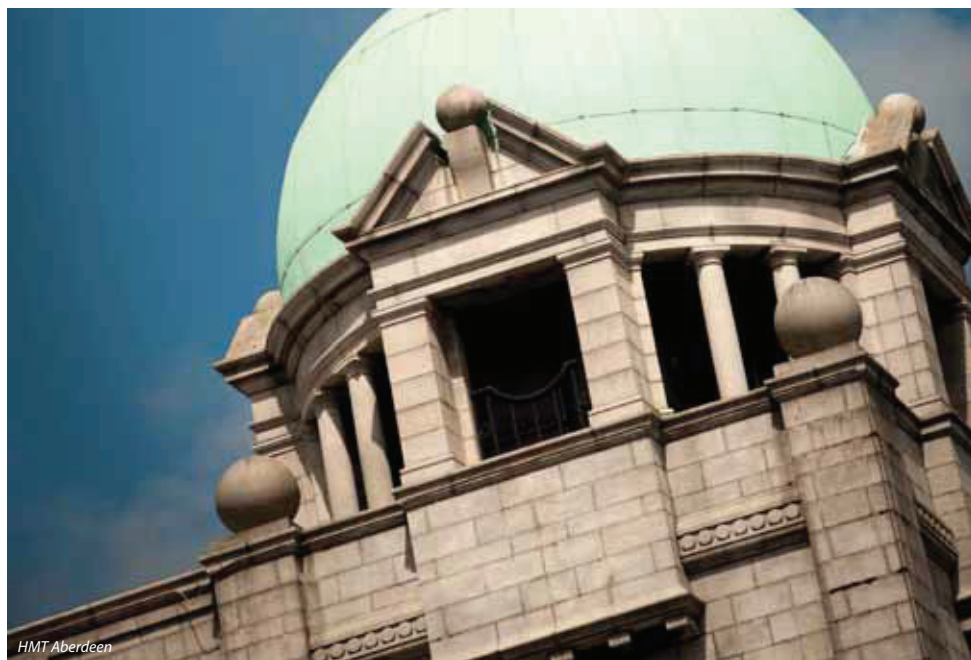
Transfers In

Any pension transferred from another provider in 2016/17 is included. Be aware transfers of CARE benefits in a previous year are included in the opening balance of your CARE pension. Transfers received on a Final Salary basis are included as part of your Final Salary pension.

Pensionable Pay

This is the actual pay you have received and paid contributions on in 2016/17. It includes your normal salary plus allowances, bonuses, contractual overtime, child related leave pay and other taxable benefits. If you were on reduced pay due to sickness or paid child related leave, this figure is what you would have received if not on reduced pay.

If you were a member of the 50/50 section during 2016/17, you will see a separate figure showing the pay you received while in 50/50.





Your Pension at Your Normal Pension Age

Normal Pension Age (NPA) <i>(Years/Days)</i>	<input type="text"/>	Date of NPA	<input type="text"/>
Annual Pension	<input type="text"/>	Lump Sum	<input type="text"/>
<i>This is made up of</i>			
Final Salary Pension	<input type="text"/>	+ CARE Pension	<input type="text"/>

How is my pension at Normal Pension Age (NPA) calculated?

To estimate your pension we have:

- Used the same method and pay figures as outlined on page 5 and 6 to calculate your pension
- Assumed your pay and hours will not change
- Assumed there will be no inflation increases or decreases to your pension
- Assumed you will be in the main section of the scheme until your NPA

Note: Your lump sum is part of your Final Salary benefits which have a NPA of 65. If your NPA is after age 65, the lump sum and Final Salary pension shown above includes a late payment increase.

The factors for calculating any late retirement increase changed on 24 June 2017. The above figures use factors as at 31 March 2017. For more information visit www.nespf.org.uk/quicklinks/lateretirement.aspx

For more information on retirement and your Normal Pension Age see our Frequently Asked Questions on page 10.



Naim Harbour





Death Benefits

Survivor's Pension per year

Death Grant

Survivor's Pension

If you die in service we will pay a pension to your:

- Husband/wife, or
- Civil partner, or
- **Eligible** cohabiting partner, and
- Any eligible children

The survivors pension is an estimate and has been calculated on the assumption you are married or in a civil partnership. For a cohabiting partner to receive a pension your relationship must meet certain conditions. More information can be found in the *"Notification of Cohabiting Partner"* form available on our website.

Death Grant

This is a tax free lump sum paid upon your death and is equal to 3 times your annual pay. You can tell us who you would like to receive this grant by updating your wishes online via My Pension or completing the *"Death Grant – Expression of Wish"* form available from our website. Although we do not have to follow your wishes we will do so wherever we can.

Death Grant Wishes

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



FAQs

When can I get my pension?

You can choose to retire and take your pension anytime between age 60 and 75. If you take your pension before your **Normal Pension Age** your pension may be reduced due to early payment. The only exceptions to this are; retiring with certain Rule of 85 protection, ill health retirement and redundancy/business efficiency retirement.

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 31 March 2015 (Final Salary benefits):** NPA is 65
- **On or after 1 April 2015 (CARE benefits):** NPA is the same as your State Pension Age (SPA) with a minimum age of 65 (i.e. if your SPA is below 65, your NPA remains 65).

As Normal Pension Age is linked to your State Pension Age, if your State Pension Age changes so too will your Normal Pension Age. When you retire you cannot take your CARE and Final Salary pension separately, they must be taken at the same time.

Do I Qualify for Rule of 85 Protection?

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 to you depends on when you reach age 60:

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

The rule is met if your age when you retire and your Scheme membership (in whole years) add up to 85. **Remember you cannot retire before age 60, so even if you meet the rule before then, you cannot choose to take your pension before your 60th birthday.**



What if I leave before I can retire or take my pension?

If you leave or opt out of the pension Scheme you will need to decide what to do with your pension. You will be given one or more of the following options:

- Transfer your pension to another provider
- Take a refund of your contributions, or
- Leave your pension with the Pension Fund.

The options available depend on how long you have been a member of the Scheme and whether you have local government pension benefits elsewhere in Scotland. The Fund will write out to you when you leave explaining what your options are.

For more information on your pension and the Scheme visit the NESPF website: **www.nespf.org.uk**

Increasing your Pension

There are two ways to increase your pension:

1. **Additional Pension Contributions (APCs)** go into your NESPF pension account, along with your normal contributions, and increase with the cost of living. When you retire, your extra pension purchased with your APCs will be paid to you each year on top of your normal pension. The cost of APCs depend on how much extra pension you want to buy and can be paid regularly over a period of time or purchased as a one off lump sum.

To see how much an APC could cost visit **<http://scotlgps2015.org/apc/>**

2. **Additional Voluntary Contributions (AVCs)** are invested separately in funds managed by our AVC provider - Prudential. AVCs are deducted directly from your pay, just like normal contributions and are transferred into your own personal account with Prudential. Here the contributions and the returns on your investments will remain. When you retire you can use your AVCs to buy additional pension benefits with the LGPS or with another provider. You can also take up to 100% of your AVCs as a tax free lump sum, within HMRC limits.

To find out more visit **<https://www.pru.co.uk/rz/localgov/>** or contact Prudential on 0800 012 1378.

Pension too expensive?

Reduce your contributions with 50/50 – where you pay half the contributions & get half the pension. For more information see our website



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**
- **Use calculators to estimate how much your pension could be at different ages and retiring under different circumstances**
- **Update your contact details**
- **Change your death grant wishes**
- **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.



Johnston Gardens, Aberdeen



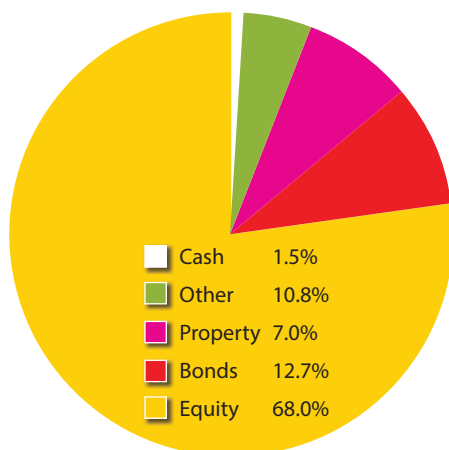
Fund in Figures

Fund Value: £3,800 million

Income & Expenditure 2016/17

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



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 draft figures are subject to change

Fund in Numbers


62,800 
Members

24,910 
Active Members

 **£624m**
Value the Fund increased by

 **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

 **15,133**
Helpline calls answered

Your Personal Benefit Statement

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You Said – We Did

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

80.4% Said

They were satisfied or very satisfied with the level of service provided

Most well understood topics in 2016 statement:

1. Pension value
2. Death Benefits

Least well understood topics in 2016 statement:

1. Lifetime & Annual Allowance
2. Pension Revaluation (cost of living increase)

You Said

Wanted more information on retirement

You Said

Information could be clearer

We Did

Added most common retirement queries to FAQ section

We Did

Focus has been placed on making this year's statement easier to understand and including only relevant information

Marischal College

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.





Your Personal Benefit Statement

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North East Scotland **PENSION FUND**

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
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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