

yourpension

LPFA Fund pensioners newsletter - Spring 2003



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yourpension

Welcome to this latest edition of "Your Pension". The main purpose of this newsletter is to inform you of the rate of increase to be applied to your pension with effect from 7th April 2003 but there are articles of general interest as well.

If you have any suggestions about other topics or human interest stories to include in future editions please write to the LPFA or telephone the Call Centre on **0845 30 30 335**.

Since the Autumn newsletter we have heard that we were successful in our bid to deliver the pensions payroll contracts for the City of Westminster (from September 2003) and the London Borough of Hackney (from January 2004).

The ability to win contracts such as these reflects the high level of staff commitment and quality of service that has become the norm here at the LPFA.

All costs incurred in the delivery of these contracts will, like all our pensions administration agency work, be paid for by the client. We will be recruiting a couple of additional payroll team members in the near future and you can expect to continue to receive the same high level of service.



Some of you will know that the Department of Social Security (DSS) has changed its name and is now called the Department of Work and Pensions (DWP). The change came about due to the merger of the former DSS with the employment side of the Department of Education and Employment. The DWP is now responsible for employment, equality, benefits, pensions and support.

You can make contact with the Department for Work and Pensions 0845 7313233

You will also find some other useful contact numbers on the back page of this newsletter.

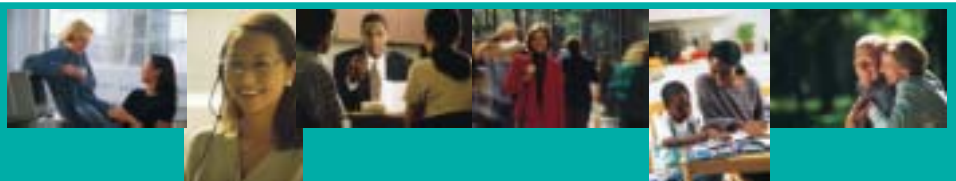
Alison Alcock
Payroll Manager

Don't worry!

You will probably have read in the newspapers or heard on the television and radio, about the "pensions crisis". It is true that stock markets have fallen around the world, interest rates are low, companies are closing their final salary pension schemes, other schemes are under review and pensioners are losing out. But none of this affects your local government pension.

Your pension is a statutory payment based on your final salary when you retired and inflated in line with the Retail Price Index. That means that whatever happens to the pension fund, you will continue to receive your pension each month.

So don't worry ... your pension is safe.



Fund Members Forum

11th September 2003

LPFA's tenth Forum for Fund members will take place on the 11th September 2003 at the Queen Elizabeth II Conference Centre, Westminster.

LPFA has held annual forums for the membership since 1994. Issues of relevance and topical interest are presented and delegates are given an opportunity to question staff and Board Members. Feedback shows consistent approval of the event but the many comments and suggestions for improvement received from delegates are taken into account in the planning and preparation of the following years event.

The format of the Forum will be similar to that of previous years and is likely to include:

- Information Centre open at 10 am
- Formal presentations begin at 11 am
 - Chairmans Introduction
 - Chief Executive's Review of the Year
 - Current concerns to pensioners
 - Government's response to the pensions crisis
Ronnie Bowie (Actuary, Hymans Robertson)
 - Do's and don'ts for pensioners
A N Other (possibly from the Consumer Association)
 - Open Forum - Question time
- Information Centre - light refreshments available - 13:00



Ronnie Bowie
LPFA Fund Actuary

If you have any suggestions for the Forum, especially with regard to organisations that you would like to see at the Information Centre, please contact the LPFA's Call Centre.

If you would like to attend the Forum on the 11th September 2003 please complete and return the enclosed application card, or contact the Call Centre on 0845 30 30 335, or e-mail forum@lpfa.org.uk

Tickets will be limited to the first 1,000 applicants.



Pensions increase 2003

The Government has approved the rate of increase for all public service pensions and state scheme benefits. The increase is effective from 7th April 2003 and is 1.7%.

Please remember that the increase is set by reference to the Retail Price Index in September. It does not reflect the performance of the LPFA Pension Fund and we do not have the power to pay any additional increase.

Your pension will be increased with effect from 7th April 2003 if you:

- are aged 55 or over, or
- are receiving a spouse's, widower's, beneficiary's or child's pension, or
- retired on ill health grounds.

If you do not fall into one of these groups, your pension will still attract the increase, but it will not be paid until your 55th birthday.

If your pension is currently suspended due to re-employment, any increase will not be paid until it is reinstated.

Calculating pensions increase

Pensions increase is calculated on the annual pension in payment at the end of March 2003 less any Guaranteed Minimum Pension (GMP) notified to you by the Department of Work and Pensions (DWP). It is not calculated on the figure on your P60 as this amount represents the actual pension paid to you during the financial year April 2002 to March 2003.

GMP and pensions increase

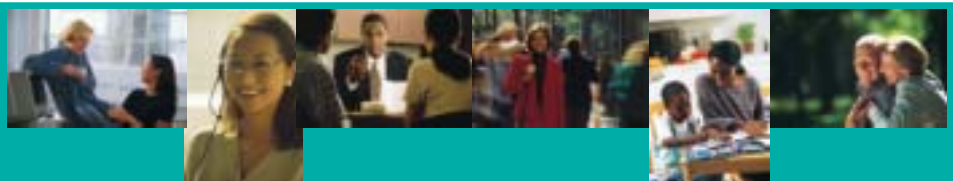
The increase on your GMP * will be paid by the DWP as an addition to your State retirement pension and usually applies to those pensions which arose as a result of employment between 6th April 1978 and 5th April 1997. If LPFA has not been notified by the DWP of the amount of your GMP, the increase will be calculated using an estimated value with any under or overpayment adjusted later. A leaflet explaining GMP in detail is available from our Call Centre on **0845 30 30 335**.

* *The DWP refers to GMP as 'Contracted Out Deduction' (COD).*

If your pension began on or before 22nd April 2002 your pension will attract the full 1.7% increase.

If your pension began after this date a smaller, pro-rata, increase will apply as shown in the table below.

Pensions beginning:	increase	Pensions beginning:	increase
23rd April to 22nd May 2002	1.56%	23rd October to 22nd November 2002	0.71%
23rd May to 22nd June 2002	1.42%	23rd November to 22nd December 2002	0.57%
23rd June to 22nd July 2002	1.28%	23rd December to 22nd January 2003	0.43%
23rd July to 22nd August 2002	1.13%	23rd January to 22nd February 2003	0.28%
23rd August to 22nd September 2002	0.99%	23rd February to 22nd March 2003	0.14%
23rd September to 22nd October 2002	0.85%	23rd March 2003 onwards	NIL



Payment and dispatch of payslips

The increase will be paid with your April pension payment and a payslip will be sent to you at the end of April showing the increase for the period 7th to 30th April.

Another payslip will be sent to you at the end of May to show your increased pension for a full month and **should be retained as a record of your normal monthly pension payment.**

You will not be sent a payslip in any of the months which follow, unless your net pension has changed by more than 50 pence from the previous month or you have had a change in your address, banking or tax details.

If you pay tax, you may notice a 10 pence or 22 pence difference in the net pension you receive because tax calculations are based on the pension paid over the tax year to date rather than on individual monthly payments.

Cumulative pensions increase

A table of awards for the last six years to date and their cumulative effect is shown below.

Date	Increase	Cumulative Increase
April 1998	3.60%	-
April 1999	3.20%	6.91%
April 2000	1.10%	8.09%
April 2001	3.30%	11.66%
April 2002	1.70%	13.56%
April 2003	1.70%	15.49%

P60s and self assessment tax returns

Your P60 will be sent to you in the middle of April. The P60 is a certificate of pension paid and tax deducted for the tax year April 2002 to March 2003. It is important that you retain your P60 as you will need it should you be asked to complete a self assessment tax return.

When completing self assessment tax returns, please note that the figures provided on the P60 are the gross taxable pension paid in the year (i.e. the amount of your pension before tax is deducted) and the tax deducted in the year. You will need to subtract the amount of tax deducted from the gross taxable pension to arrive at the net amount paid in the year. These three amounts all need to be entered on the self assessment tax return.

If you are in receipt of a 'tax exempt' injury pension awarded because of an injury that occurred while you were working or as a result of contracting a work related illness, the amount of the injury pension paid is not shown on your P60. It is not necessary for you to enter the amount of the injury pension on the self assessment tax return.

National data matching initiative

The LPFA has a duty to protect the public funds it administers from possible fraud and one way it does this is to participate in the National Data Matching Initiative.

The Audit Commission co-ordinates this project which is run every two years. The LPFA is currently investigating a small number of cases identified as a result of their work. No action is required by you. Please be assured the LPFA is complying fully with Data Protection and Human Rights legislation and respects the rights and privacy of individuals at all times.



Investment review

Following an asset liability study by the Fund's actuary in Spring 2002, we have been considering changes to the investment strategy to give a better mix of assets to reflect our liabilities, the need to have sufficient cash available to pay pensions each month and the wish to keep employer contribution rates as stable as possible. Stability may be an elusive dream at the time of such volatility in market economies but it is important that LPFA does not become a forced seller of investments at the wrong time.

The table below shows the Fund's value three years ago, compared to the position at the end of 2002, and the different type of assets we hold.

A number of things have happened over these three years:

- There has been a switch from index-linked to fixed interest bonds to better match liabilities
- Bonds and cash have reduced as cash flows out to pay pensions
- The value of equities relative to bonds has fallen sharply but there have been recent switches from bonds to equities
- The sale of all property holdings was completed taking value out of a maturing portfolio

	1999	2002
Fixed interest	9%	19%
Index Linked	49%	34%
Equities	33%	43%
Property, etc	2%	-
Cash	7%	4%
Value	£2.9bn	£2.5bn

What the table doesn't show is our target allocations which have shifted the balance between UK and overseas holdings with a new global equities portfolio and will switch from quoted equities to property and private equity.

But we have some way to go to meet the target allocations set and this is because we are trying to reduce equities when the prices are at a low point ~ not a good time to sell. These changes will be phased over time therefore as the stock market values allow.

LPFA Fund membership

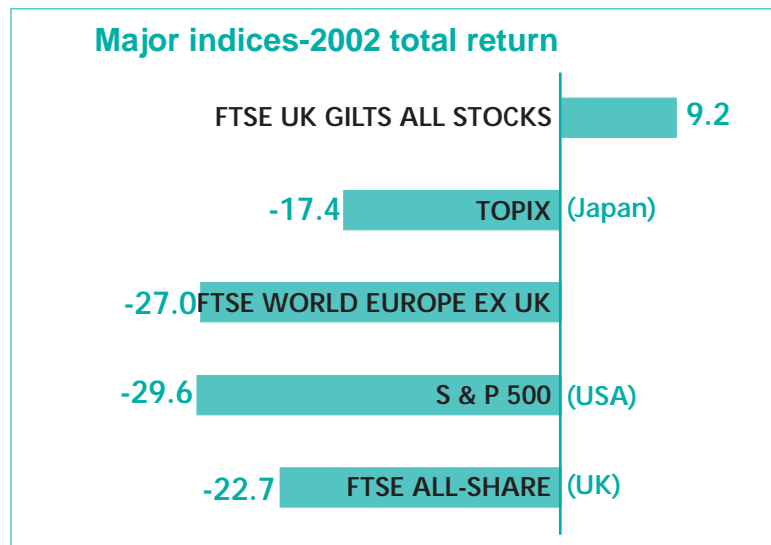
	31st March 2001	31st March 2002	31st December 2002
Contributors	21,442	22,444	22,623
Deferreds	16,907	17,844	18,416
Pensioners	31,789	31,853	32,066
Total	70,138	72,141	73,105

Since March 2001 pensioner membership has remained fairly constant and the steady growth in the number of deferred beneficiaries is as expected. The number of contributors increased significantly during 2001-02 as a result of growth within Transport for London and the Greater London Authority and the admission into the Fund of Greater London Magistrates Courts Authority. During 2002-03 the National Criminal Intelligence Service (to Civil Service Scheme) and Futures Careers Service (now profit making) left the Fund.



Investment review

The movement in market indices shown below demonstrates just how far the value of equities has fallen over the last year compared to bonds.



For those pensioners who rely on their savings or other pension arrangements, these are worrying times as returns from investments and interest rates remain low. BUT all this has absolutely no effect on your local government pension which is a statutory payment, increased to match inflation.

Inflation proofing is an issue I referred to in the Spring 2002 newsletter, giving an extract from a letter to the Treasury. This drew to their attention concerns raised by pensioners about the low level of increase. Many of you would prefer earnings related increases.

Unfortunately the Government's response is not encouraging. Many millions of public sector pensions are based on index linking to prices. To change the position for local government would have repercussions across the board and cost an enormous sum to maintain. For the funded schemes this would place great pressure on future funding at a time when investments are in the doldrums.

All this is now in the melting pot with the recent Government Green Paper and State pension provision under review.

Social Responsibility

LPFA continues to develop a more pro-active approach to social responsibility and has recently joined the Local Authority Pension Fund Forum. This group of 20 plus local authorities considers a broad range of issues and how they impact on engagement with the companies in which we invest.



Noticeboard

Former GLC Housing Departmental Staff reunion

The annual staff reunion / tea party still takes place, usually during the afternoon of the third Wednesday in October. As time has passed the numbers attending have been diminishing but we believe that there are some former colleagues who are unaware that these regular meetings continue. If you would like further details please communicate with Brian Lanning (020 8427 5940, email:lannings_harrow@hotmail.com), Jan Taranczuk (01622 664996, email:jan.taranczuk@virgin.net) or Ian Mackay (020 74352775).

Basic State Pension is to be increased by more than the rate of inflation i.e. to £77.40 pw for a single pensioner and to £123.80 pw for couples, with effect from 7th April 2003.

Security of pension payments

Please remember that to protect your pension any changes to your payment details or address must be sent in writing by letter, contact card or fax and must include a signature.

If your pension is paid by cheque in interest of security and promptness we would prefer the payment to be made directly into a bank or building society. Please contact LPFA should you require further details in regard to this.

Re-employment

If you have become re-employed within local government you are required to inform LPFA who will determine whether current pension payments are affected.

LPFA publications 2002

Annual Report and Accounts 2001-02
Fund Members Report - Autumn 2002
Newsletters - Spring 2002

yourpension - Pensioners
yourpension - Contributors
yourpension - Deferreds
yourpension - Non-funded
yourpension - Firefighters

Pensioners Charter
Information for new pensioners
GMP's explained leaflet
Race Equality Scheme
Statement of Investment Principles

If you would like to receive copies or extracts please call our Call Centre on 0845 30 30 335

PAYROLL GIVING
Gives even more



Charity deal extended

The government's 10p in the pound supplement to payroll giving contributions to charity has been extended to 5th April 2004. Employees who give money to charity through the payroll receive tax relief on their contributions. This means it costs £7.80 to donate £10 for a basic rate taxpayer, or £6 for someone paying tax at 40%. The government pays another 10%, so that the charity actually receives £11.



Complaints procedure

The LPFA aims to satisfy any complaint that you may have and is interested in suggestions on how our service can be improved.

If you have reason to make a complaint: *Feel free to contact any member of staff.*

Our contact details are at the bottom of this page.

If you prefer, contact **Terri Langwith**, Customer Services Officer, who provides an independent avenue for complaint within the LPFA and can help you make your complaint. Her telephone number is 020 7369 6061.

Complaints may be made in writing, by telephone, fax or email, or by personal visit to our office (no appointment necessary).

If you wish you may ask a friend, relative or body such as the Citizens Advice Bureau to make your complaint on your behalf or help you with it.

Your complaint will be treated seriously, courteously, sympathetically, fairly and confidentially no matter how many times you may have complained previously.

Where possible all complaints will be answered within five working days.

Where this is not possible an acknowledgement will be issued within five working days to advise you of progress and an expected date for providing the answer.

If at any time you have reason to believe your complaint is not being thoroughly and objectively investigated you can contact Peter Scales, Chief Executive, or any Member of the Board, who will ensure that the matter is re-investigated.

Board Member details will be made available on request and are published annually in the Fund Members Report and the Annual Report and Accounts. They are also available on the LPFA website

All complaints are monitored, analysed and action taken, where appropriate, to improve our service

Results are reported to the Board every three months and are published annually in the Fund Members Report

Our address is:

London Pensions Fund Authority,
Dexter House, 2 Royal Mint Court,
London EC3N 4LP

Call Centre and answerphone number is:
0845 3030335 (local rate number)

Our text phone number is: 020 7369 6119

Our fax number: 020 7369 6111

If you would like to make a complaint or a favourable comment via email the address is comments@lpfa.org.uk

The Fund member website address is:
www.yourpension.org.uk



Seeking your views

LPFA has regularly sought feedback from Fund members in a variety of ways, e.g. surveys, complaints and general correspondence. Both positive and negative comments are recorded, evaluated and reported to all staff in order that improvements to services can be made. Examples of these from April to December 2002 are:

Complaints (68) by:

Email	2
Fax	2
Letter	42
Telephone	22

Analysis

Service quality	25
Quality of information	6
Lack of reply	26
Other	12

“No reply to previous email”

LPFA has implemented a new system to acknowledge emails received and to track whether they have been answered

“Correspondence had repeated mistakes”

LPFA has introduced a ‘right first time’ approach across all areas of the business

“Objects to writing in to change address details”

Explanation given that for audit purposes we require a signature to authorise changes to address and bank details

“Unable to comprehend letter received”

All staff receive Plain English training and reminders are given during staff appraisals

“Benefit statement requested on website but not received”

There were some problems when our on-line access to benefits was first launched but it is now working fine

Favourable comments (25) by:

Email	3
Contact/Thank you card	12
Letter	7
Telephone	2

Analysis

Service quality	19
Quality of information	1
Staff quality	3
Other	2

“Thanks for Pensions Increase and information sent”

“Annual Benefit Statement tells you what you want to know in a succinct format”

“Annual Report and Accounts is very interesting”

“Pension received for last five years is always on time with no mistakes”

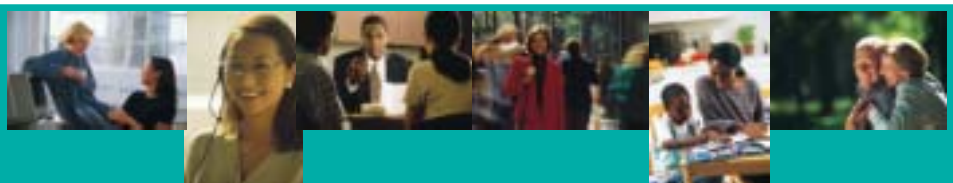
“Thanks for quick and professional response and friendly and useful service”

“Thanks for care and patience shown and for being so helpful and cheerful over the phone”

“Thanks for efficient way in which retirement benefits have been dealt with”

“Thanks for the very generous and kind treatment shown following the death of my husband”

“Reassuring to know that efficient public service still exists”



Did you know?

Pensioners living abroad

Please note that with effect from April 2003 the charges made by the Bank of Scotland for those pensioners receiving their pension payment via the Trans-continental Automated Payment Service (TAPS) will increase from £3.02 to £3.08 for direct payments and from £7.87 to £8.03 for indirect payments.

If you live abroad and are paid by cheque, you may wish to consider this safer method of payment. The LPFA can also pay your pension quarterly, in arrears, so that the TAPS charges are reduced. For more information please contact our Call Centre on **0845 30 30 335** and ask for **Alison Alcock**.

Special requirements

This newsletter, booklets and other correspondence are available in large print and on audio cassette. It may be possible to reproduce items in other ways or in another language and the LPFA would be pleased to consider your request. Please contact our Call Centre on **0845 30 30 335** if this is of interest to you.

Talking payslips

If you have difficulty reading your payslip, a confidential 'Talking Payslip' service is available by contacting our Call Centre on **0845 30 30 335** and asking for **Lorraine Twiner** or **Ray Watkin**.

They can give you the details that appear on your payslip over the telephone. However, in order to protect the confidentiality of your pension, they will check a few personal details before giving you the information.

- LPFA's opening hours are from 8.30am-5.00pm (although the office is manned between 8am and 6pm), Monday to Friday, and you may visit without appointment. Wheelchair access is available.
- Through the LPFA web site you are able to not only view your details held on the pensions administration system but also view your payslips. **www.lpfa.org.uk**
- **0845 30 30 335** is a local rate telephone number
- LPFA has a text phone for deaf people: **020 7369 6119**
- Any queries or questions you have can be emailed to: **enquiries@lpfa.org.uk**.
- Any complaints or favourable comments can be emailed to: **comments@lpfa.org.uk**
- The Occupational Pensions Advisory Service (OPAS) is available to assist members with any difficulties they can not resolve: **020 7233 8080**
- Pensions Schemes Registry provide a tracing service for ex-members of schemes with pension entitlements who have lost touch with previous employers: **0191 225 6393**

Don't forget ... if you move house, change your bank account or your personal circumstances change in any way that could affect your pension ... please tell us straightaway so that we can sort it out for you.



yourpensioncontacts

London Pensions Fund Authority
Dexter House
2 Royal Mint Court
LONDON
EC3N 4LP

Email: enquiries@lpfa.org.uk
Call Centre: 0845 30 30 335
Facsimile: 020 7369 6111
Textphone: 020 7369 6119
website: www.lpfa.org.uk

Other useful contacts

The Financial Services Authority

An independent body that regulates the financial services industry in the U.K. **0845 606 1234**

The Pensions Ombudsman

Can investigate and determine any complaint or dispute involving maladministration of the Scheme or matters of fact or law **020 7834 9144**

Age Concern Information Line

Provides information on issues affecting older people and their carers **0800 00 99 66**

NHS Direct

Health advice or information any time of the day or night **0845 46 47**

Winter Fuel Payments

For aged over 60's and normally resident in England and Wales **0845 9 15 15 15**

Learn Direct

Information and advice for all adults in England and Wales **0800 100 900**

Legal Advice and Information

The Community Legal Service can provide information on issues such as debt problems, benefits, housing, immigration **0845 608 1122**

Driving Licences

If you are over 70 the DVLA has cut the fee for a 3 year licence to £6 **0870 240 0009**



Fund member website:
www.yourpension.org.uk

