

Intouch

Spring 2020

For retired members of the Shropshire County Pension Fund



P4 | Jean talking

An update from your retired member representative.

P6 | Pensions increase

Find out what this year's increase is.

P12 | Responsible investment

How we address environmental, social and governance issues.

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Future pay dates

When are pensions paid?

Your pension is normally paid on the 29th of each month unless that falls on a bank holiday or weekend, when it will be paid on the previous working day closest to the 29th.

Below are your 2020 pay dates:

April 2020	Wednesday 29th
May 2020	Friday 29th
June 2020	Monday 29th
July 2020	Wednesday 29th
August 2020	Friday 28th
September 2020	Tuesday 29th
October 2020	Thursday 29th
November 2020	Friday 27th
December	To be confirmed

The pay date for December 2020 will be added to our website over the next couple of months.



Welcome

Welcome to the latest edition of InTouch. I hope this newsletter finds you and your family safe and well. This is both my first article of the 2020s and the first I have written from home.

Following the latest government advice about Covid-19 and to keep our staff safe, the pensions team are currently working from home. This article was written towards the end of April and as we know things are changing daily. We've had to make some changes to the way we work but we're doing all we can to keep our service running smoothly and to manage the situation for you during this time.

Most importantly, I would like to take this opportunity to reassure you that your pension is not at risk. We have measures in place, so we can keep administering the scheme, paying your pension and protect the fund against such significant events. We have had to make some changes to our service though, for more information on our how you can contact us during these times, please visit page 5.

Going back to business as usual, April is the time of year when your pension is increased to make sure it keeps its value against rises in the cost of living. This year there was an increase of 1.7%, due from 6th April 2020. The increase is set by a Pensions Increase Order and is linked to the

Consumer Price Index (CPI). Find out more about this increase on page 6.

I am pleased to announce that 'My Pension Online' was given a makeover last year. 'My Pension Online' gives you access to your pension record, so you can check your monthly payments, your current annual pension amount and update your personal details. We hope you like the new look. If you haven't registered yet, check out pages 7 and 8 for some more information on what the system has to offer.

In the autumn edition of InTouch, I mentioned we had been very busy with the fund's triennial valuation. To read about the valuation and how this will affect the fund over the next three years, please turn to page 9.

Your retired member representative, Jean Smith, has all the latest news and updates from Pension Committee. If you have any questions for Jean, please contact the team and we will pass them on. For those of you who have recently submitted questions about responsible investment, there is an article on what the fund is doing in this area on page 12.

That's all from me for now. Thank you for reading, and I look forward to catching up with you all in the autumn. Please take care and stay safe.

Debbie Sharp
Pensions Administration Manager
Shropshire County Pension Fund

Jean "talking"

Welcome to the Spring edition of Intouch magazine. I do hope you have survived the awful storms and floods without too much damage. No sooner had the floods passed when we faced further disruption from Covid-19. I hope you and your family are all keeping safe and well during this time.

Firstly, I want to reassure you that the Local Government Pension Scheme is a defined benefit pension scheme, so your benefits are not linked to stock market performance. All LGPS members can be sure that their pension, whether in payment or still building up, will be unaffected.

Since my previous article in Autumn 2019, I have attended a number of meetings including the annual meeting of Shropshire County Pension Fund, which took place on Thursday 28th November. Everyone I spoke to after the meeting found it very informative, especially the presentation by Sacha from Legal and General Investment Management, who spoke about the work they are undertaking on behalf of pension funds. They use their influence to ensure that companies integrate environmental, social and governance (ESG) factors into their culture and everyday thinking. They influence companies to operate in a more sustainable way and to change some of their practices with a climate impact pledge. Companies will be named and shamed if they do not make changes.

Legal and General also vote on our behalf at shareholder meetings and have used voting as

an important tool in many situations including remuneration, corporate culture, strategy, board composition and climate change.

The whole meeting has been made available online for anyone who was unable to attend.

At the time of writing the most up to date figures regarding the value of the pension fund are as at the end of September 2019. Over the previous quarter it increased in value by £30 million to be valued at £2.0 billion, its highest level ever.

Before I go, as there is much uncertainty about the future world economy you can be sure the Pensions Committee will continue to look at the interests of members and employers in the fund. So, we can continue to attend Pensions Committee meetings, the Coronavirus Act 2020 Bill which recently passed through Parliament now allows local authority meetings to take place virtually, so we can get on with looking after the fund.

Stay safe and I look forward to talking to you again in the autumn.

Jean Smith
Pensioner Representative
Pensions Committee

Members update

Coronavirus/covid 19



We want to let you know that despite the current disruption due to the coronavirus, we're doing all we can to keep our service running smoothly and to manage the situation for you.

We are following the latest advice from the UK government. Therefore, we've decided to stop all drop-ins and one-to-one appointments at the Shirehall until further notice.

We have measures in place so we can keep administering the scheme, paying pensions and protect the fund against such significant events.

We also want to remind our members that the Local Government Pension Scheme (LGPS) is a defined benefit pension and is not linked to stock market changes or performance of investments. Benefits are set out in law. Although short term investment values may change, the LGPS as a long-term investor is securely managed to address any longer term impacts such as effects of the coronavirus.

LGPS members can be sure that their pension, whether in payment or still building up, will be unaffected.

Pension increase

From 6th April 2020 your pension will increase by 1.7%

In the envelope containing this magazine, you will also find your P60 document. Next to your P60 there is a messages box. In this box you will find your new annual pension amount due from 6th April 2020. **Please keep this document safe.**

When will the 1.7% increase to my LGPS pension be applied?

Your pension payment for April will be made up of two different pension rates. The first rate, that applies from the 1st of the month to the 5th, is your current rate. The second rate is the increased rate that applies from the 6th to the 30th. The full 1.7% increase will be applied from May.

Why haven't I had the full 1.7% increase?

If your pension started on or after 6th April 2019, you will get a proportion of this year's pension increase. This proportion depends on how long, in months, your pension has been in payment.

Shropshire County Pension Fund, like other public sector pension schemes, is bound by the provisions of the Pension Increase Order issued by HM Treasury. This means we have no discretion in applying your pension increase.

How is my pensions increase paid?

If you reached state pension age before 6th April 2016, payment of the increases to your pension may be shared between Shropshire County Pension Fund and the Department of Work and Pensions (DWP).

If you were contracted out of the State Second Pension, the LGPS must make sure a guaranteed minimum pension (GMP) is paid to you. A GMP applies to your pension if you were a member of the LGPS between 6th April 1978 and 5th April 1997 and have reached State Pension age. Shropshire County Pension Fund will pay the first 3% increase on the GMP generated by any membership after April 1988. The remaining increase is paid with your state pension by the DWP.

Your P60 explained

P60 End of Year Certificate Tax year to 5 April

This form shows the total pension for income tax purposes paid to you by us in the year.

Issued by:
Shropshire County Pension Fund
The Shirehall, Abbey Foregate,
Shrewsbury, SY2 6ND

PAYE reference

Your details

Surname
Forenames or initials
National insurance number
Payroll reference number

Pension and income tax details

	Pay	E	P	Tax deducted	E	P
In previous employment(s)						
Pension paid by us						
Pension						
Total for year						

Pension / pay
Tax deducted
Final tax code

Important!
Please keep this certificate in a safe place. You will need it if you have to fill in a tax return, make a claim for tax credits or to renew your claim. You can also use it to check we are using your correct national insurance number. By law you are required to tell HM Revenue and Customs about any income that is not fully taxed, even if you are not sent a tax return.
Do not destroy P60 [Substitute] Shropshire County Pension Fund

P60

It is important to read and understand your P60. If you have a tax return to fill in, these are the figures you will need. There will only be figures in this document if you were receiving a pension from Shropshire County Pension Fund in the last financial year.

Your new annual pension

This is your new increased pension amount due from 6th April 2020.

Online P60s

We're moving online with pension information, and we want your views!

Here at Shropshire County Pension Fund we're reviewing how we give you information about your pension. You may know that a lot of the information we currently send you is available on our secure online area called 'My Pension Online'. Information about your monthly payments and your annual pension amount is already available there, and in the future we're looking at making your P60 online too.

Using 'My Pension Online' means we can give you this information securely without having to send paper copies to your home address and you can access the information whenever you need it. It also helps to reduce our environmental footprint by not printing paper copies.

Before we make any changes to how we provide your information, we want to ask you what you think about accessing all your pension information in the future on 'My Pension Online'. We welcome all feedback about this suggested change. Particularly, if there are certain reasons why you need your P60 document and confirmation of your new pension amount in paper format. We will still provide some paper copies of this information if you ask for it.

Your online payslip

Payslip			
Year to Date			
Gross to Date	£219.66	Tax To Date	£0.00
Periods			
Payment Date	Pay Period	Net Pension	
29/04/2020	01	£219.66	
27/03/2020	12	£216.57	
28/02/2020	11	£216.57	
29/01/2020	10	£216.57	
20/12/2019	09	£216.57	
29/11/2019	08	£216.57	
29/10/2019	07	£216.57	
Payslip			
Date of Payment	29/04/2020		
1 Tax Code	1120N		
2 Gross Pension	£219.66		
3 Tax	£0.00		
Other Deductions	£0.00		
Net Pension	£219.66		

You may have noticed that your April payslip has not been included this year with your P60 document. This is because it's available to view in the payslip area of 'My Pension Online'. An example of what the payslip looks like is above.

Check your payslips online.

1. Tax code

HMRC will tell us what tax code to apply to your pension and we can't change your tax code unless we are told to by HMRC. If you think your tax code is wrong, contact HMRC on 0330 200 3300. If you're calling from outside the UK, the number is +44 135 535 9022.

2. Gross pension

This is your pension for the month, before tax and other deductions are taken.

3. Other deductions

These are the monthly deductions taken from your gross pension. Tax is listed separately from other deductions. These are other deductions, for instance a UNISON club subscription or healthcare contribution.



In 2019 Shropshire County Pension Fund went through the valuation process.

The purpose of valuation is to see if the fund has enough money to pay the benefits earned up to date and to look at how much money is needed to pay benefits in the future. Valuation takes place every three years and the last valuation was back in 2016.

Through the valuation process, the fund's actuary, Mercer, analyses scheme membership by type, looks at the benefits due to members, assesses the fund's financial position and sets out the assumptions for future inflation and investment returns. Once valuation has taken place, the actuary gives each of the fund's employers a schedule of the contribution rates they must pay over the next three years.

2019 results

Early results from the valuation suggest that there have been few material changes from the assumptions set at the last valuation. For instance, numbers of ill-health retirements have been in line with the numbers estimated. However, increases to life expectancy continue to be lower than expected.

The results of the 2019 valuation have not changed despite market conditions relating to Covid-19. We'll keep you updated if this is affected in the future.

Want to know more about the valuation?

The full results are available in the valuation report on our website.



GMP reconciliation

You may remember we told you on page 10 of the Autumn edition of InTouch that an exercise is currently taking place to reconcile the guaranteed minimum pension (GMP) information we hold for members.

A GMP is the minimum amount of pension we must give you if you were contracted out of the State Earnings-Related Pension Scheme (SERPS) between 6th April 1978 and 5th April 1997. It's not a separate benefit paid as well as your LGPS pension but is paid as part of your pension. You can read more about how GMPs work as part of your pensions increase on page 6 of this magazine.

As part of this reconciliation exercise, we must check the GMP information we hold matches HMRC records. This is to make sure your

contracted-out service is correct and that we're paying you the right pension amount.

We had hoped to tell affected members about adjustments to their pension payments by the end of January this year. Unfortunately, we haven't been able to contact affected members yet. This is because we're waiting for more information from HMRC. We're sorry for this delay but we need this information to make final checks before adjusting the pension benefits of those affected. We'll be in touch as soon as we know more.

If you have any questions, please let the team know.
You can call the pensions helpdesk number on: 01743 252130
or email pensions@shropshire.gov.uk

National Fraud Initiative



Shropshire County Pension Fund participates in the National Fraud Initiative.

This initiative requires that particular sets of data are provided to the Minister for the Cabinet Office for matching for each exercise and this includes payroll and pensions data.

The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of individuals concerned under the Data Protection Act 2018. Data matching by the Cabinet Office is subject to a Code of Practice.

**More Information on the National Fraud Initiative
can be obtained by visiting the Shropshire Council website:
<http://www.shropshire.gov.uk/privacy>**

Responsible investment

We sometimes get asked by our members about how the fund's investment strategy considers environmental issues. We take environmental, social and governance (ESG) issues very seriously and consider responsible investment as a core part of our investment process and have done so for many years.

We've held an annual meeting for 26 years and have always covered our approach to responsible investment during the meeting. If you're not able to attend, they are filmed and can be watched on our website.



How investment decisions are made

The Pensions Committee has responsibility for all matters relating to the management of the fund and is made up of members representing employers, employees and retired members. A Pensions Board is also in place which has responsibility for assisting the fund secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme.

The first duty of the fund is to think about financial responsibilities which are known as 'fiduciary duties' and set out in law. However, to tackle responsible investment we believe that the most effective way to influence company behaviour is from the inside. By voting at shareholder meetings and by having a policy of ongoing shareholder engagement, we have been able to affect company practices.

You can read more about the work of the Pensions Committee and Pensions Board, including links to the meeting agenda and minutes on our website.



If you are interested in reading more about the fund's investments, our annual report is available to view on our website:

www.shropshirecountypensionfund.co.uk

Responsible investment in practice

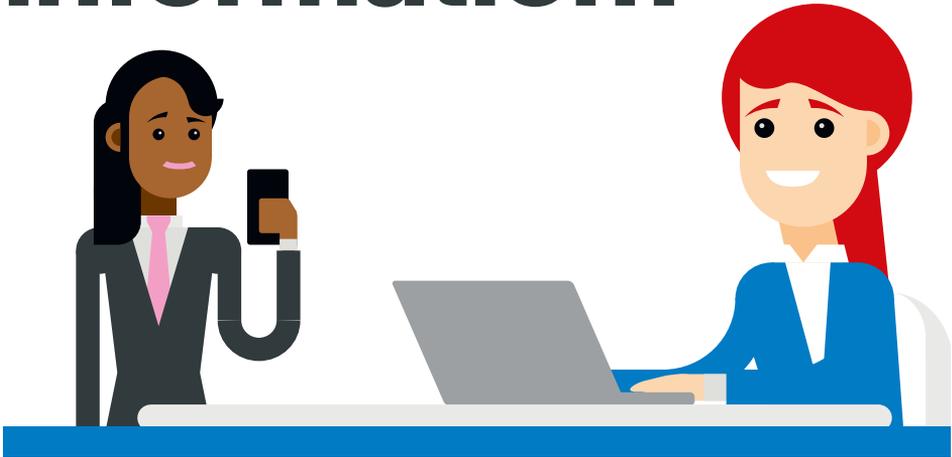
The fund doesn't have the resources to regularly visit all the companies it invests in, so we use an external advisor to create an effective engagement programme. BMO Global Asset Management carry out this responsible engagement for the fund's UK equities portfolios. BMO talk to companies on the fund's behalf and put to them the case for improved financial performance by better managing their environmental and social impact.

We are also a member of the Local Authority Pension Fund Forum (LAPFF). LAPFF brings together 79 public sector pension funds (as at 31 March 2019) and is the UK's leading collaborative shareholder engagement group. LAPFF exists to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders in promoting corporate social responsibility and high standards in corporate governance among the companies in which they invest.

We have also signed up to, and are fully compliant with, the Financial Reporting Council's UK Stewardship Code. The code aims to improve stewardship practices, setting a substantially higher standard, which reflects the changing expectations of investors since the code's last revision in 2012. The requirements of the revised code are set so that asset owners and managers can establish clear stewardship objectives, integrate stewardship into investment strategies, and adhere to clearer, elaborate reporting.

We have welcomed the changes made to the stewardship code and we will start reporting on outcomes under the new code in 2021.

Need to update your personal information?



Update your marital status

You will need to tell us if you have recently married, entered into a civil partnership, or undergone a divorce. To make the change, we normally ask to see your original marriage certificate, civil partnership certificate or decree absolute. But, during the Covid-19 period we will accept electronic signatures, scanned copies of forms and photocopies of certificates, if the images are clear and of good quality.

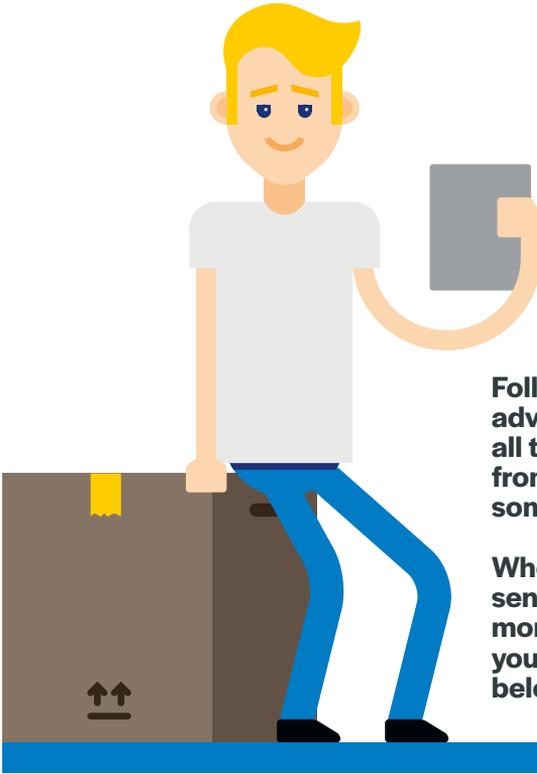
Change your 'expression of wish'

Check your 'expression of wish' information to make sure any death grant that may be due if you die, goes to the right person. If you would like to change this information, visit 'My Pension Online', or you can fill in the 'expression of wish' form which can be found on our website.

If you can't print/sign this form due to Covid-19 restrictions, you can email this document to us. Please make sure you accompany this document with a copy of your ID.

Contact us:

Telephone: 01743 252130 | Email: pensions@shropshire.gov.uk
www.shropshirecountypensionfund.co.uk



Following the latest government advice and to keep our staff safe, all the pensions team are working from home. We've had to make some changes to the way we work.

Where possible, please avoid sending paper forms at the moment. If you do need to update your personal details please see below for more information.

Update your address

If you move, please make sure you update us. Changing your address online is simple. Log in to 'My Pension Online' and fill in your new address on the 'Your Details' screen.

During Covid-19, we will take address changes over the phone, as long as you are able to answer appropriate security questions.

Change your bank details

To tell us of a change to your bank details please fill in and return the 'change of bank details' form which can be found on our website, or send us a signed letter with your account details. Just to let you know, we can only accept bank accounts registered in the name of the member who is receiving the pension.

If you can't print/sign this form due to Covid-19 restrictions, you can email this document to us. Please make sure you accompany this document with a copy of your ID.

Contact us:

Telephone: 01743 252130 | Email: pensions@shropshire.gov.uk
www.shropshirecountypensionfund.co.uk

Contact us

If you want to contact us about this magazine or have a question about your pension, our contact details are below. Office hours are Monday to Thursday 8.45am to 5pm and Friday 8.45am to 4pm.

Pension Services, Shropshire Council,
Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND

Email: pensions@shropshire.gov.uk

Website: www.shropshirecountypensionfund.co.uk

Tel: 01743 252130

OTHER USEFUL CONTACTS

Tax Office

Tel: 0300 200 3300

Or from outside the UK: +44 135 535 9022

Department for Work and Pensions

Tel: 0800 731 0469 (For State Pension queries.)

Website: www.gov.uk

COVID-19 INFORMATION & SUPPORT

For help and advice during Covid-19, the below organisations are here to help.

Public Health England

Website: www.gov.uk/coronavirus

Shropshire Council

Website: www.shropshire.gov.uk

Tel: 0345 678 9000

Age UK

Website: www.ageuk.org.uk/information-advice/coronavirus/

Tel: 0800 678 1602

**Do you need this magazine in an
alternative format?**

If so, please contact us.