

Pension News

2024



An update for Deferred Members in the Local Government Pension Scheme (LGPS)

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We are pleased to publish the latest edition of our Newsletter; produced to keep you updated on any changes to the Local Government Pension Scheme (LGPS) which may affect you. Inside you'll also find useful information about your pension and other areas of interest.



How to update your contact details

In order to keep you updated about your pension, we must have your current address and email address in our records. It is your responsibility to keep us informed of any changes to your details.

You can inform us of any changes by using our online ['My Pension' Portal](#) or via email to crt pensions@surreycc.gov.uk



Pension Increase



Effective from 8 April 2024

The government has announced that the rate of increase that will apply to public service pensions (including the Local Government Pension Scheme) is **6.7%**.

The increase is based on the Consumer Prices Index (CPI) over the twelve-month period ending September 2023 and is effective from 8 April 2024.

Cyber Security

How aware are you?

With a constant stream of news about scams, ranging from people losing their life savings through to the recent scam designed to elicit donations to a cancer charity following the death of Hairy Biker Dave Myers, you might wonder 'What do we mean by cyber security and how can I protect myself'?

Cyber security refers to how individuals and organisations reduce the risk of a cyber attack.

The Pensions Regulator sets out several controls which pension schemes must have in place to reduce the likelihood of a cyber incident occurring. These cover measures relating to people, policies, processes, and technology. Surrey Pension Fund has arrangements in place to ensure that member data is protected, and we also work with our third-party suppliers to make sure that they are also safeguarding our data.

However, on an individual level, how can our members make sure they are safe from scams and cyber attacks? With scammers becoming ever-more sophisticated, constant vigilance is vital to protect your data – and your money.

Firstly, one thing which will help to protect your data is by making sure that you use strong passwords. More information on this can be found on [Cyber Aware - NCSC.GOV.UK](https://www.ncsc.gov.uk).

In a typical scam, you might receive a message or call claiming to be from an organisation that you deal with. This might ask you to log in and verify your account because 'fraudulent activity has taken place'. These scam messages often look completely authentic, with links to websites that look genuine, but they are a way to capture your login details and password or to install viruses onto your computer.

Please be assured that the Surrey Pension Fund will never ask you to share your account information, login details to the 'My Pension' Portal, or passwords. If you are worried about a call or contact you have received, please call our Customer Relationship Team on **0300 200 1031**.

For more information, follow the link to the National Cyber Security Centre on [Data breaches: guidance for individuals and families - NCSC.GOV.UK](https://www.ncsc.gov.uk).

McCloud Remedy in the LGPS



What it is and its impact

What is the McCloud Remedy?

When the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced. A court ruling established that this was age discrimination as the protection did not apply to younger members.

This ruling is often called the 'McCloud judgment' or McCloud remedy. Legislation has now been made to allow Public Sector Schemes to implement the McCloud remedy. The final regulations came into force on 1 October 2023.



What should I do?

You do not need to do anything. Unlike other Public Sector Schemes, you do not need to make a choice about your pension benefits, the protection will apply automatically - you do not need to make a claim.

Scheme employers have provided information about service during the remedy period (April 2014 to March 2022). This is being checked and applied to records to allow us to calculate any protection. When you claim your pension benefits, we will automatically apply any protection at that time.

From 2025 your annual benefit statement will include information about the McCloud remedy.

There's no protection from 1 April 2022 onwards. Pensions built up after this date are based on the career average scheme only.

Please visit the [national LGPS member website](http://www.lgpsmember.org) (www.lgpsmember.org) for further information on the McCloud remedy including a video explanation and frequently asked questions.



Have You Seen Our New Website?



www.surreypensionfund.org

New Look, Same URL

At the end of January, we refreshed our website with many improved features and a greater focus on our own processes.

This **refreshed version of our website** (www.surreypensionfund.org) has helpful pages that can assist you as a member to answer any questions you may have regarding your pension. These include:

No longer paying in: A hub for information relevant to members no longer paying into their pension.

Leaving your employment before you retire: Information and guides about your deferred benefits, how to take them, getting your contributions back, and transferring your pension.

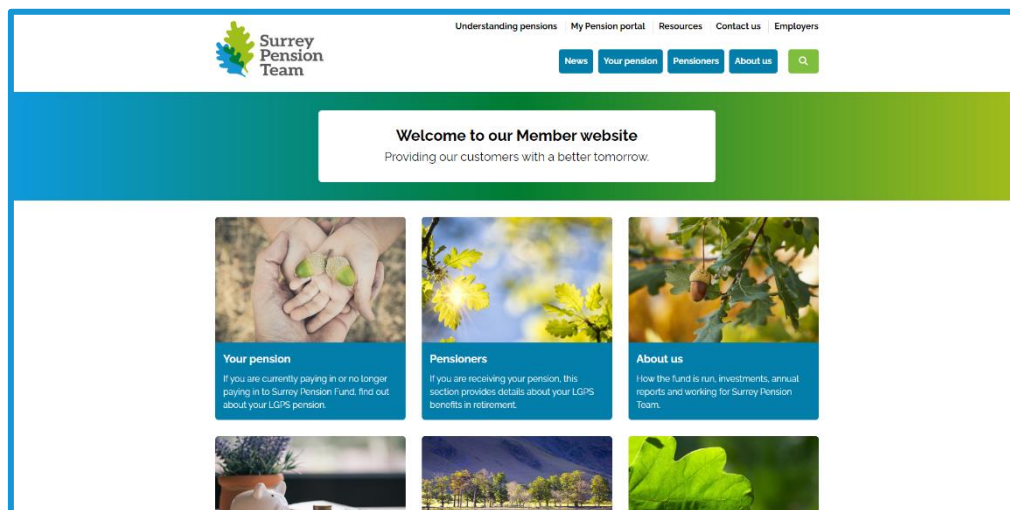
How we calculate your benefits:

Information on how your pension is calculated.

Avoiding pension scams: Information and resources related to pension scams, including how to identify and avoid them.

Forms, guides, and resources: A page with a search tool to find any forms, guides, or documents that you may need.

'My Pension' Portal: A page dedicated to information on the 'My Pension' portal, including step-by-step user guides on navigation of its different features.



Investment Update



RI Policy and Consultation Analysis on our website

Surrey Pension Fund continues to follow Government guidance regarding investing the assets of the Fund through a collective investment pool, with 10 other Local Government Pension Scheme funds. The Surrey Pension Fund's pool is the Border to Coast Pensions Partnership (BCPP).

Switching to Border to Coast Pensions Partnership

To this end, in July 2023, the Fund moved its Emerging Market equity exposure from Legal and General Investment Management (LGIM) to BCPP. The investment with LGIM gained exposure to Emerging Markets through a fund that tracked the overall performance of the equity markets of the regions. However, the switch to BCPP allowed the Fund to invest via an actively managed fund where the managers pick and choose individual companies to invest in. It is hoped that this approach will lead to better returns than the market. This change should also lead to a reduction in the carbon footprint of this investment, whilst maintaining the Fund's exposure to a growth area of the world.

The Fund has also committed to invest in the BCPP Global Real Estate fund. The Fund currently has exposure to real estate through a mandate with CBRE (a real estate and investment firm). Over the next few years, the Fund will transition the global real estate portion of this mandate, approximately 25%, to the BCPP product.

Responsible Investment and Net Zero

The Fund remains committed to investing its assets in a responsible way and seeks to continually improve disclosure and reporting of relevant data. [The Task Force on Climate-related Financial Disclosures \(TCFD\) report](#) has become the main report used by financial organisations to report on approaches to climate change. Whilst the Fund is not required to produce a TCFD, it has done so on a voluntary basis for the last four years. It covers the Fund's approach to governance, strategy, risk measurement and reporting metrics for climate change. This report shows that since 2018 the Fund's weighted average carbon intensity has reduced by over 58% for the listed equity assets.

Also related to climate change, the Fund agreed a Net Zero date of 2050 or sooner in June 2023. A report was commissioned from the Investment Consultant to consider climate scenarios and the investable universe such that current risk and return parameters were maintained. The investment landscape will be reviewed each year to see if there is potential to consider a change in the target date.



Customer Insights Research



Improving our ability to provide the best service possible

We are excited to be able to share news of our collaboration with independent research experts OMB Research, who are undertaking an extensive Customer Insights Project for us.

This initiative aims to delve deeper into our customers' needs and perceptions, ultimately refining and enhancing our ability to provide the best possible service both now and in the future.

Having completed the initial phase, where we engaged with some of our employers, we are now in the process of reaching out to various scheme member groups within the Pension Fund.

Stay tuned for comprehensive updates [on our website](#).



Avoiding Pension Scams

Signs to look out for

Pension scams can be hard to spot. Scammers can be convincing and financially knowledgeable, with websites that look credible.

Knowing the common signs is a great way to start. Here are a few to look out for:

- Being contacted out of the blue.
- Phrases like 'pension liberation', 'loan', 'loophole', 'savings advance', 'one-off investment', 'cashback'.
- Guarantees of better returns.
- Help to release cash from a pension before the age of 55, with no mention of the HMRC tax bill that can arise.
- High-pressure sales tactics that use time-limited offers to get the best deal.
- Unusual high-risk investments, which tend to be overseas, unregulated, with no consumer protections.
- Complicated investment structures.
- Fixed-term pension investments.

Find out more on how pension scams work and how to avoid them at:

[fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

[thepensionsregulator.gov.uk](https://www.thepensionsregulator.gov.uk)

[moneyhelper.org.uk](https://www.moneyhelper.org.uk)



Midlife MOT



Check the status of your work, health, and money

The Department for Work and Pensions digital Midlife MOT has been designed to help you think about your work, health, and money with future planning in mind. It brings together a wide range of services, tools, and resources.

Whether you want to take stock of your finances, enjoy a healthy working life, or plan for a more secure retirement, the digital Midlife MOT can help provide the support you need.

The support hub is aimed primarily at people aged 45 to 65 but can be used by people of any age.

For more information, visit the gov.uk website at:

www.jobhelp.campaign.gov.uk/midlifemot/home-page/



Change to Normal Minimum Pension Age

From 6 April 2028, the Normal Minimum Pension Age will increase from 55 to 57. But you do not need to take your pension from this age.

You can retire and take your LGPS pension at any time from age 55 to 75, as long as you have met the two-year vesting period. **You must take your pension by age 75.**



Updated Privacy Notice

We have recently amended the Pension Fund's Privacy Notice. This notice provides you with confirmation of the types of data we hold, the purpose for which it is used and your rights relating to this information. You can read our Privacy Notice on our website here:

[Privacy Notice \(surreypensionfund.org\)](http://www.surreypensionfund.org/privacy-notice).

Please note: where we undertake customer research on the services we offer and provide to you, we will seek your consent to participate in any research. Participating in any customer research could be by way of providing your views and feedback either directly to the Fund Administering Authority or through a consultant or customer research company acting solely on our behalf. From time to time, we may also ask for your views on an anonymous basis about the service you received after you have had contact with the Fund.

Lifetime Allowance (LTA)



To be removed from 6 April 2024

The Government have introduced two new limits to replace the LTA from 6 April 2024. Most members will not be affected by the new limits and if you hold a valid LTA protection, the new limits are increased in accordance with that protection.

1. The **'lump sum allowance' (LSA)**, with a limit of £268,275. This will consider the amount of pension commencement lump sum (PCLS), commonly known as tax-free cash, and any [uncrystallised funds pension lump sum \(UFPLS\)](#) taken.
2. The **'lump sum and death benefit allowance' (LSDBA)**, with a limit of £1,073,100. This will consider the PCLS, UFPLS, serious ill health lump sums, and authorised lump sum death benefits paid.

Any lump sum exceeding the LSA or LSDBA limit will be subject to tax. Please note that while an UFPLS may be available from other pension providers, this is not an option available in the Local Government Pension Scheme (LGPS).

Overseas Transfer Allowance

The government will also be introducing the 'overseas transfer allowance' (OTA), with a limit of £1,073,100. The OTA considers the total transfer amounts to a Qualifying Recognised Overseas Pension Scheme (QROPS). If it is exceeded, the excess will be subject to tax.

Individuals can still apply for Fixed Protection 2016 and Individual Protection 2016 up until 5 April 2025. After this date it will not be possible to apply for either protection. Visit the [HMRC website \(www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance\)](http://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance).

My Pension Portal

Did you know that the ['My Pension' portal](#) is completely free to use and comes equipped with a range of useful tools? Not only can you update personal information, but you also have the option to modify or add nominees for receiving a lump sum death grant.

Every year, we generate deferred benefits statements, providing you with an overview of your pension benefits at your normal retirement age.

Should you require assistance using the 'My Pension' portal, we are more than happy to help. You can watch our ['How to Use the 'My Pension' Portal' video](#) or reach out to our dedicated Customer Relationship team at 0300 200 1034.

Our Contact Details



0300 200 1031



Surrey Pension Team
PO Box 465
Reigate, RH2 2HA

View your pension online:
mypension.surreycc.gov.uk

Problem accessing our portal?



0300 200 1034