

PensionsFocus

Spring 2012



Financial Position of the Fund

Some of you have asked about the financial position of the Fund and how it may affect your pensions. The following paragraphs provide a little detail on the funding level, performance and the investments owned by the Fund. It's important to remember however that your pensions are guaranteed by Government, including the increases you receive each year in line with inflation. So although you may be interested to know more about how the Fund has been doing, this does not affect the pension you receive.

Triennial Valuation

Every three years a detailed evaluation of the funding level takes place, the most recent one being the 2010 Triennial Valuation. This assessed the funding level as at 31 March 2010 for the Fund as a whole, 67%, and for individual employers. It also determined the contributions payable by those employers for the next three years and established the assumptions to be used for each quarterly assessment of the funding level until the 2013 Triennial Valuation. Employee contributions are set by Government.

Funding Level

The funding level is the relative value of investments owned by the Fund compared to the estimated value of pensions which will eventually be paid. It's a somewhat artificial figure but is often the one people will spend most time focussing on. The reason for it being described as artificial is illustrated by considering the funding level at the most recent year end: 70% as at 31 March 2011.

At that date, the Fund's assets were valued at £1.5bn. This is straightforward and was the actual market value of the various stocks and shares owned by the Fund. For example, it included the Fund's largest holding which was in GKN, a multi-national engineering company, with 9.1m shares valued at £2 each on 31 March 2011 on the London Stock Exchange, therefore worth a total of £18.2m.

The Fund's assets represented 70% of the deemed value of pension benefits, meaning these benefits were valued at a little over £2.1bn. This figure was the forecast by the Fund's Actuary, Mercer, of the value of pension payments to be made to individuals in the future, based on benefits earned up to 31 March 2011. This covered pension benefits for active members and deferred members, as well as pensioners. It included, for example, a valuation of

pension benefits for a member of staff in their 20s, due to retire in the 2050s who is expected on average to receive a pension well into the 2080s.

As well as estimating the effect of wage inflation, general inflation, life expectancy and other factors 70 or more years into the future, the Actuary then discounted the resulting forecast of pension benefits back to a present day equivalent as at 31 March 2011, as if they were all due to be paid on that day, to allow comparison to the value of the Fund's investments.

It's worth understanding the significant impact the discount factor has, which is based on bond yields. What may seem like relatively small changes in yields can have a disproportionately large impact on the calculated present value of pension benefits. For example, between March 2011 and September 2011 yields fell by around 1.2% from what was already a historically low position. On its own, this increased the deemed present value of future pension benefits by 25%, or £0.5bn. This would have reduced the funding level to 58%. The actual funding level at the end of September 2011 was 54%.

The most significant other factor affecting the funding level has been the falls in global financial markets since July which correspondingly reduced the value of the Fund's investments.

Recent experience therefore clearly shows that factors contributing to the actuarial value of pension benefits, which the Fund is completely unable to influence, can and usually do have a much larger effect on the funding level than the performance of the Fund's investments.

Investments

At the moment the Fund invests only in equities and bonds, with a split 77% of and 23% respectively, but has recently decided to also invest in property. Although a final decision has not been made as to which of these two asset classes will be reduced, 5% will be allocated to property. Each type of asset tends to perform differently in different market conditions so this move has been taken to reduce the overall volatility of the assets of the Fund.

Pensions Increase - 5.2% this year

What was the increase this year?

The Pensions Increase (Review) Order, which is issued each year by central government, tells public sector pension schemes of the increase that should be applied to pension benefits. The increase is based on the rise in the cost of living in the year up to last September. This year the increase will be 5.2% from 9 April 2012.

Who is eligible for the increase?

- Anyone in receipt of a pension who is over 55 or left employment to retire on the grounds of ill health.
- A person who has received the payment of their preserved benefits on ill health grounds and who was incapable of carrying out any type of work.
- Anyone in receipt of a spouse's or children's pension.

Who is not eligible for the increase?

- Anyone who is below the age of 55, except those in receipt of ill health benefits.
- A person who is below the age of 55 and has received the payment of their preserved benefits on ill health grounds but who was not incapable of carrying out any type of work.

How is the increase to pensions worked out?

Pensions increase is calculated on the annual pension in payment at the end of March 2012 less any Guaranteed Minimum Pension (GMP) for anyone who has reached State Pension Age. The GMP is a figure supplied by the Department for Work and Pensions (DWP) which ensures that you receive at least the value of benefits which the State would have provided had you not been contracted - out of the upper, earnings-related, tier of the State Scheme between 6 April 1978 and 5 April 1997.

The increase on your GMP is paid by the DWP as an addition to your State pension. The DWP refer to the GMP as a 'contracted out deduction' on their correspondence.

When will we notify pensioners about the increase?

Payslips which are sent in April will show the increase for the period from 9 April to 30 April, where applicable. For those eligible to an increase of more

than £1 a month a further payslip will be sent in May to show the increased pension for a full month.

Am I entitled to the full increase?

If your pension began on or before 10 April 2011 your pension will have increased by the full 5.2% (but see previous comments regarding increases to the GMP if you have reached State Pension Age). If your pension began after this date a smaller, prorated increase applies as shown in the table below:

Pensions Beginning	Pensions Increase
10 April 2011 to 24 April 2011	5.20%
25 April 2011 to 24 May 2011	4.77%
25 May 2011 to 24 June 2011	4.33%
25 June 2011 to 24 July 2011	3.90%
25 July 2011 to 24 August 2011	3.47%
25 August 2011 to 24 September 2011	3.03%
25 September 2011 to 24 October 2011	2.60%
25 October 2011 to 24 November 2011	2.17%
25 November 2011 to 24 December 2011	1.73%
25 December 2011 to 24 January 2012	1.30%
25 January 2012 to 24 February 2012	0.87%
25 February 2012 to 24 March 2012	0.43%

Reminder: Payslips & P60's

As many of you will be aware you will only get a payslip when your net pension has changed by more than £1 from the previous month. Your P60 is issued once a year, usually in April but in some instances, in May.

Did you know that you can access your own payroll record online through a facility called 'MyView'? You can view and print your current and previous payslips as well as P60s at:

<https://selfservice.northyorks.gov.uk/nyvl/Portal/index.xsp>

Please see the 'My View' article in this newsletter on how to register and set up this facility.

2012 - A year of celebration!

The Queen's Diamond Jubilee Weekend

To mark 60 years of The Queen's reign, the Diamond Jubilee will take place in 2012. The celebrations will centre around an extended weekend in 2012 on 2, 3, 4 and 5 June.

There will be a special bank holiday for the Diamond Jubilee. The 2012 late May bank holiday will be moved to Monday 4 June 2012 and an additional Jubilee bank holiday will be on Tuesday 5 June 2012.

Her Majesty The Queen, accompanied by His Royal Highness The Duke of Edinburgh, supported by other members of the Royal Family, will mark the Queen's Diamond Jubilee with a series of regional visits and engagements throughout the United Kingdom during 2012.

Details of the programme will include visits to the following areas:

29 th March	North London
26 th - 27 th April	Wales
1 st - 2 nd May	South West England
15 th May	South London
16 th - 17 th May	North West England
2 nd - 5 th June	Central Weekend
13 th - 14 th June	East Midlands and East Anglia
25 th June and 25 th July	South East England
2 nd - 6 th July	Scotland (Holyrood Week)
11 th - 12 th July	West Midlands
18 th - 19 th July	North East England

Other events taking place at a national level include:

- The Diamond Jubilee Pageant – 10, 11 & 13 May
- The Big Jubilee Lunch – Sunday 3 June
- The Thames Diamond Jubilee Pageant – Sunday 3 June
- The lighting of thousands of Jubilee Beacons – Monday 4 June
- A televised concert from Buckingham Palace – Monday 4 June
- Carriage procession through London – Tuesday 5 June
- Service of Thanksgiving at St Paul's Cathedral – Tuesday 5 June

Find out what is being planned to celebrate the Diamond Jubilee and how you can take part in your area at www.direct.gov.uk/diamondjubilee

London 2012 Olympic Games

This summer sees the arrival of the Olympic Games in London running from 27 July to 12 August and the Paralympic Games from 29 August to 9 September with our athletes aiming for gold!

As part of the build up to the games the Olympic Torch will travel through our region. It will be carried on board the Flying Scotsman between York and Thirsk and on the North Yorkshire Moors Railway between Whitby and Pickering. The torch will visit the following locations on these dates:

19 June 2012

Camblesforth	Wetherby
Selby	Harewood
Monk Fryston	Knaresborough
Barkston Ash	Harrogate
Tadcaster	Ripon
Boston Spa	York

20 June 2012

Thirsk	Aysgarth
Northallerton	Leyburn
Aiskew	Richmond
Bedale	

Living Abroad

Pensioners living in certain non European Union countries do not receive any increase to their UK State pension. Where no increase is made to a person's State pension it may mean that they should receive a higher increase on their LGPS pension. If you are permanently living abroad and do not receive an increase on your State pension you can contact the Department for Work and Pensions (DWP) to check if you are due to a higher increase on your State pension. If you think this might apply to you, you can get more information by contacting:

International Pension Centre

Tyneview Park

Newcastle upon Tyne

NE98 1BA

Email:

TVP:internationalqueries@thepensionerservice.gsi.gov.uk

Telephone: Dial the international code then:

44 191 21 87777

Nomination forms - have you completed one?

Did you know that if you're under age 75 and you die within a specified period of your pension coming in to payment (see below), a lump sum death grant may be payable. You can nominate someone to receive this payment by completing a Nomination form, available from our website. If you haven't already done this, please visit www.nypf.org.uk, select 'Forms' from the list of options to the left of the screen, and download the 'Lump Sum Death Grant Nomination' form. The amount of death grant payable would depend on when you retired. Please see below for full details:

If you left the LGPS between 1 April 1998 and 31 March 2008

A lump sum death grant will normally be payable if you die within 5 years of your benefits coming into payment. A lump sum death grant of 5 times your annual pension reduced by any pension already paid to you will normally be payable. If you have been receiving your pension for less than 5 years, have you completed a Nomination form? If you die on or after age 75, no lump sum death grant can be paid.

If you left the LGPS after 31 March 2008

A lump sum death grant will normally be payable if you die within 10 years of your benefits coming into payment. A lump sum death grant of 10 times your annual pension reduced by any pension already paid to you will normally be payable. If you have been receiving your pension for less than 10 years, have you completed a Nomination form? Again, if you die on or after age 75, no lump sum death grant can be paid.

If you left the LGPS before 1 April 1998

A lump sum death grant may be payable depending on the length of your membership in the LGPS and how much pension and lump sum you have already received. Again, if you die on or after age 75, no lump sum death grant can be paid. The pensions team can tell you if a death grant lump sum would be payable.

The Fund has absolute discretion over who receives any lump sum death grant, but it would be helpful if you let us know your wishes by completing a Nomination form.

If you do not nominate anyone the death grant would be paid to your estate.

North Yorkshire Credit Union

Supporting the Credit Union supports the community

The County Council and all the District councils in North Yorkshire are supporting the continued development of York and North Yorkshire's own Credit Union. The Credit Union, which was formed by extending York Credit Union to cover the rest of the County, is a financial cooperative owned and controlled by its members. It offers various saving products, and loans at competitive rates. It has recently launched a Current Account with full transactional services, and offers various insurance products, including a low-cost Family Protection Plan, via the Credit Union movement's own insurance company.

Because the Credit Union is local to North Yorkshire, and it doesn't source its capital from the money markets, it effectively recycles money in the local community rather than drawing money out of the county and using it to bolster economies elsewhere – or worse, pay hugely inflated bankers bonuses. Credit Union Savers, therefore, not only support the local economy but also help the Credit Union make small loans to people whose only alternative is often the high interest charging Doorstep Lenders, Payday Lenders, or worse, Loan Sharks.

Members can save a maximum of £23,000 (this being the figure until September 2012, with the expectation of it rising to £30,000 from 1 October 2012), and for the last three years the Credit Union has paid a 2% bonus.

For more details, call North Yorkshire Credit Union on **01904 676633** or see our website at www.nycu.org.uk



Access your details online...it's simple and quick!

If you have access to the internet you can now have direct access to your own payroll records via the 'MyView' system. Simply type the following link in to your URL bar (website address bar): <https://selfservice.northyorks.gov.uk/nyvl/Portal/index.xsp?>

You can let us know any changes to your:

- Personal details
- Contact details
- Bank account details

You can view and print:

- Payslips (current and previous)
- P60s

What does it look like?

The image shows three screenshots of the MyView portal. The first screenshot shows the login page with fields for 'Your Employee No.' and 'Your Password', and a 'Log in' button. A callout box points to the login area, stating: 'Log in! (you can register and get your login in details by emailing hrsistemas@northyorks.gov.uk). Simply email your name, DOB and telephone number. Your wording needs to include 'please set up access for MyView for pensioners''. The second screenshot shows the 'My details' section, with a callout box stating: 'View your personal details, payslips and P60s here'. The third screenshot shows the 'North Yorkshire Pension Fund' section, with a callout box stating: 'Included is a link to the NYPF Website'.

How do I register?

- 1 Email hrsistemas@northyorks.gov.uk quoting, name, DOB and/or payroll reference number and a contact telephone number. State in the email 'please set up access for 'MyView for pensioners''
- 2 You will receive an email within 5 days confirming password information and access instructions
- 3 If you are still employed by NYCC and receive a pension you can have access as both an active employee and a pensioner!

If you are updating your contact details via MyView, you must also use the link to the NYPF website and update your pension records as well.

Everybody benefits Use it or lose it!

If you haven't already, pay the Everybody Benefits website a visit to obtain cashback, savings and discounts from a wide range of retailers on a huge range of products.

For us to continue this excellent scheme, we need more of you to sign up for the savings available from over 1500 participating shops or it simply won't be cost-efficient. If you have been intending to take advantage, please don't put it off any longer. Log on to www.everybody-benefits.co.uk/pensioners and register to start making savings straight away.

Remember, this scheme does offer real benefits to it's members so please use it or risk losing it!

The screenshot shows the registration page for Everybody Benefits/Pensioners. It includes a 'Register Now' button and sections for 'Not Registered?' (with a 'Register Now' button), 'Already Registered?' (with 'Email Address' and 'Password' fields and a 'Login' button), and 'Login From Anywhere'. There are also sections for 'More Choice', 'Cashback', and 'Discounted Gift Vouchers'. At the bottom, there are lists for 'Latest Retailers' (The White Company, Ecco, Cherish & Cherubs, Zalando, The Body Shop) and 'Popular Retailers' (Sainsbury's, ASDA, B&Q, Comet, Superbreak). A 'Why Should I Register?' section lists benefits like 'Over 3000 offers', 'Free to join', and 'Online, phone and highstreet savings'.

In My View...

by Gordon Gresty, Pensioners Representative

This is my second year as the first Pensioners Representative on the Pensions Advisory Panel. The role of the Panel is to represent Fund members' views on pension matters to the Members of the Pension Committee who are the trustees of the Pensions Fund.

I suspect many pensioners, like me, would have given little thought to the operation of the Fund. It came as a surprise to me how little I knew about the solvency of the Fund, its investments and administration. I was also appointed at a time when the Government had started to consider unprecedented change to public sector pensions – or “gold-plated” pensions as the press like to refer to them. The fact that the vast majority (75%) of local government pensions are less than £5,000 per annum hardly justifies that label.

Our existing pensions are guaranteed so the Fund's investment performance cannot impact on them so why do we pensioners need to take an interest in these developments? I suggest for the following reasons:

- The economy and market conditions are very uncertain at present which affects the performance of the Pension Fund's investments. Our Fund, like some other Local Authority Funds, currently has a low solvency level. It is important to understand how the value of the Fund changes and the measures taken to improve performance.
- The Government has already made a significant change to

the way annual increases are to be calculated, from the Retail Price Index (RPI) to the lower Consumer Price Index (CPI).

- Further to Lord Hutton's Report contribution rates for employees may increase from 2014 along with, retirement dates and the method for calculating pensions. Higher contribution rates may lead some staff to opt out which would affect contributions to the Fund, its income and its cash flow. Steps are being taken by all concerned to meet this challenge.
- A recent Government proposal is for Local Government Pension Funds to use £20 billion of their assets to support infrastructure projects such as roads, bridges and housing. This is despite the fact that in general such schemes do not result in a good level of return and are notoriously expensive. This will not be mandatory though and I would hope that the Pension Committee will not wish to use its assets this way.
- We need to ensure that the Hutton Report's proposal that the Government should honour in full pension promises that have already been accrued by members, is delivered.

The Government have accepted that the Local Government Scheme is different to the other public sector schemes as both employer and employees contribute. Members on Pensions Committees have a duty to put the interest of the Fund before any political considerations and I will endeavour to raise any issues

I think are of importance to pensioners on the operation of the Fund. As a final observation in this challenging economic climate, please read the article on Everybody Benefits as the scheme provides a useful additional benefit which we could lose if our pensioners don't register to use it. If any pensioner wishes me to raise any matter or has any comments on the points I have raised above, please email them to me at pensions@northyorks.gov.uk and I will do my best to deal with them.

The views expressed in this article are not necessarily those of the North Yorkshire Pension Fund.

Is your newsletter in the right format for you?

Did you know that you can receive your Pensions Focus electronically, via email? The North Yorkshire Pension Fund strives to make your newsletter informative and enjoyable, and a big part of our aim is making sure the format of the newsletter meets the needs of our retired members.

We offer, for example, large-print versions, as well as publicising other formats that may suit you better, such as Braille or other language formats.

If you would like to receive future copies of your newsletter via email (PDF), please email us at pensions@northyorks.gov.uk and include your name, National Insurance number, date of birth and email address.

As well as helping the environment, this helps us to reduce our printing and postage costs.

Contact Details

The administration dealing with your regular pension payment is provided by the North Yorkshire County Council Payroll Service on behalf of the North Yorkshire Pension Fund. If you have any queries you should contact the Payroll Section as follows:

First initial of your Surname	Payroll Officer	Tel: (01609)
A-B	Karen Stokes	532960
C-H	Rita Laverick	533138
I-M	Stuart Jackson	532966
N-R	John Richardson	532959
S-Z	Laila Hird	532957

Changing Bank Details?

Please let us know!

Please write to the payroll address given below.

Include your payroll reference, sort code, account number and the date your account will be changing.

North Yorkshire Pension Fund/Payroll Section

North Yorkshire County Council
County Hall
Northallerton
North Yorkshire
DL7 8AL

Or via email at:

pensions@northyorks.gov.uk
payroll@northyorks.gov.uk

If you need to speak to someone in the Pensions Team, please contact one of the following Senior Pensions Officers

Marion McKone	(01609) 535880
Caroline Park	(01609) 532698
Suzanne Berry	(01609) 532567

New Operations Manager



As you are probably aware, Karen Scott left the Section at the end of October. Her successor is Nigel Dowey, who joined us from Derby City Council on 14 November. Nigel has been involved in the LGPS since he joined the Greater Manchester County Superannuation Fund (now known as the Greater Manchester Pension Fund) in 1984.

Nigel would love to hear from you if you have any suggestions for future articles or improvements to your newsletter.

Please email Nigel Dowey at: nigel.dowey@northyorks.gov.uk

Or write to Nigel at: County Hall, Northallerton, North Yorkshire, DL7 8AL

Visit the North Yorkshire Pension Fund website...

www.nypf.org.uk

If you would like this information in another language or format such as Braille, large print or audio, please contact Jo Wade, Communications, Training and Support Team Leader:
Tel: 01609 532932 or by e-mail at jo.wade@northyorks.gov.uk



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