

Your Active Pension Statement 2018





Welcome to your Annual Benefit Statement 2018.

This shows the value of your benefits as at **31 March 2018**. 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: [FORENAMES] [SURNAME]

Date of Birth: [DOB]

Employer at 31 March 2018: [LOCNAT3103]

Payroll Number: [IDENT2]

Contract Number: [CONTRACT-NO]

For members with multiple jobs

Your Normal Pension Age: [NPA]

Date Joined North East Scotland Pension Fund: [DJF]

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:

- If you have any queries about the pay figures used to calculate your pension, please contact your **employer** directly
- 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: **£ [BE-PV-PEN] per year**

Your **current** Lump Sum is: **£ [BE-PV-LSUM] per year**

Your **estimated** Pension at your Normal Pension Age is: **£ [BE-NPA-XPEN] per year**

Your **estimated** Lump Sum at your Normal Pension Age is: **£ [BE-NPA-XLS] per year**



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.



Final Salary Pension

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

Final Salary Pension:	[BE-PV-FSPN] per year
Automatic Lump Sum:	[BE-PV-FSLS]
Final Pay:	[PEN-PS-REM]
Membership up to 31 March 2015	[PV-TOT-SV]

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 Final Salary 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 annual 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	+	[CARE-TOTPY]	
Cost of Living	+	[CARE-REVPY]	
Pension Built Up in 2017/18	+	[CARE-TOTYR]	
Total CARE Pension	=	[CARE-ACSCR]	per year

Breakdown of Pension Built Up in 2017/18:

Main Section	50/50 Section	Additional Pension	Transfers
[CARE-100YB]	+ [CARE-50YB]	+ [CARE-APCYR]	+ [CARE-TVIYR]

Pensionable Pay in 2017/18:

Pay in main section	[CARE100PF]	Pay in 50/50	[CARE-50PF]
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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 2017).



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 2017).

Cost of Living

Your pension is adjusted in line with the cost of living each year. The cost of living was 1% on April 2017 and as such your CARE pension was increased by 1%.

Additional Pension

Any Additional Pension Contributions (APCs) you have purchased in 2017/18 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 2017/18 is included. Be aware transfers of CARE benefits in a previous year are included in the opening balance of your CARE pension. Transfers received as 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 2017/18. 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 had your pay not been reduced.

If you were a member of the 50/50 section at any time during 2017/18, 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) [NPA] **Date of NPA** [NPD]
(Years/Days)

Annual Pension [BE-NPA-XPN] per year **Lump Sum** [BE-NPA-XLS]

This is made up of

Final Salary Pension [BE-NPA-FSR] + **CARE pension:** [CARE-PROJD]

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.



Death Benefits

Survivor's Pension [BE-DTH-LTP] per year

Death Grant [BE-DTH-LS]

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

A survivor's pension is payable for the rest of their life and will increase in line with the cost of living. The survivor's 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 %		
[DE-NAME1]	[DE-GENERAL1]%	[CH-NAME1]	[CH-GENERAL1]%
[DE-NAME2]	[DE-GENERAL2]%	[CH-NAME2]	[CH-GENERAL2]%
[DE-NAME3]	[DE-GENERAL3]%	[CH-NAME3]	[CH-GENERAL3]%
[DE-NAME4]	[DE-GENERAL4]%	[CH-NAME4]	[CH-GENERAL4]%
[SP-NAME]	[SP-GENERAL]%		

FAQs

When can I get my pension?

You can choose to retire and take your pension anytime between age 55 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 from age 60, 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 in the future 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 31 March 2020 will be paid in full, unreduced, if you meet the Rule of 85 when you retire. Pension built up after this date, would 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. Rule of 85 will only apply if you take your benefits from age 60. So even if you meet the Rule of 85 before your 60th birthday, your benefits will be reduced if you voluntarily take them before age 60.

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 the types of retirement available, contributions, death benefits and more visit the Active Members section of 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 will be paid to you each year on top of your normal pension. The cost of APCs depends on how much extra pension you want to buy and can be bought 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 Changes:

New Retirement Age

If you were paying into the Scheme on or after 1 June 2018, you can now retire and take your pension from age 55. Previously members could only choose to retire before age 60 with their employer's permission. Now members can choose to take their pension from age 55 without needing permission. The same rules for early retirement still apply, and if you take your pension before your Normal Pension Age, your pension will be reduced.

This change only applies to active pension records i.e. records you were paying into on 1 June 2018.

Data Management & Privacy

The General Data Protection Regulation (GDPR) is a new set of regulations which came into force on 25 May 2018. These new regulations change how organisations process and handle data with the aim of giving greater protection and rights to individuals.

The Fund already complied with similar data protection principles under the Data Protection Act but we have updated our privacy notice and procedures in line with GDPR.

Our privacy notice outlines why data is held, how it is processed, who it is shared with and details how long it will be held for. You can access our Privacy Notice via 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.

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

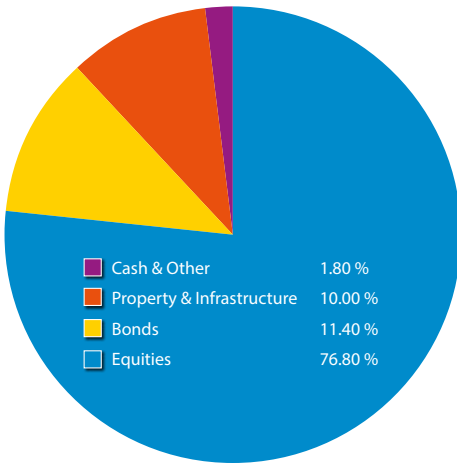
Fund in Figures

Fund Value: £4.1 billion

Income & Expenditure 2017/18

Income to Fund	£(m)	Expenditure	£(m)
Employee Contributions	30	Pension Benefits	130
Employer Contributions	105	Leavers and Transfers	5
Transfers received	3	Administration & Investment Costs	21
Investment income	53		

Asset Allocation



Top 6 Directly Held Stock as at 31 March 2018	£(m)	% of Fund
Amazon	79.2	1.91
Tencent	73.2	1.77
Alibaba	58.3	1.44
Illumina	57.6	1.39
Facebook	52.3	1.26
Tesla	41.2	1.00

Fund in Numbers

65,849
Members

25,616
Active Members

8

Award nominations

1

Award win

2,464
resolutions
voted on at
company AGMs

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

Resources
Business Hub 16
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@NESPF

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