

Suffolk Pension Fund Pensioner Newsletter

Welcome to your April 2024 newsletter.

In this edition you will find an article on the annual pensions increase process that has been applied to your pension. The pensions increase this year is 6.7%. You will also find an article by Richard Blackwell, your Pensioner Representative.

In addition to this, you will find information on your pension payment dates for this financial year, your P60, tax codes and Member Self Service. You will also find an article with an updated position on the McCloud judgement that has been covered previously.

I'd like to take this opportunity to mention that Paul Finbow, Head of Pensions, whom many of you will know is retiring in early June. Paul leaves his role after many years of being involved in the pension fund, and we wish him all the best. If anyone would like us to pass on any comments to Paul, we would be happy to do so. Paul's replacement is Tracey Woods and Tracey will write a short article to introduce herself in the next edition of this newsletter.

I hope you enjoy the newsletter and please use our contact details if you'd like to get in touch with us about anything regarding your pension.

Best wishes

Stuart

Stuart Potter

Pensions Operations Manager

Contents

- Pensioner Representative Article
- Annual Pensions Increase
- Tax codes
- Pension Payment Dates
- P60's
- McCloud update

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Pensioner Representative Article

This article has been written by Richard Blackwell, as your pensioner representative on the Local Government Pension Board. If you wish to contact Richard, please contact the pensions team and we will happily pass on your message to him.

Hello Everyone,

Following on from the October 2023 newsletter, our December meeting started with a training session for members about the way that Blackrock Investments, who manage 8% of our pension fund, go about looking at the Environmental, Social and Governance (ESG) issues that surround investments in the modern world. They look at the climate impacts of firms they are considering investing in together with many other aspects of their performance overall. The whole investment arena is a very complex area to work in.

The pensions team took us through their recent activities, and it was good to hear that progress is being made on several fronts. One of the major steps forward surrounds the use of I-Connect where employers can upload information to pensions electronically. The data should then be more accurate and received in a more timely and efficient way.

We look forward to hearing more about those employers starting to use the I-Connect process, particularly as we approach year end.

A further pleasing update was about the fund performance which has gone from strength to strength over the last 12 months. Higher interest rates have meant that investment returns are higher than expected/predicted, and as a

consequence provision is being made to allow the fund to re-evaluate the employer contributions, in the short term (1 – 2 years), so that departmental budgets can be relieved of some pressure. The fund was 107% fully funded in March 2022, at the last triennial valuation. The fund is now calculated to be at 152% funded as of September 2023. It is this growth that has given the fund some flexibility to re-assess the employer contribution rates. At our March meeting this issue was further discussed, and after taking advice from Hymans it has been advised that contribution rates are left 'as they are' for the time being and a full review included (as it would be anyway) in the next triennial valuation in 2025, where it is expected that a reduction in employer contribution rates will be recommended.

Central government are indicating that they wish to influence where the Local Government Pension Scheme invests some of its funds, which has the potential to undermine some of our existing investment policies. Our officers are very mindful of this and are actively and robustly responding to government consultations and announcements. We now invest over 70% of our assets in with other LGPS schemes in a group, known as ACCESS, (pooled) scheme to gain the benefit of larger investments and lower management fees. None of this will affect us as pensioners in receipt of our pensions, but it could have an impact on the future performance of the fund which could make future investment decision making more difficult.

Some of you may have taken advantage of investing in an AVC (Additional Voluntary Contribution) scheme that very effectively boosts your pension pot in a very tax

efficient way. A new provider, Legal & General, have been appointed to supply the AVC service for the Suffolk scheme. They are totally online and have an excellent system for members to use to control their contributions and investments. This new service will go live in April 2024. Uptake of the old AVC scheme was relatively low among contributing members so the board encouraged the pensions team to advertise any new scheme more actively. Bearing in mind the cost-of-living crisis we are facing it was acknowledged that timing of a new scheme launch was not ideal, but nevertheless, very worthwhile undertaking.

I expect that like me, you are all looking forward to some warmer and sunnier weather as we approach the summer months.

Richard Blackwell.

[Annual Pension Increase](#)

The Pensions Increase (Review) Order 2024 has determined that public service pensions which have been in payment for a year will be increased by 6.7% from 8th April 2024. This is in line with the Consumer Price Index (CPI) September 2023 value which is used for this purpose.

We have applied this Pensions Increase to your pension payments, where applicable, and you will be able to see the increase from 8th April 2024 on your payslip. As the increase is applicable part way through April you will see your new full rate from your May 2024 payslip onwards.

Why you might not see a full 6.7% increase to your Suffolk Pension Fund pension

1. Part-year retirements

If your pension has been in payment for less than a year an increase will be proportionate depending on the number of months it has been in payment. The following table highlights this in further detail for you.

Pension Commencement Date	Increase
26 March - 23 April 2023	6.70%
24 April - 23 May 2023	6.14%
24 May - 23 June 2023	5.58%
24 June - 23 July 2023	5.03%
24 July - 23 August 2023	4.47%
24 August - 23 September 2023	3.91%
24 September - 23 October 2023	3.35%
24 October - 23 November 2023	2.79%
24 November - 23 December 2023	2.23%
24 December - 23 January 2024	1.68%
24 January - 23 February 2024	1.12%
24 February - 23 March 2024	0.56%

2. Guaranteed Minimum Pension (GMPs)

If you have a guaranteed minimum pension (GMP) which you will already be aware of, the Department of Work and Pensions (DWP) may pay some of the increase due on this GMP amount with your State Pension.

If your State Pension age is before 6 April 2016, some of the increase will be paid as part of your State Pension instead.

GMPs are split into two categories:-

- Pre 88 GMP amount (Built up between April 1978 and April 1988)

- Post 88 GMP amount (Built up between April 1988 and April 1997)

How pensions increase is applied for anyone with a state pension age before 6 April 2016

If you have a Pre 88 GMP amount this will be increased by 6.7%, but the increase will be paid as part of your State Pension.

If you have a Post 88 GMP amount this will also be increased by 6.7%. We will pay you 3% of the increase, and the remaining 3.7% will be paid as part of your State Pension.

Any remaining pension in excess of your GMP amount will be increased by 6.7% and paid by us.

If your State Pension age is on or after 6 April 2016, we will pay your full increase. For all Pensioners who do not have a GMP you will also see your full increase included in your pension with us.

[Tax Codes](#)

Going into a new financial year HMRC change a number of tax codes and update our systems. You can see your current tax code on your payslip on Member Self Service. If you notice that your net pay has changed due to a code change, and you're not expecting this, then please contact HMRC directly on 0300 200 3300 and they will be able to help.

Alternatively, HMRC provide an online personal tax account that allows you to view and check your tax records at any time. You can use this account to:

- check your income tax estimate and tax code

- fill in, send and view a personal tax return
- claim a tax refund
- check and manage your tax credits
- check your state pension
- track tax forms that you've submitted online
- tell HMRC about a change of name or address

To access this site, go to:

<https://www.gov.uk/personal-tax-account>

We cannot make any changes to your tax code as we can only apply what HMRC provide to us.

[Pension Payment Dates](#)

Your pension will be paid on the following dates for the 2024/25 year.

30th April 2024
31st May 2024
28th June 2024
31st July 2024
30th August 2024
30th September 2024
31st October 2024
29th November 2024
31st December 2024
31st January 2025
28th February 2025
31st March 2025

[Annual P60s](#)

Your P60 for 2023/2024 financial year has now been published online to your member self-service account.

Please access or register for your account by using the below link:

<https://pensions.suffolk.gov.uk/>

If you have already contacted us to request a paper version, these will be posted to you.

If you do require a paper version in future years, and haven't previously requested it, please contact us so that your next P60 for 2024/25 can be posted to you.

[McCloud Judgement](#)

Further to the articles in our previous newsletters, we wanted to confirm that the current situation remains unchanged.

As a reminder, when the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced.

This protection was in place for any members who:

- were an active member of the scheme on 31 March 2012
- left active employment on or after 1 April 2014, and
- were born before 1 April 1957

If you met these criteria and the value of your benefits would have been higher under old scheme rules you will have seen an 'underpin' addition applied to your benefits. This only applied to a few members as the 2014 scheme rules generally provide for higher benefits.

The McCloud ruling means that some pensioners who left employment on or after 1 April 2014, and who were previously too young to qualify for protections, may have protections extended to them.

Current Position

The legislation which is required to amend affected Pensioner members has now come into effect from 1st October 2023 as mentioned in the previous newsletter.

Since this date testing has been continuing on software updates in our administration system to ensure all calculations are working as expected and are correct. As soon as we have completed our testing we will be in a position to start processing cases that are affected by the judgement.

It will take some time to process all affected members but please be assured if you are affected, we will be in contact with you to provide you with the information you require. Thank you for your continued patience in this matter.

You do not need to contact us or make a claim in order for any changes to be applied to your benefits.

Can we help you?



Feel free to contact us here:

pensions@suffolk.gov.uk

03456 053 000 (option 4)

Floor 3, Endeavour House, 8 Russell Road, Ipswich, Suffolk, IP1 2BX

Useful websites:

Our Pension Fund website [here](#)

Member Self-Service website [here](#)

The LGPS member website [here](#)