

Your Deferred Benefit Statement **2016**





Welcome to your annual benefit statement for 2016.

This statement shows the estimated value of your deferred benefits as at **11 April 2016**. 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 guidance notes throughout to help you but if you have any questions or the details are incorrect please contact us. Contact details are on the back of this statement.

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Your Personal Benefit Statement

Your Personal Details

Name:

Date of Birth:

NI Number:

Date of Leaving:

Date Benefits Payable from:

The value of your benefits are calculated at the date you left the scheme.

Your benefits remain in the scheme, revalued each year in line with the cost of living, until they are due to be paid or you choose to transfer them.

Your benefits are payable from your 60th birthday but they will likely be reduced if you take them before your Normal Pension Age. Benefits can be paid in full at any age if you claim on ill health grounds.

See page 10 for more information on when you can take your pension.

Your Pension Summary

Benefit statement as at 11 April 2016

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

Membership up to 1 April 2009

Pension = $\frac{1}{80}$ th of Final Pay multiplied by total membership

Lump Sum = $\frac{3}{80}$ th of Final Pay multiplied by total membership

Membership between 1 April 2009 – 31st March 2015

Pension = $\frac{1}{60}$ th of Final Pay multiplied by total membership

Lump Sum = No automatic lump sum

Membership after 1 April 2015

Pension = $\frac{1}{49}$ th (or $\frac{1}{98}$ th while in 50/50) of your pensionable pay received each year revalued by inflation

Lump Sum = No automatic lump sum

Your benefits for each of the above periods of membership are calculated separately and added together to give your total annual pension.

Lump sum retirement grant

If you joined the LGPS on or after 1 April 2009 there is no automatic lump sum and the value shown here is zero. However you can choose to give up some annual pension in exchange for a tax free lump sum. For every £1 of pension you commute, you get £12 of lump sum.

Cost of living increase

Your deferred benefits are revalued by inflation each year to keep up with the cost of living.



Current annual pension payable at normal retirement date

includes pensions increase of

Lump sum retirement grant

includes pensions increase of

Total cost of living increase applied to your pension since leaving

Age 60 – 65

If you are between the age of 60 and 65, the value of your benefits may be subject to a reduction if you take them before the date they become payable (see page 3). Note the benefits shown do not reflect any potential reduction.

Over 65

If you take your benefits after the date they become payable (see page 3) there may be a small increase due to late payment. Note the figures do not include any increase.

For further information on the Pensions Increase please see the FAQs on page 10.

Death Benefits

Survivors Annual Pension

If you die while your benefits are deferred, we will pay a pension to:

- your husband or wife, or
- your civil partner, or
- your **eligible** co-habiting partner *, and
- any **eligible** dependent children

* If you left the scheme after April 2009 you can nominate a co-habiting partner to receive a survivor's pension. This will only be paid if your relationship meets the necessary conditions. For more information and to nominate a co-habiting partner please see the "**Notification of Co-habiting partner for Survivor's Pension**" form.

The Survivors pension is only an estimate and has been calculated on the assumption that you are married or in a civil partnership and were so at the date you left the scheme. For information on survivors pension and your personal circumstances please contact the Pension Fund.

Death Grant

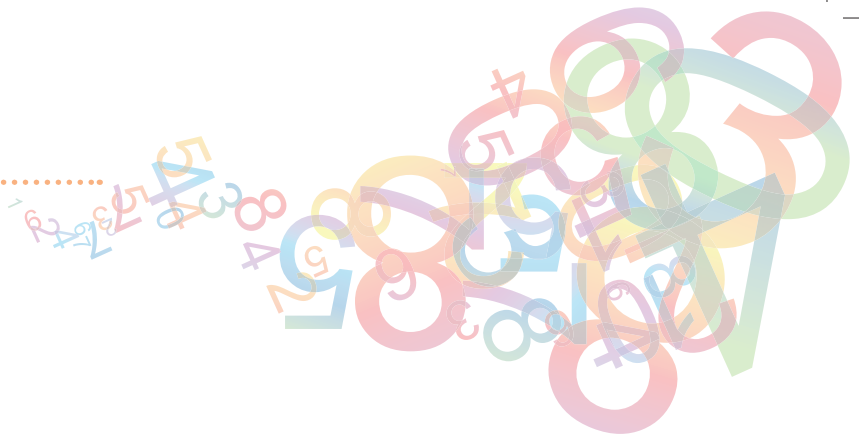
This is a lump sum payable upon your death and is equal to:

- the current value of your deferred lump sum, if you left the LGPS **before 1 April 2009**
- five times the value of your deferred pension, if you left **on or after 1 April 2009**

If you are also an active member, then in the event of your death, only one death grant would be payable, either

- a death in service lump sum, or
- a deferred benefits lump sum

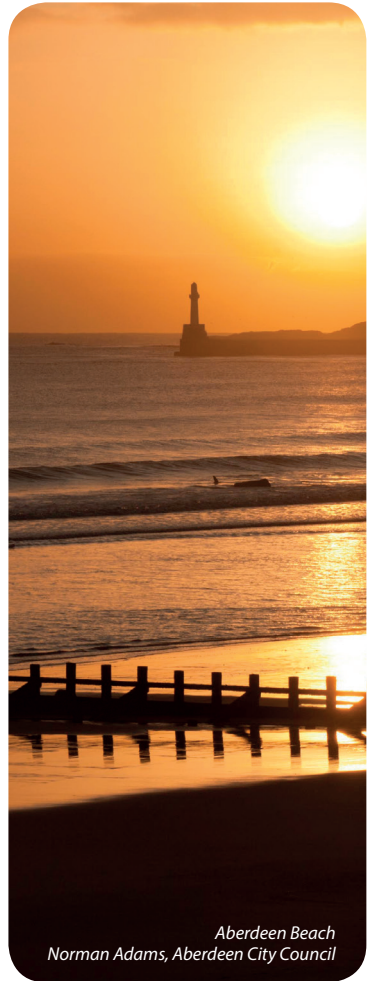
whichever is greater.



Survivors Annual Pension



Death Grant



*Aberdeen Beach
Norman Adams, Aberdeen City Council*



Death Benefits

Your Death Grant Wishes

You may tell us who you would like to receive this grant. Although we do not have to follow your expressed wishes we will do so wherever we can.

To make or change a nomination complete the **“Expression of Wish”** form available from our website or contact us for a copy. Alternatively login to My Pension to automatically update your nominations.

Any expression of wish may cease to have effect if you subsequently marry or enter into a civil partnership or end your marriage or civil partnership.

Your Death Grant Wishes

Name	Percentage %
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FAQs

How does the Pensions Increase work?

Your pension from the Local Government Pension Scheme (LGPS) normally increases each April to keep up with the cost of living. How much it increases by is based on the Consumer Prices Index (CPI) which for 2015/16 was **-0.1%**. However your pension benefits cannot be reduced by a negative CPI rate so the value of your pension simply remains the same for 2016/17.

When can I access my pension?

You can choose to access your pension anytime between age 60 and 75. However if you take your pension before your **Normal Pension Age**, your pension will be reduced due to early payment. If you take your pension after your Normal Pension Age, it will be increased as your pension is being paid late. Benefits can be paid in full at any age if you claim on ill health grounds.

What is Normal Pension Age?

Normal Pension Age (NPA) is simply the age your pension benefits can be paid in full and varies depending on when you built up pension benefits:

- Benefits built up before **1 April 2015**: NPA is 65.
- Benefits built up after **1 April 2015**: NPA is the same as your State Pension Age, with a minimum age of 65 (i.e. if your State Pension age is below 65, your NPA remains 65).

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

The Fund will write to you shortly before your 60th birthday to fully explain what options you have for taking your benefits.

FAQs

Can I withdraw money from my pension under “Freedom and Choice” flexibilities?

No, the new flexibilities only apply to “**defined contribution (DC)**” schemes. The Local Government Pension Scheme (LGPS) is a “**defined benefit (DB)**” scheme and as such the flexibilities introduced do not impact on how you can take your LGPS Benefits. However LGPS members can transfer their pension benefits to a DC scheme offering flexible benefits.

If you wish to transfer your benefits and the value of all your defined benefits is more than £30,000, you are legally required to obtain appropriate independent advice before the transfer process can begin and you must prove that this advice has been sought. If you want to transfer and the value of your benefits is less than £30,000 then you are not required to obtain advice however it is strongly recommended.

Transfers are subject to certain restrictions but further information on pension freedoms are available on our website at www.nespf.org.uk/Members/Freedom_Choice.asp

What happens if I rejoin the LGPS?

What happens to your deferred benefits when you re-join the scheme, depends on when you left the scheme:

- **Before 1 April 2016** – your new active record is kept separate from your deferred record unless you choose to join them together.
- **On or after 1 April 2016** – your active record is automatically joined to your deferred record unless you opt to keep them separate.

In both cases you have 12 months from re-joining to decide whether to keep your active and deferred benefits separate.

Take control of your Pension

Take control of your retirement with our new look **My Pension** website.

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:

- **View the current value of your pension**
- **Update personal details**
- **Change your death benefit nominations**
- **View scheme forms, guides and other documents**

If you're not yet registered with My Pension, keep a look out for your activation key which will be arriving in the next few days.

This key allows you to skip the 1st step of registration – making signing up to My Pension easier. If you don't receive an activation key, you can still sign up.

Simply visit **<https://axis.nespf.org.uk>** and follow the steps to complete your registration.

The NESPF is moving towards paperless communication and we encourage members to have a head start in this by registering for **My Pension**.

State Pension Statements

Previously a State Pension statement has been included in your benefit statement. However due to the changes to the State Pension this will no longer be provided.

If you are interested in how much your State Pension is you can request a State Pension Statement from the Future Pension Centre. You can do this online at <https://www.gov.uk/check-state-pension> or call **0345 3000 168**.

If you request a statement you may see a figure called your Contracted Out Pension Equivalent (COPE). This is simply the estimated amount of money you will receive from your workplace pension such as the LGPS and other schemes you may be a part of; it is not an additional payment on top of your pension.



Keep your Pension Safe from Scammers

Pension scams are on the rise so keep your pension safe from fraudsters by recognising the 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 a single investment and promising large returns
- Enticements of upfront cash.

Always ensure you are aware of the facts when making decisions regarding your pension. You can find out more about pension fraud and what to do if you think you have been targeted by visiting the Pensions Regulator's website www.thepensionsregulator.gov.uk

Lifetime and Annual Allowance

There are limits on how much pension you can save in any one year and over your lifetime before incurring a tax charge. These are known as the Annual and Lifetime Allowances. From April 2016 both of these are changing:

Annual Allowance (AA): The Annual Allowance limit is £40,000. However from April 2016, if your total taxable income plus the value of any pension savings made in a tax year is over £150,000, your AA for that tax year will be reduced by £1 for every £2 of income over £150,000.

Lifetime Allowance (LTA): From 6 April 2016, this will be reduced from £1.25m to £1m. If your pension savings exceed or are near the new £1 million limit you are able to apply for protection to reduce or avoid a future tax charge.

Please be aware that Annual and Lifetime Allowances do not only apply to the LGPS, they **cover all pension benefits you have**, across all schemes you pay or paid into and is not a "per scheme" limit. You should review all benefit statements you receive to check whether you exceed these limits.

For more information on Lifetime and Annual Allowance visit www.nespf.org.uk/Members/Annual_and_Lifetime_Allowances.asp

Fund in Figures 2015/16

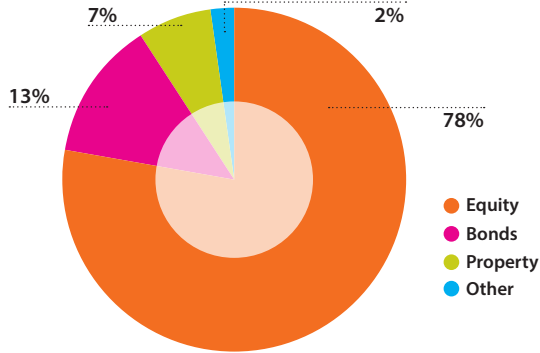
Please note the following are draft figures as at 31 March 2016 and are subject to change.

Value of Fund assets as at 31 March 2016: **£3,191 million**

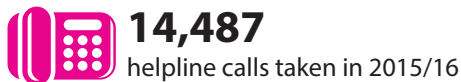
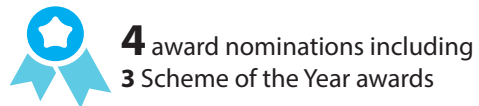
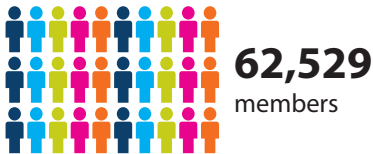
Income to Fund 2015/16	£(m)	Expenditure	£(m)
Employee Contributions	27	Pension Benefits	113
Employer Contributions	93	Leavers and Transfers	5
Transfers received	2	Administration & Investment Costs	12
Investment income	52		

Fund in Figures 2015/16

Asset Allocation as at 31 March 2016



Top 6 Directly Held Stock as at 31 March 2016	£ (million)	% of Fund
Amazon	44.2	1.39
Illumina	41.4	1.30
Facebook	40.1	1.26
BAT	37.6	1.18
Tencent	34.7	1.09
Baidu Inc	33.2	1.04





Stonehaven Harbour

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

This is a data sharing project with all other LGPS Funds in the UK. It allows funds to identify if a member has an LGPS record elsewhere in the country, information which is necessary to calculate a member's death benefits.

National Fraud Initiative (NFI)

The Fund has a legal obligation to participate in the NFI, a counter-fraud exercise led by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, to identify circumstances that might suggest the existence of fraud or error.

The Fund does not share or sell any information to third parties and data collected and shared is done in line with the Data Protection Act.

The Data Controller for the Fund, is the City Solicitor of Aberdeen City Council. If you wish to check your computerised personal record is accurate you can contact us however we may charge a small fee.

Customer Feedback Survey

A number of customer surveys have been included with our benefit statements but if you haven't received one you can still give us feedback by completing our online survey at www.surveymonkey.co.uk/r/nspf2016



Town House Clock Tower by Norman Adams, Aberdeen City Council



Contact details

We hope you found this newsletter useful. If you have any questions or would like more information please get in touch.

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

North East Scotland Pension Fund

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