



Local Government Pensions Board

Date: WEDNESDAY, 31 OCTOBER 2018
Time: 1.45 pm
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members: Alderman Ian Luder (Chairman)
James Tumbridge (Deputy Chairman)
Jon Averbs
Yvette Dunne
Christina McLellan
Martin Newnham

Enquiries: Chris Rumbles
tel. no.: 020 7332 1405
christopher.rumbles@cityoflondon.gov.uk

N.B. Part of this meeting may be subject to audio-visual recording.

Lunch will be served in the Guildhall Club at 1.00pm.

**John Barradell
Town Clerk**

AGENDA

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes and non-public summary of the meeting on 29th June 2018.

For Decision
(Pages 1 - 6)
4. **OUTSTANDING ACTIONS**
Report of the Town Clerk.

For Information
(Pages 7 - 8)
5. **PRESENTATION OF THE PENSIONS REGULATOR**

For Information
6. **LOCAL GOVERNMENT PENSIONS BOARD - TERMS OF APPOINTMENT**
Report of the Town Clerk.

For Decision
(Pages 9 - 12)
7. **THE CITY CORPORATION'S PENSIONS SCHEME UPDATE**
Report of the Chamberlain.

For Information
(Pages 13 - 76)
8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

LOCAL GOVERNMENT PENSIONS BOARD

Friday, 29 June 2018

Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 1.45 pm

Present

Members:

Alderman Ian Luder (Chairman)	Yvette Dunne
James Tumbridge (Deputy Chairman)	Christina McLellan
Jon Avern	

Officers:

Kate Limna	- Chamberlain's Department
Jeff Henegan	- Chamberlain's Department
Tom Broughton	- Chamberlain's Department
Matt Mott	- Chamberlain's Department
Christopher Rumbles	- Town Clerk's Department

1. APOLOGIES

Apologies were received from Martin Newnham

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations of interests.

3. COURT ORDER

The Order of the Court, appointing the Board and setting its terms of reference, was received.

4. ELECTION OF CHAIRMAN

In accordance with Standing Order 29, the Board proceeded to elect a Chairman for the year ensuing. The Town Clerk read a list of Members eligible to stand and Ian Luder, being the only Member expressing his willingness to serve was duly elected as Chairman.

5. ELECTION OF DEPUTY CHAIRMAN

In accordance with Standing Order No 30, the Board proceeded to elect a Deputy Chairman for the ensuing year. The Town Clerk read a list of Members eligible to stand and James Tumbridge, being the only Member expressing his willingness to serve, was duly elected as Deputy Chairman.

6. MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes and non-public summary of the meeting on 28th February 2018 are approved as an accurate record.

Matters Arising

The Chairman formally welcomed the Pensions Manager, Matt Mott, to his first meeting of the Board.

Insurance Policy

The Deputy Chairmen referred to the insurance cover offered to Members of the Board and asked for clarity on this. The Deputy Chairman suggested that standard insurance policies would exclude data breaches and he asked for an assurance that the City Corporation had put in place appropriate measures to indemnify Members of the Board in the event of a data breach.

The Corporate Treasurer agreed to review the insurance cover offered to Members of the Board and report back on this.

7. OUTSTANDING ACTIONS

The Board received a report of the Town Clerk that summarised outstanding actions from previous meetings.

The Chairman confirmed that the Pensions Manager would give a presentation at the meeting in relation to a training plan for the Board.

RECEIVED.

8. REPORT OF ACTION TAKEN SINCE THE LAST MEETING

The Board received a report of the Town Clerk that summarised the action taken under delegated authority to the Town Clerk.

RECEIVED

9. LOCAL GOVERNMENT PENSIONS BOARD - REVISION TO TERM OF APPOINTMENT

The Board considered a report of the Town Clerk proposing an extension to the term of Membership of the Deputy Chairman to 2021 to allow for a staggering of elected Members on the Board moving forward.

A Member questioned whether there were any plans to make changes to the terms of the Scheme Member representatives and the Town Clerk clarified that further research would be needed before any proposal could be put forward.

The Deputy Chairman suggested a staggered approach could be adopted over a three-year period that would allow for gradual change. The Deputy Chairman agreed with the Town Clerk that he would consider options and report back by the end of August.

RESOLVED, that an extension of the membership term of James Tumbridge to April 2021, be approved.

10. THE CITY CORPORATION'S PENSIONS SCHEME - UPDATE

The Board received a report providing information regarding a range of topics in relation to the City Corporation's Local Government Pension Scheme.

The Pensions Manager referred to a mandatory requirement to maintain accurate data including Guaranteed Minimum Pension (GMP) data. Furthermore, as GMP values were accrued by scheme members national insurance contributions made to the Fund until to April 2016 (known as contracting out which ceased in April 2016) it is necessary to reconcile the GMP data held by the Fund with the data held by HMRC to ensure it is accurate.

It was noted that HMRC require the Fund to submit initial GMP enquiries by 31st October. Data mismatches that have been investigated and accepted by both the Fund and HMRC may require adjustments to the value of current GMPs in payment and future GMPs to be paid. It was confirmed that a report would come back to the Board next year.

The Pensions Manager clarified to the Chairman that any additional liability would be fed into the actuarial review in March 2019. It was noted that this timeframe of work will enable the 2019 actuarial valuation to fix the employee contribution.

The Deputy Chairman referred to the data breach and questioned the classification of this within the summary table which showed no breaches of the law to report.

The Corporate Treasurer clarified to the Board that the breach occurred shortly before the change in law in terms of reporting and that this was a City Corporation breach; the Information Commissioner's Office had been notified of the incident in good time.

The Deputy Chairman stressed that where a breach had been reported to the Information Commissioner's Office outside of the 72 hour requirement that a formal reply would be needed from the Information Commissioner's Office before it would be known for certain that there would be no negative consequence to the City Corporation. It was noted a verbal agreement would not be binding and the written position can on occasions be contrary to this.

Members expressed their concern with a delay in being notified of the breach and asked that this be earlier in future. It was highlighted that Local Government Pensions Board Members could find themselves being approached by Scheme Members and that it would be important for Board Members to understand what had happened if this were the case.

The Board agreed that the Chairman and Deputy Chairman are to be notified at the earliest opportunity. It was proposed notifying the Board of any breach at the earliest opportunity and by no later than the 72-hour point when any breach would need reporting to the Information Commissioner.

Resolved, that the update be noted. Agreed that the Reporting Breaches of the Law Policy be amended to show the Board are to be notified of any breach at the earliest opportunity and by no later than the 72-hour point for reporting breaches to the Information Commissioner.

11. PENSION FUND - DRAFT ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Board received a report of the Chamberlain providing a draft Pension Fund Statement of Account.

The Corporate Treasurer reminded the Board of the statutory requirement for the City Fund Accounts, including the Pension Fund Accounts to be audited and signed by 31 July. It was noted that the accounts and audit completion reports from the external auditors on both the City Fund and Pension Fund accounts would go to Audit and Risk Management Committee and Finance Committee for sign off.

A Member questioned a fall in the figure for achieving the target of five days for payment in death grants. The Pension Manager explained to the Board that the delays occurred following retirement of the previous Pension Manager, and with the team being short of two posts. Reassurance was offered that the delays were only very short temporary delays of days rather than months and that the issue had been addressed moving forward.

The Chairman commented that he would like to see an improvement to over 95% in relation to the areas of performance and asked that, where this is not being achieved, reasons for this are included within the report to the Board. The Board recognised that difficult cases can often distort the picture but agreed that it would be helpful if this could be explained in the report, so they are aware of the full picture.

The Chairman concluded this item noting the accounts and audit completion reports will now go forward to Audit & Risk Management Committee and Finance Committee for sign off and confirmed that any major issues would be notified to the Board. The Chairman asked that the Board receives the audit completion report and details of any adjustments.

RECEIVED

12. LGPS 2018 REGULATIONS

The Board received a report of the Chamberlain providing an overview of amendments to the Local Government Pension Scheme.

The Pensions Manager talked the Board through key changes and the impact this will have on existing scheme Members. It was noted that all scheme Members impacted by the regulation changes would be written to informing them of the changes.

RECEIVED

13. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

Training Plan and Needs Analysis

The Pension Manager introduced this item and confirmed he had taken the opportunity to review the original training plan prepared by Barnet Waddingham. The Pensions Manager stated his intention to invite a representative of the Pension Regulator to attend the next Board meeting to offer an overarching view of their expectations of Local Pension Boards and the role of the Pension Regulator.

The Pensions Manager went on to talk the Board through a history of the Local Government Pension Scheme, those who can join the scheme, benefits of membership and benefits into payment of pension.

The Deputy Chairman referred to a Court decision relating to gender reassignment and the Pensions Manager clarified that the Local Government Pension Scheme remains broadly gender neutral in terms of contribution rates which are based on actual pay and a normal pension age which is based on an individual's state pension age, however, there could be some quirks in relation to gender reassignment. It was noted that any instance would be dealt with on a case by case basis and the Fund would seek guidance from government departments such as HMCLG and LGA.

Members asked about the nomination of co-habiting partners. The Chairman highlighted the importance of scheme members nominating their intended beneficiaries and to provide details to go on record. The Pensions Manager clarified that the 2013 regulations no longer required a formal nomination in relation to co-habiting partners, although the Fund does offer a co habiting partner notification form. This is very useful in the event of a scheme member's death as the Fund has an initial contact and potential beneficiary. However, the scheme member and co-habiting partner must meet certain criteria to be eligible for a partner pension, such as being financially dependent or interdependent on each other and free to enter into a civil partnership or marriage with each other.

Members noted that a notification form remains on the City Corporation's website and that these are continuing to be being returned.

The Board conveyed their thanks to the Pensions Manager for a very good summary.

15. EXCLUSION OF THE PUBLIC

RESOLVED – That under 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that

they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

16. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the non-public minutes of the previous meeting are approved as an accurate record.

The Deputy Chairman referred to insurance cover for the Board and asked for an assurance from the Comptroller that Members of the Board would be covered in the event of a cyber security breach or that an appropriate indemnity would be put in place if a gap were identified.

17. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no non-public questions.

18. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There was no other business.

The meeting closed at 3.30pm.

Chairman

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christopher.rumbles@cityoflondon.gov.uk

Local Government Pension Board - Outstanding Actions List

	Date raised	Action	Officer responsible	To be completed/ progressed to next stage	Update
Page 7	July 2017	Succession Planning for Employer Representative	Town Clerk	Complete	Reported to Court of Common Council on 19 th July 2018 and agreed that the Deputy Chairman's Term be extended to 2021.
	June 2018	Consideration to be given to the terms of Scheme Member Representatives.	Town Clerk	Complete	Report on agenda 31st October 2018.
	June 2018	Insurance Cover Review of cover to ensure Members of the Board are covered for data breaches.	Corporate Treasurer	Update at next meeting.	
	June 2018	Reporting Breaches of the Policy. To be updated to show the Board are to be notified of any breach by no later than the 72-hour point for reporting breaches to the Information Commissioner.	Corporate Treasurer	Update at next meeting.	

Local Government Pension Board - Outstanding Actions List

	June 2018	Pension Regulator to be invited to next meeting.	Pensions Manager	Complete	Representative invited and due to attend meeting on 31 st October 2018.
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Committee(s):	Date(s):
Local Government Pensions Board	31 st October 2018
Subject:	Public
Local Government Pensions Board – Terms of appointment	For Decision
Report of:	
Town Clerk & Chief Executive	
Report author:	
Chris Rumbles	

Summary

At its meeting on 29th June the Local Government Pensions Board (The Board) considered a report relative to the terms of Membership of the Employer representatives on The Board with a view to creating staggered terms and allowing for a continuation of Members' knowledge and experience on The Board and to allow for a smooth transition in future years.

As part of the discussion, clarity was sought regarding the role of Scheme Member representatives and whether there were any plans to make changes to these terms and it was clarified that further research would be needed before any proposal could be put forward.

Further research has now been conducted and appropriate legal advice sought, and the latest position is presented for The Board to consider.

Recommendation(s)

The Board are asked to consider options for staggering the terms of the Scheme Member representatives for recommendation to the Town Clerk.

Main Report

Background and Context

1. The Local Government Pension Board was established in June 2015 to meet the requirements of both the Public Services Pension Act 2013 and a change in legislation relating the overall governance of pensions schemes, that a local Pensions Board be established by 1 April 2015; but that it need not be operational at this point.
2. In order to meet this requirement, the Court of Common Council agreed at its meeting on 25 June 2015 to the creation of a Pensions Board and appointed two Members, Alderman Ian Luder and James Tumbridge, as Scheme Manager representatives for terms of four-years years expiring in April 2019. The term of James Tumbridge was subsequently extended by two years to expire in April 2021.
3. Legislation further stipulated that the Pensions Board must also include an equal number of Scheme Member representatives and the Court of Common Council agreed at its meeting on 25th October 2015 that the three Scheme Member Representatives be appointed by a process determined by the Town Clerk & Chief Executive.
4. The final constitution of the Board also included a senior officer, by appointment of the Town Clerk, as an additional Scheme Manager representative.

Current Position

5. The Current Composition of the Board is two Common Councilmen, one Senior Officer and three Scheme Member representatives that were appointed to the Board by an application and appointment process against agreed criteria and Christina McLellan, Yvette Dunne and Martin Newnham were all appointed in 2016 for a period of four years expiring in 2020.
6. At the time of appointing the Scheme Member representatives to the Board it was agreed that the terms of appointment for each would be on a four-year term.
7. Having reflected on the terms of Membership of the Scheme Member representatives, it is now considered by the Board that staggered terms of Membership would be appropriate to allow for a continuity of membership and to ensure an appropriate knowledge level is maintained on the Board and that a sensible rotation of Members is allowed for in future years.

Proposal

8. The Local Government Pension Regulations 2013 state that each determining authority, subject to consideration to the relevant guidance, shall determine –
 - a) the membership of the local pension board; (b) the manner in which members of the local pension board may be appointed and removed; (c) the terms of appointment of members of the local pension board.
9. The Court of Common Council agreed at its meeting on 25 October 2015 that the three Scheme Member Representatives be appointed by a process determined by the Town Clerk & Chief Executive.
10. The Board may wish to give consideration to options for the staggering of terms of the Scheme Member representatives on the board for recommendation to the Town Clerk. These could include:
 - a) an immediate extension to terms of Membership; reverting to four-yearly terms at the time of the next appointment, thereby creating staggered terms.
 - b) Allowing membership terms to run until expiry in 2020; introducing shortened terms for a set period and then reverting to four-yearly terms thereafter, thereby creating staggered terms of membership.

Corporate & Strategic Implications

11. The Board has a strategic oversight role in relation to the administration of the City Corporation Pension Fund and in securing compliance with the scheme regulations and other legislation relating to the governance of the scheme and any statutory pension scheme that is connected to it.

Financial Implications

12. There are no financial implications.

Conclusion

13. During the initial period of the Board, it has been acknowledged that staggered terms of membership would be appropriate to allow for continuity of Members and to ensure a suitable knowledge level is maintained and to allow for an appropriate rotation of membership in future years. The Board are asked to consider an appropriate process for achieving this for proposal to the Town Clerk.

Appendices

14. There are no appendices.

Chris Rumbles

Committee and Members Services Officer

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Agenda Item 7

Committee:	Date:
Local Government Pensions Board	31 October 2018
Subject: The City Corporation's Pensions Scheme - Update	Public
Report of: The Chamberlain	For Information
Report author: Matt Mott – Chamberlain's Department	

Summary

At the Board's meeting on 20 October 2016, it was agreed that information regarding a range of topics in relation to the Corporation's Local Government Pensions Scheme (the Scheme) would be provided at each meeting. Members have indicated that information regarding communications be provided on an annual basis and all of the other items of information will be provided at each meeting except for when there is no updated information since the previous meeting

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix A).
Documentation of all the communications which are circulated to Scheme Members	Annual Benefit Statement & notes (Appendix B(i)) Saving Statement & Factsheet (Appendix B(ii)) Notification Form (Appendix B(iii)) Transfer Letter (Appendix B(iv)) Active Newsletter (Appendix B (v)) Pensioner Newsletter (Appendix B (vi)) Opt Out Form (Appendix B (vii)) Opt In Form (Appendix B (viii)) Tapered Annual Allowance & Factsheet (Appendix B (ix))
Information of Scheme Record Keeping	No amendments since the last Board meeting.
The Pensions Board's Risk Register	No amendments since the last board meeting (Appendix C).
A record of any complaints or disputes under the Scheme's complaints procedure	No new appeals.

Any recent breaches of the law	<p>Annual Benefit Statements (ABS).</p> <p>29 fewer than expected were issued on 29 & 30 August.</p> <p>The printer, KNP, had not ordered the correct size envelopes. The addresses on the ABS did not show in the envelope window. The printers did not inform the Pensions Office of the issue and filled all envelopes by hand.</p> <p>ABS returned to the Pension Office were not in any order (alpha or job reference) and KNP did not know the number printed or returned as they were not counted.</p> <p>The ABS were posted by City of London post room and counted on the franking machine. Only on completion of distribution was the Pension Office informed the final numbers posted were 29 less than expected.</p> <p>On the afternoon of Friday 31 August, the Pension Office were first informed of a data breach. Some scheme members (6) had received their ABS and that of another scheme member in the same envelope.</p> <p>This was reported to the Information Commissioners Office (ICO) within 72 hours as required under GDPR legislation.</p> <p>Board Members were informed and the breaches of law policy followed.</p> <p>An investigation was conducted and the following considered.</p> <ul style="list-style-type: none"> • The number of scheme members affected • Whether the issue has been rectified • Was the breach due to issues with a new procedure • Was the breach an unforeseen event • Is it a repeat breach • What measures are in place to ensure a recurrence is unlikely <p>It was deemed not to be material to TPR and not reportable to TPR.</p> <p>The breaches of law register is attached (Appendix D)</p>
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Any audit reports relating to the administration of the Scheme	None to report.
Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	None to report.
GMP Reconciliation	<p>Pension data has been analysed and JLT are liaising with HMRC.</p> <p>The project is on schedule.</p> <p>A report will be brought to the Board in spring/summer 2019 following the conclusion of the reconciliation.</p>
Annual Benefit Statements (ABS)	ABS distributed before statutory deadline of 31 August
Savings Statements	Scheme members with pension growth in excess of the HMRC Annual Allowance (AA) limit of £40,000 are issued a Savings Statement by statutory deadline of 6 October.

Recommendation

The Board is recommended to consider the information provided in the following reports and provide any comments in relation to this information.

Appendices:

Appendix A – Annual Schedule of Events

Appendix B(i) – Annual Benefit Statement and notes

Appendix B(ii) – Saving Statement and Factsheet

Appendix B(iii) – Notification Form

Appendix B(iv) – Transfer Letter

Appendix B(v) – Active Newsletter

Appendix B(vi) - Pensioner Newsletter

Appendix B(vii) - Opt Out Form

Appendix B(viii) - Opt In Form

Appendix B(ix) - Tapered Annual Allowance & Factsheet

Appendix C – Risk Register & Risk Matrix

Appendix D – Breaches of Law Register

Contact:

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Appendix A

Appendix A Local Government Pensions - Schedule of Events 2018/19

Date Due	Event	Completed
1 April 2018	Employee Contribution band review/ implementation.	April 2018
1 April 2018	Revaluation of CARE benefits.	April 2018
1 Monday in April following the 6 th	Pensions Increase (PI) – Annual Inflation increase.	PI applied with affect from 9 April 18
25 May 2018	GDPR comes into effect Privacy Notice available to scheme members	25 May 2018
31 May 2018	Publish City Fund Accounts (including the Pension Fund Accounts)	31 May 2018
30 June 2018	Target date for the issue of Annual Benefit Statement (ABS) to Deferred members.	ABS posted 20 June 2018
June 2018 Within 2 weeks of quarter date	Tax return for Quarter 1 (to 30/06/2018)	4 July 2018
17 July and 24 July 2018	Draft accounts to Audit & Risk Management Cttee and Finance Cttee	17 & 24 July 2018
31 July 2018	Publish signed City Fund Accounts (including the Pension Fund Accounts)	31 July 2018
31 st August 2018	Issue of Annual Benefit Statements deadline.	Posted 29 & 30 August 2018
1 October 2018	Office of National Statistics (ONS) Survey	28 September 2018
September 2018 Within 2 weeks of quarter date	Tax return for Quarter 2 (to 30/09/2018)	9 October 2018
30 September 2018	Employee Contribution Band review	1 October 2018
5 October 2018	Issue of Annual Allowance (AA) Saving Statements deadline	5 October 2018
6 November 2018	Scheme Return to the Pensions Regulator	10 October 2018
30 November 2018	Publication of Pension Fund Accounts and Annual Report	
December 2018 Within 2 weeks of quarter date	Tax Return for Quarter 3 (to 31/12/2018)	
31 st January 2019	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	
31 March 2019	End of GMP Reconciliation Project	

Appendix A

March 2019 Within 2 weeks of quarter date	Tax return for Quarter 4 (to 31/3/2019)	
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LGPS Personal Benefit Statement

Name
Address
Address
Postcode

Issue Date: August 2018

Section 1: Personal Details

Full Name and title	Title Name
Date of Birth	
National Insurance Number	
Partnership Status	
Employment Number	
Reference Number	
Employer at 31/03/2018	CITY OF LONDON
Date Joined Scheme	
Section of scheme at 31/03/2018	MAIN
CARE Pensionable Pay in year to 31/03/2018	£
Final Salary Pensionable Pay	£

It is important that the details above are correct as any inaccuracies will affect all of the calculations below. If any of the above details are incorrect please inform your Pensions Department.

Section 2: Summary of Total Benefits at 31/03/2018

Name:

NI Number:

Your benefits accrued at 31/03/2018 (as detailed in sections 3 and 4)

Annual pension	£	Automatic lump sum	£
Death in service benefits			
Death in service lump sum	£	Annual survivor's pension	£

Your Nomination Details

Name:

NI Number:

Nomination Comments:

Section 3: Career Average Pension Benefits at 31/03/2018 (payable from)

Name:

NI Number:

PLEASE NOTE: The benefits calculated in this section of the statement are based on the pay figures below. It is important that you check this and the pension build-up on the line below and contact your employer to report any perceived inaccuracies.

Pensionable Pay for year to 31/03/2018 in Main section	£
Pensionable Pay for year to 31/03/2018 in 50/50 section	£

Amount of pension built up in the year to 31/03/2018

Main Section Pay / 49 £	+	50/50 Section Pay / 98 £0.00	+	Additional Pension Bought £0.00	+	Transfers In £0.00	=	Total £
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Total Career Average Pension in the year to 31/03/2018

Previous year closing balance £	+	Increase for the cost of living £	+	In year build up (as shown above) £	=	Total Career Average Pension at 31/03/2018 £
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Section 4: Final Salary Benefits at 31/03/2018 (payable from)

Name:

NI Number:

Final Salary pay £	Annual pension Total Including 60ths + 80ths + Additional Pension	£ £ £ £	Automatic lump sum £
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**Section 5: Projections if you remain contributing to the scheme until
(ie to your Normal Pension Age (NPA) of 68 Yrs 0 Days)**

Name:

NI Number:

Total Pension at NPA	£	Automatic lump
Including projected Career Average Pension to NPA	£	sum at NPA
and projected Final Salary pension to NPA	£	£

Prospective survivor's annual pension if you remain in the scheme to NPA	£
Including projected Career Average Pension to NPA	£
and projected Final Salary pension to NPA	£

Annual Allowance

Pension Input for tax year 2017/18 06/04/2017 to 05/04/2018	£
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Unused allowance carry forward in respect of 2017/2018	£
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Please refer to the notes for further information about the Annual Allowance.

Section 6: Your Membership Details for Final Salary Benefits**Name:****NI Number:**

Your employer supplies us with your membership information.

We have shown any other pension scheme membership transferred to the Local Government Pension Fund.

If you believe any of the details are incorrect, please let us know.

Employer	Period		Calendar length years/days	Percentage of whole time	Period of membership years/days
	From	To			

CITY OF LONDON



Local Government Pension Scheme (LGPS) **Annual Benefit Statement 2018**

Enclosed is your annual pension benefit statement for 2018. It is important that you read this statement and these explanatory notes.

If you believe any of the details on the statement are not correct (as at 31st March 2018) please email - pensions@cityoflondon.gov.uk

Since 1st April 2014 the LGPS has been a Career Average Revalued Earnings (CARE) Scheme, benefits build up at the rate of a 1/49th of your pensionable pay (if you are a member of the main section of the Scheme), or at the rate of 1/98th of your pensionable pay (if you are a member of the 50/50 section of the Scheme) and then revalued in line with increases in the Consumer Price Index (CPI) on 1 April each year.

The CARE benefits shown on this statement have had the 2017 inflationary increase of 1% applied to them.

All benefits built up to 31st March 2014 will continue to be based on final pensionable pay. This statement shows that benefits have been calculated on the 1/80th pension and automatic 3/80ths lump sum basis in respect of membership up to 31st March 2008 plus 1/60th pension with no automatic lump sum from membership built up between 1st April 2008 and 31 March 2014.

If there is no survivor's pension shown and you are married, in a civil partnership or have a co-habiting partner, then we have not seen verification that you are in a qualifying relationship. Therefore, please send to the pensions office either the appropriate certificate or a completed Notification of Co-habiting Partner form available on the pensions office website - www.yourpension.org.uk/CityofLondon/Home.aspx

Also, if the "Nomination Details" section is blank you should complete an "Expression of Wish" form (also available on the pensions office website) in order to indicate to whom you would like the Death Grant to be paid.

When can I retire?

Since 1 April 2014 you can choose to leave and draw your pension anytime from age 55 but the longer you work the more your pension will be.

Your pension will be reduced if you choose to retire before your normal pension age and increased if you retire later.

Normal pension age is no longer fixed at 65; it will be the same as your current state pension age - with 65 as the earliest age, but see the protection section below. If you are unsure of your state pension age have a look at - www.gov.uk/calculate-state-pension

If you were age 55 or over as at 31st March 2018 your figures do not show any early retirement reduction which would apply had you retired on this date.



Also included in your statement is a projection to your normal pension age. If you were over your Normal Pension Age as at 31st March 2018 section 5 has been left blank intentionally.

Protections

If you were a member of the Scheme on 31 March 2014, you automatically joined the career average pension scheme and will continue to build up benefits in the LGPS. The entire pension you have built up in the LGPS before this date is fully protected.

All benefits built up before 1 April 2014, will continue to be based on your final year's pay when you leave or retire as these benefits were built up in the final salary scheme. That means that all the membership you built up to 31 March 2014 will be used to calculate your final salary benefits when you leave.

Your Normal Pension Age is also protected. This means that the benefits you built up before 1 April 2014 retain their Normal Pension Age under final salary scheme rules, which for almost all scheme members is age 65.

Rule of 85

If you have rule of 85 protection this continues to apply from 1 April 2014. The only occasion where this protection does not automatically apply is if you choose to voluntarily draw your pension on or after age 55 and before age 60, further information can be found here - <https://www.lgpsmember.org/more/eightyfive.php>

Underpin

Protections are in place if you are nearing retirement to ensure that you will get a pension at least equal to that which you would have received in the scheme had it not changed on 1 April 2014. This protection is known as the 'underpin'.

The underpin generally applies to you if you were: Paying into the Scheme on 31 March 2012 and, you were within 10 years of your Normal Pension Age on 1 April 2012, further information can be found here - <https://www.lgpsmember.org/more/pre2014.php>

This underpin protection has now been extended to apply if you were an active member of a different public service pension scheme (e.g. Civil Service Pension Scheme) on 31 March 2012 and you were within 10 years of age 65 on 1 April 2012; if you transfer the pension benefits from the other public service pension schemes into the LGPS and part or all of that transfer buys final salary benefits in the LGPS the underpin will apply to you.

This change is being backdated to take effect from 1 April 2014.

Transfers into the LGPS

If you have been a member of the LGPS with City of London Pension Fund for less than 12 months you can elect to transfer your previous pension rights into the scheme. However, you do need to make an election before the 12 months expires.

Additional Contributions (if applicable)

If you are paying or have paid to Purchase Additional Years the value at 31 March 2018 is *included* in the illustration amounts



If you are paying or have paid Additional Regular Contributions (ARCS) values are *included* in the illustration amounts

If you are paying or have paid Additional Pension Contributions (APC) values are *included* in the illustration amounts

If you are paying or have paid Additional Voluntary Contributions (AVC) values are *not included* in the illustration amounts. AVC annual statements will be provided separately by your AVC provider.

Changes to Pre - April 2014 AVC contracts

If you pay or have paid Additional Voluntary Contributions (AVCs) and the contract to pay those AVCs started before 1 April 2014, you will see some changes to your AVC plans and how you can receive payment of them.

All scheme members can now buy additional pension from the LGPS with the AVC plan when they take their benefits from the scheme. Previously, this option was only available to scheme members who took immediate payment of their main scheme benefits (i.e. pension and lump sum) and their AVC plan when they left the scheme.

When you take the main scheme benefits you will no longer be able to leave the AVC invested and take it at a later date.

If you die before taking the AVC and a lump sum is to be paid from your AVC plan, the pension fund now has absolute discretion over who to pay that sum to (rather than it having to be paid to the estate). If the lump sum is paid at the discretion of the pension fund it does not form part of the estate and will not be subject to inheritance tax.

For scheme members currently paying AVCs:

- You can now pay up to 100% (rather than 50%) of your pensionable pay into the AVC plan.
- AVCs will now also be deducted from any voluntary overtime you work (if you pay AVCs as percentage of your salary).

Annual Allowance (AA)

This is the amount by which your pension can grow before you may have to pay additional tax. The limit is currently £40,000 but if you earn over £150,000 the limit may be reduced to a minimum of £10,000.

We will write to all scheme members who we think may be affected by 5 October 2018.

Most scheme members will not be affected by the annual allowance tax charge, however, we have included the value of your pension input amount in this year's statement based on the information we hold with regard to your LGPS benefits up to 31 March 2018. You should add this value to any other pension benefits you have accrued during the year.

If you exceed the annual allowance you may be allowed to bring forward any unused allowance for the last three years to off-set the excess. This means that even if the value of your pension



savings increase by more than £40,000 in a year you may not be liable to pay the annual allowance tax charge.

There are, however, some things that the Fund will not know about but could affect your AA. For example, income from other employments, income from property rental and any other pension provision you may have .

If you think you are at risk of exceeding the annual allowance you should seek advice. Further information can be found at - <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

If your LGPS benefits exceed the threshold for AA in 2017/18 we will write to you separately in October.

Membership Details

The membership used for calculating your final salary benefits is recorded under section 6 of the statement. If you were a member of the LGPS with the City of London Pension Fund prior to 1 April 2014 the membership shown in section 6 ends at 31 March 2014 when the scheme changed to a CARE arrangement.

All benefits built up from 1 April 2014 are recorded under Section 3 of the statement including any transfers purchasing CARE benefits.

Important

It is important to note that your annual benefit statement is for guidance only and you should not base an irreversible decision to retire solely on the figures in this statement.

The benefit values shown in this statement are illustrative values ONLY, based on the LGPS regulations in force at the time of production and do not constitute an offer to pay the benefit values shown.



Dear....

**The Local Government Pension Scheme (LGPS)
City of London Pension Fund Pension Savings Statement 2017/18**

I am required by HM Revenue & Customs (HMRC) to issue you with a Pension Savings Statement as the growth of your LGPS benefits in the City of London Pension Fund has exceeded the Annual Allowance (AA) limit for the tax year 2017/18. This growth is known as the Pensions Input Amount (PIA).

The enclosed statement contains your pension growth for 2017/18 and the three preceding years, plus the total value of any unused allowance for these periods. The unused amount is referred to as Carry Forward and is used to reduce the potential liability to a tax charge if your pension growth is in excess of the AA limit (£40,000) for this year.

If your pension growth has exceeded the 2017/18 AA limit and your Carry Forward from the three preceding years is not sufficient to offset the excess, you may be subject to a tax charge.

If your charge liability exceeds £2,000 you can request the City of London Pension Fund pays the charge to HMRC on your behalf in return for a permanent reduction to your pension benefits. This is known as Scheme Pays and the reduction is referred to as the Debit. If this is your preference, please complete the enclosed Scheme Pays form instructing us of the amount of the tax charge you want the Fund to pay on your behalf.

If your pension growth in the City of London Pension Fund, less the value of any available Carry Forward from the three preceding years, is greater than £40,000 I have enclosed an illustration of the estimated tax charge liability and the value of the potential Debit amount should you elect for Scheme Pays to meet this charge.

If your total pension growth, less the value of any available Carry Forward from the three preceding years, is less than £40,000 you will not need to take any further action.

Pension Savings Statement 2017/2018

Name:	
National Insurance Number:	

City of London Pension Fund 'Pension Scheme Tax Reference' (PSTR) number:	00329946RE
---------------------------------------------------------------------------	------------

Pension Input Period (PIP)	Standard Annual Allowance	Pension Input Amount (PIA)	Unused Allowance
2014/15	£40,000		
*2015/16	£40,000		
2016/17	£40,000		
Total Carry Forward to 2017/18			

*2015/16 was split into two periods. An £80,000 limit applied to the first period and the unused amount (to a maximum of £40,000) was carried forward to the second period.

Pension Input Period (PIP)	Standard Annual Allowance	Pension Input Amount (PIA)	Unused / Excess Allowance
2017/18	£40,000		

If your 'Unused / Excess Allowance' figure for 2017/18 is a negative value and having applied the 'Total Carry Forward to 2017/18' it is still negative you will be subject to a tax charge. Please read the 'illustration page' and the further information enclosed.

Please note, this information is based upon your LGPS benefits with the City of London Pension Fund only. Should you have further pension provision you must add the PIA from each scheme together to determine the full potential taxable excess.

This Pension Savings Statement should be retained for future reference.

For the tax year 2017/18 a Tapered Annual Allowance (TAA) may also apply. The TAA is applicable for individuals whose “threshold income” is more than £110,000 per year and whose “adjusted income” is more than £150,000 per year; in these circumstances their personal AA limit may be reduced to a minimum of £10,000. If I believe you may be affected by the TAA I have included an additional illustration of these values and the appropriate Voluntary Scheme Pays election form.

	Definition	Limit
Threshold Income	Broadly, your taxable income after the deduction of your pension contributions (including AVCs deducted under the net pay arrangement).	£ 110,000
Adjusted Income	Broadly, your threshold income plus pensions savings built up over the year.	£ 150,000

Threshold income includes all sources of income that are taxable, e.g. property income, savings income, dividend income, pension income, social security income (where taxable), state pension income etc.

Please use the links below to find further information about AA and TAA which may assist you in deciding what action you need to take. I have also enclosed a factsheet, notes and a table of responsibility for your attention.

<https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm057100>

<https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

<https://www.pensionsadvisoryservice.org.uk/about-pensions/saving-into-a-pension/pensions-and-tax/the-annual-allowance>

<http://www.hmrc.gov.uk/tools/pension-allowance/>

Please note, I am unable to provide you with any financial or taxation advice. It is your responsibility to determine your personal tax liability and report it to HMRC on your Self-Assessment tax return.

This is a complex issue and the contents of this letter are based upon my understanding of the legislation as it currently stands. The relevant regulations will be used to reach a decision in any dispute or disagreement. You may wish therefore to consider seeking independent financial or taxation advice before making an irreversible decision.

Yours sincerely

Pensions Manager

Notes

- If you exceed the AA or TAA limits you may carry forward unused allowance from the previous 3 years
- If you do not have sufficient unused allowance you will have a tax charge up to your highest rate of income tax
- If you are making in house Additional Voluntary Contributions (AVCs) the PIA shown will include any additional contributions paid in the relevant PIP
- You must notify HMRC, usually on your self-assessment return, of any tax charge
 - Post, by 31 October 2018
 - Online, by 31 January 2019
- If the charge is more than £2,000 you may elect for “scheme pays”. If this is your intention, please complete and return the enclosed election form.
- If you elect for “scheme pays” your LGPS pension will be actuarially reduced
- If your adjusted income is in excess of £150,000 your AA limit will be reduced by £1 for every £2 you exceed £150,000
- All values are based on information provided by your employer
- If you are unsure about anything relating to AA and TAA you should seek independent financial or taxation advice
- If you have other pension provision outside of the City of London Pension Fund you must add the PIA values for all schemes together
- A lower AA may apply if you have accessed any pension savings using the pension freedoms introduced in April 2015

Timeline & Responsibility

Dates	Action	Responsibility
5 October 2018	Pension Saving Statement	The Fund
31 December 2018	Notify Fund of Scheme Pays Election TAA	Scheme Member
31 January 2019	Self-Assessment Tax Return	Scheme Member
31 July 2019	Notify Fund of Scheme Pays Election AA	Scheme Member
14 February 2020	Payment of AA tax charge	The Fund (Scheme Pays) or Scheme Member

The notes above are for information purposes only and are intended to provide you with a general overview of scheme rules. In the event of any dispute over your pension, the appropriate legislation will apply.

Annual Allowance Illustration 2017/18

The following is for illustrative purposes only and shows the possible reduction to your annual pension if you elect for Scheme Pays. It is based on our understanding of pension legislation in force at the time of calculation.

The tax charge will be based on your marginal rate of tax and I have illustrated Scheme Pays under both a 40% and 45% tax rate.

Based on City of London Pension Fund benefit values only;

Excess over the Annual Allowance:	£
Less Carry Forward of Unused Allowance:	£
Annual Allowance Subject to Tax Charge:	£

Marginal Rate of Tax	Tax Charge	Debit Amount (Reduction to annual pension under Scheme Pays)
40%	£	£
45%	£	£

Please Note: The Debit amount is based on retirement at your normal pension age and may vary to the value shown:

- The amount is linked to the Consumer Price Index (CPI) for the period between the year of the charge and your date of retirement.
- If you retire earlier than your normal pension age the Debit amount will be reduced to take account of early payment.
- If you retire after your normal pension age the Debit amount will be increased to take account of late payment.

If you wish the City of London Pension Fund to make payment of your AA tax charge on your behalf and make a reduction to the value of your annual pension, then you should complete and return the enclosed Scheme Pays election form.

Your request for this option must be received by the Fund no later than 31 July following the tax year to which the charge relates, or your date of retirement if earlier. For example, if the charge was accrued in 2017/18 your notification must be received no later than 31 July 2019.

*To be eligible for Scheme Pays the tax charge must exceed **£2,000** and must be solely in relation to the pension benefits held with the City of London.*

Annual Allowance 'SCHEME PAYS ELECTION FORM – LGPS Tax Year 2017/18

Part A: Personal Details									
Title:				Full Name:					
NI Number:								Date of Birth:	
Home Address:									
							Postcode:		
Tel Number							Email:		
Part B: Annual Allowance (AA) Charge Information									
Tax Year to which my AA charge relates:						06/04/20..... - 05/04/20.....			
Amount of AA charge I wish the Scheme to pay on my behalf (please indicate if this is an estimated figure)						£			

Important Notes (please ensure that you read these before completing Part C)

1. You can only elect to use the 'Scheme Pays' facility if your total annual allowance tax charge for any tax year exceeds £2,000, and this charge relates to pension growth associated with the LGPS benefits in the City of London Pension Fund.
2. If you are taking all of your benefits from the LGPS during the tax year to which your annual allowance charge liability relates, your election for 'Scheme Pays' must be received by the City of London Fund prior to your retirement date.
3. Please note, you cannot elect for the 'Scheme Pays' facility (charge on the excess above £40,000 AA limit) until after the end of the tax year in which the annual allowance charge arises. You must elect for 'Scheme Pays' no later than 31 July 2019.
4. If you have declared an estimated annual allowance tax charge figure, there is a time limit for you to notify City of London Pension Fund of the correct amount of the annual allowance charge that you want the Scheme to pay. The Fund must receive the revised information no later than the 31 July following the end of the period of 4 years from the end of the tax year to which your annual allowance tax charge liability relates. For example, if your annual allowance charge relates to the tax year 2014-15, then your request to change your previous 'Scheme Pays' declaration must be received by the Fund no later than 31 July 2019.

Please turn over

PART C: Annual Allowance ‘Scheme Pays’ Member Declaration (please read declaration before signing)

I, hereby, declare that:

- *I have read and understood the ‘Important Notes’ detailed overleaf.*
- *the amount of annual allowance tax charge liability that I wish the Scheme to pay, on my behalf, has been calculated using the correct marginal tax rate.*
- *I understand that I cannot withdraw this election once this has been received by the City of London Pension Fund*
- *I understand that this election must be received by the City of London Pension Fund by the statutory cut-off date if the scheme is to become jointly and severally liable to the annual allowance charge.*
- *I am aware that my LGPS benefits will be reduced to take account of the annual allowance tax that will be paid, on my behalf, by the Scheme.*
- *where applicable, I have stated that the annual allowance tax charge is an estimated figure; and I will subsequently notify the City of London Pension Fund regarding the revised annual allowance tax charge liability once this is known.*

Signed _____ **Dated** ____/____/____

Please return your completed election form to:

City of London Corporation, PO Box 270, Guildhall, London EC2P 2EJ

Email: pensions@cityoflondon.gov.uk

“Appropriate information contained on this form will be held on computer files and/or relevant filing systems for the purposes of General Data Protection Regulation (GDPR) and may be shared with other relevant establishments and agencies for the purpose of providing the appropriate service or meeting legislative requirements”.



Tapered Annual Allowance Illustration 2017/18

The following is for illustrative purposes only and show the possible reduction to your annual pension if you elect for Scheme Pays. It is based on our understanding of pension legislation in force at the time of calculation.

The tax charge will be based on your marginal rate of tax and I have illustrated Scheme Pays under both a 40% and 45% tax rate.

Estimated 'Adjusted Income' for Tapered Annual Allowance	£
Estimate Tapered Annual Allowance	£

Based on City of London Pension Fund benefit values only;

Excess between TAA and standard Annual Allowance:	£
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Less Carry Forward of Unused Allowance:	£
-----------------------------------------	---

Tapered Annual Allowance Subject to Tax Charge:	£
--------------------------------------------------------	----------

Marginal Rate of Tax	Tax Charge	Debit Amount (Reduction to annual pension under Scheme Pays)
40%	£	£
45%	£	£

Please Note: The Debit amount is based on retirement at your normal pension age and may vary to the value shown:

- The amount is linked to CPI for the period between the year of the charge and your date of retirement.
- If you retire earlier than your normal pension age the Debit amount will be reduced to account of early payment.
- If you retire after your normal pension age the Debit amount will be increased to take account of late payment.

If you wish the City of London Pension Fund to make payment of your TAA tax charge on your behalf and make a reduction to the value of your annual pension, then you should complete and return the enclosed TAA Scheme Pays election form.

Your request for this option must be received by the Fund no later than 31 December following the tax year to which the charge relates, or your date of retirement if earlier. For example, if the charge was accrued in 2017/18 your notification must be received no later than 31 December 2018.

*To be eligible for Scheme pays the tax charge must exceed **£2,000** and must be solely in relation to the pension benefits held with the City of London.*

Tapered Annual Allowance 'SCHEME PAYS ELECTION FORM – LGPS Tax Year 2017/18

Part A: Personal Details									
Title:				Full Name:					
NI Number:								Date of Birth:	
Home Address:									
							Postcode:		
Tel Number:							Email:		
Part B: Tapered Annual Allowance (TAA) Charge Information (both fields are mandatory)									
Tax Year to which my TAA charge relates:						06/04/20..... - 05/04/20.....			
Amount of TAA charge I wish the Scheme to pay on my behalf (please indicate if this is an estimated figure)						£			

Important Notes (please ensure that you read these before completing Part C)

1. You can only elect to use the 'Scheme Pays' facility if your total annual allowance tax charge for any tax year exceeds £2,000, and this charge relates to pension growth associated with the LGPS benefits in the City of London Pension Fund.
2. If you are taking all of your benefits from the LGPS during the tax year to which your annual allowance charge liability relates, your election for 'Scheme Pays' must be received by the City of London Fund prior to your retirement date.
3. Please note, you cannot elect for the 'Voluntary Scheme Pays' facility (charge on the excess above the TAA limit) until after the end of the tax year in which the annual allowance charge arises. You must elect for 'Voluntary Scheme Pays' no later than 31 December 2018.
4. If you have declared an estimated annual allowance tax charge figure, there is a time limit for you to notify City of London Pension Fund of the correct amount of the annual allowance charge that you want the Scheme to pay. The Fund must receive the revised information no later than the 31 December following the end of the period of 4 years from the end of the tax year to which your annual allowance tax charge liability relates. For example, if your annual allowance charge relates to the tax year 2014-15, then your request to change your previous 'Scheme Pays' declaration must be received by the Fund no later than 31 December 2018.

Please turn over

PART C: Tapered Annual Allowance (TAA) ‘Scheme Pays’ Member Declaration (please read declaration before signing)

I, hereby, declare that:

- I have read and understood the ‘Important Notes’ detailed overleaf.*
- the amount of tapered annual allowance tax charge liability that I wish the Scheme to pay, on my behalf, has been calculated using the correct marginal tax rate.*
- I understand that I cannot withdraw this election once this has been received by the City of London Pension Fund*
- I understand that this election must be received by the City of London Pension Fund by the statutory cut-off date.*
- I understand that I will remain solely liable for any tax charge incurred as a result of exceeding the tapered annual allowance.*
- I am aware that my LGPS benefits will be reduced to take account of the tapered annual allowance tax that will be paid, on my behalf, by the Scheme.*
- where applicable, I have stated that the tapered annual allowance tax charge is an estimated figure; and I will subsequently notify the City of London Pension Fund regarding the revised tapered annual allowance tax charge liability once this is known.*

Signed _____ **Dated** ____/____/____

Please return your completed election form to:

City of London Corporation, PO Box 270, Guildhall, London EC2P 2EJ

Email: pensions@cityoflondon.gov.uk

“Appropriate information contained on this form will be held on computer files and/or relevant filing systems for the purposes of General Data Protection Regulation (GDPR) and may be shared with other relevant establishments and agencies for the purpose of providing the appropriate service or meeting legislative requirements”.



LGPS factsheet

Pensions Taxation - Annual Allowance

HM Revenue and Customs impose two controls on the amount of pension savings you can make without having to pay extra tax. These controls are known as the Annual Allowance and Lifetime Allowance. This is in addition to any income tax you pay on your pension once it is in payment.

This factsheet looks at the Annual Allowance which is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge.

What is the Annual Allowance?

The Annual Allowance (AA) is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge. This is in addition to any income tax you pay on your pension once it is in payment.

If the value of your pension savings in any one year (including pension savings outside of the LGPS) are in excess of the annual allowance, the excess will be taxed as income.

The Government reduced the AA from £255,000 to £50,000 from 6 April 2011 and then reduced it again to £40,000 from 6 April 2014. Further changes to the annual allowance have been made for higher earners from 6 April 2016, which resulted in special transitional rules for the 2015/16 tax year. These changes are covered in more detail later in this factsheet.

Pension Input Period	Annual Allowance
1 April 2011 to 31 March 2012	£50,000
1 April 2012 to 31 March 2013	£50,000
1 April 2013 to 31 March 2014	£50,000
1 April 2014 to 31 March 2015	£40,000
1 April 2015 to 5 April 2016	£80,000 (transitional rules apply)
6 April 2016 to 5 April 2017	£40,000 (unless tapering applies)
6 April 2017 to 5 April 2018 onwards	£40,000 (unless tapering applies)

Am I likely to be affected by the Annual Allowance?

Most people will not be affected by the AA tax charge because the value of their pension saving will not increase in a year by more than £40,000, or, if it does they are likely to have unused allowance from previous years that can be carried forward.

You are most likely to be affected if:

- you have a lot of scheme membership and you receive a significant pay increase, and/or;
- you pay a high level of additional contributions, and/or;
- you are a higher earner, and/or;
- you transfer pension rights into the LGPS from a previous public sector pension scheme¹ under the preferential club transfer rules and your salary (full time equivalent) upon joining the LGPS is somewhat higher than the salary you earned when you left the previous scheme, and/or;
- you combine a previous LGPS pension benefit that was built up in the final salary section of the LGPS with your current pension account and your salary (full time equivalent) has increased significantly since leaving and re-joining the scheme, and/or;
- you have accessed flexible benefits on or after 6 April 2015

Your pension fund will inform you if your LGPS pension savings exceed the standard AA in any year by no later than 6 October of the following year.

The 50/50 section of the LGPS

If you wish to slow down your pension build up to avoid or mitigate an AA tax charge the 50/50 section of the LGPS allows you to pay half your normal contributions and build up half your normal pension, whilst still retaining full life and ill health cover. Visit the [LGPS member website](#) for more information on this option.

Before considering any action to reduce your tax liabilities you should always seek independent financial advice from an FCA registered adviser. For help in choosing an independent financial adviser visit the [money advice website](#).

How is the Annual Allowance calculated?

The increase in the value of your pension savings in the LGPS in a year is calculated by working out the value of your benefits immediately before the start of the 'pension input period', increasing the value by inflation and then comparing it with the value of your benefits at the end of the 'pension input period'.

The 'pension input period' (PIP) is the period over which your pension growth is measured. From 6 April 2016, PIPs for all pension schemes are aligned with the tax year – 6 April to 5 April. Prior to the 2016/17 the PIP for the LGPS was 1 April to 31 March, except for the year 2015/16 when special transitional rules apply.

In the LGPS the value of your pension benefits is calculated by multiplying the amount of your annual pension by 16 and adding any lump sum you are automatically entitled to from the pension scheme plus any AVCs you or your employer has paid during the year.

¹ A public service pension scheme includes a pension scheme covering civil servants, the judiciary, the armed forces, any scheme in England, Wales or Scotland covering local government workers, or teachers, or health service workers, or fire and rescue workers or members of the police forces; or membership of a new public body pension scheme.

If the difference in the value of pension benefits at the end of the PIP less the value of your pension benefits immediately before the start of PIP (adjusted for inflation), is more than the AA then you may be liable to pay a tax charge.

It is important to note that the assessment for the AA covers any pension benefits you may have where you have been an active member during the year, not just benefits in the LGPS. For example, if the increase in the value of your LGPS benefits was calculated as £30,000 in 2014/15 when the AA was £40,000, but you also had an increase in the value of other pension benefits of £15,000 in the same year, that would mean you had a total increase in pension benefits of £45,000. If you did not have any carry forward (see below for more information), you would be liable for a tax charge for the amount you exceeded the AA by, even though at face value you did not breach the AA in either scheme.

Carry forward

You would only be subject to an AA tax charge if the value of your total pension savings for a year increase by more than the AA for that year. However, a three year carry forward rule allows you to carry forward unused AA from the previous three years. This means that even if the value of your pension savings increase by more than the AA in a year you may not be liable to the AA tax charge.

For example, if the value of your pension savings in 2014/15 increased by £50,000 (i.e. by £10,000 more than the AA) but in the three previous years had increased by £25,000, £28,000 and £30,000, then the amount by which each of these previous years fell short of the AA for those three years would more than offset the £10,000 excess pension saving in the current year. There would be no AA tax charge to pay in this case.

To carry forward unused AA from an earlier year you must have been a member of a tax registered pension scheme in that year.

Changes to Annual Allowance

The Finance (No 2) Act 2015 introduced two important changes to the AA with effect from 6 April 2016.

1. An annual allowance taper for high earners from 6 April 2016
2. To adjust the 'pension input period' during 2015/16 so that it becomes aligned with the tax year from 6 April 2016

1. Tapered Annual Allowance for higher earners

From the tax year 2016/17 the AA is tapered for members who have a 'Threshold Income' in excess of £110,000, and 'Adjusted Income' in excess of £150,000. For every £2 that your Adjusted Income exceeds £150,000, your AA is tapered down by £1 (to a minimum of £10,000).

	Definition	Limit
Threshold Income	Broadly your taxable income after the deduction of your pension contributions (including AVCs deducted under the net pay arrangement)	£110,000
Adjusted Income	Broadly your threshold income plus pensions savings built up over the tax year	£150,000

Threshold income includes all sources of income that are taxable e.g. property income, savings income, dividend income, pension income, social security income (where taxable), state pension income etc.

Please note, you are not allowed to deduct from taxable income any amount of employment income given up for pension provision as a result of any salary sacrifice made on or after 9 July 2015.

How does the taper work?

From 6 April 2016, the taper reduces the AA by £1 for £2 of adjusted income received over £150,000, until a minimum AA of £10,000 is reached. This means that from 6 April 2016 the AA for high earners is as follows:

Adjusted Income	Annual Allowance
£150,000 or below	£40,000
£160,000	£35,000
£170,000	£30,000
£180,000	£25,000
£190,000	£20,000
£200,000	£15,000
£210,000 or above	£10,000

Examples

Cerys

Gross Salary 2016/17	£120,000	
Less employee pension contributions	£13,680	11.4%
Threshold Income 2016/17	£106,320	Below £110,000 so the AA will not be tapered and remains at £40,000
Pensions saving in the year	£39,184	Less than £40,000 so no tax charge

Sanjay

Gross salary 2016/17	£130,000	
Less employee pension contributions	£14,820	11.4%
Plus taxable income from property	£30,000	
Threshold Income 2016/17	£145,180	
Plus pensions saving in the year	£42,449	
Adjusted Income 2016/17	£187,629	Greater than £150,000 so AA will be tapered
Tapered AA	£21,185*	
In excess of AA	£21,264	Pension saving of £42,449 less tapered AA
AA tax charge at marginal rate (assumed to be 40%)	£8,505	21,264 x 40%

*Taper = £187,629 - £150,000 = £37,629 / 2 = £18,815. Standard AA £40,000 less £18,815 = £21,185

Please note, the examples above make no allowance for any carry forward. The pension savings in the year assume that both Sanjay and Cerys have no final salary benefits in the LGPS and that they are not paying any additional contributions.

2. Aligning the ‘Pension Input Period’ with the tax year

The ‘pension input period’ (PIP) is the period over which your pension growth is measured. Up until 2014/15 the PIP in the LGPS ran from 1 April to 31 March. From 6 April 2016, PIPs for all pension schemes are aligned with the tax year – 6 April to 5 April. Special transitional arrangements apply for 2015/16 meaning that there are 2 PIPs in 2015/16, as set out below:

Pre-alignment tax year: 1 April 2015 to 8 July 2015 - the revised AA during this period is £80,000

Post-alignment tax year: 9 July 2015 to 5 April 2016 - the AA for this period is the amount of the £80,000 not used up from the pre-alignment tax year (subject to a maximum of £40,000) together with any carry forward available from the three previous years.

If you have flexibly accessed any benefits in a money purchase pension arrangement on or after 6 April 2015 (see below) you should contact your pension fund for information about how the pre and post alignment tax years will work as it will be different to the above.

Annual Allowance ‘Flexible Benefit’ access

If you have any benefits in a money purchase (defined contribution) pension arrangement which you have flexibly accessed on or after 6 April 2015 then the Money Purchase Annual Allowance (MPAA) rules may apply. However, the MPAA will only apply if your total contributions to a money purchase arrangement in a Pension Input Period exceed the MPAA.

Generally, if you have flexibly accessed any benefits in a money purchase arrangement on or after 6 April 2015, any further contributions you make to a money purchase scheme in subsequent tax years will be tested against the MPAA. If your contributions exceed the MPAA your defined benefit pension (LGPS) savings will be tested against the alternative AA and you will pay a tax charge in respect of your money purchase saving in excess of the MPAA.

Tax Year	MPAA	Alternative annual allowance if MPAA is exceeded
2016/17	£10,000	£30,000
2017/18 onwards	£4,000	£36,000

Special transitional rules applied for the tax year 2015/16 – contact your pension fund for more information, if applicable.

If you access flexible benefits you will be provided with a flexible access statement; you should provide your LGPS pension fund with a copy of this statement.

Flexible access means taking a cash amount over the tax-free lump sum from a flexi-access drawdown account, taking an uncrystallised funds pension lump sum (UFPLS), purchasing a flexible annuity, taking a scheme pension from a defined contribution

scheme with fewer than 12 pensioner members or taking a stand-alone lump sum if you have primary but not enhanced protection².

How would I pay an Annual Allowance tax charge?

If you exceed the AA in any year you are responsible for reporting this to HMRC on your self-assessment tax return.

Your [pension fund](#) is obliged to notify you if your LGPS benefits (plus the amount of any Additional Voluntary Contributions (AVCs) you may have paid) exceed the standard AA, or if they believe you have exceeded the MPAA, in a year. They must inform you by no later than 6 October of the following tax year. However, your pension fund is not obliged to inform you if you exceed the tapered annual allowance.

If you have an AA tax charge that is more than £2,000 and your pension savings in the LGPS alone have increased in the year by more than the standard AA you may be able to opt for the LGPS to pay some or all of the tax charge on your behalf. The tax charge would then be recovered from your pension benefits.

If you want the LGPS to pay some or all of an AA tax charge on your behalf, you must notify your pension fund no later than 31 July in the year following the end of the year to which the AA charge relates. However, if you are retiring (and draw all of your benefits from the LGPS) and you want the LGPS to pay some or all of the tax charge on your behalf from your benefits, you must tell your pension fund before you become entitled to those benefits.

Am I affected?

If you think you are affected by the AA more information is available on the Government's website - <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>. If you are unsure if you will be affected by the AA use the [AA quick check tool](#) on the LGPS member website.

This factsheet provides an overview of the AA rules at April 2018. It should not be treated as a complete and authoritative statement of the law. The rules governing AA can be complex and are subject to change; if you are unsure how to proceed you are advised to obtain independent financial advice. For help in choosing an independent financial advisor visit the [money advice website](#).

More information

If you have any questions about your LGPS membership or benefits, please contact:

² A stand-alone lump sum is a lump sum relating to pre 6 April 2006 where the whole amount can be taken as a lump sum without a connected pension

LGPS 2014 Survivor's Pension

Notification of your eligible Cohabiting Partner



For members of the Local Government Pension Scheme

Please read 'More information about eligible cohabiting partners' overleaf

If you are married or are in a registered civil partnership please do not complete this form. Your spouse or registered civil partner is automatically covered for a survivor's benefit in the event of your death.

Member Details

Surname				Mr/Mrs/Miss/Ms/Other (please specify)			
Forename(s)				Date of Birth			
Employer or Former Employer				National Insurance No:			
Address							
Postcode							
Email (Home or work)				Telephone			

Your eligible Cohabiting Partner's Details

Surname				Mr/Mrs/Miss/Ms/Other (please specify)			
Forename(s)				Date of Birth			
National Insurance No:							
Address							
Postcode							
Email (Home or work)				Telephone			

Member's Declaration

I nominate my partner to receive a survivor's pension under the Local Government Pension Scheme

Signature Date

Joint Declaration

We understand that to be eligible for a survivor pension we must have been cohabiting together for a continuous period of at least 2 years and the following must be applicable:

- we have been free to marry each other or enter into a civil partnership with each other **and**
- we have lived together as if we were husband and wife or registered civil partners¹ **and**
- neither of us have been living with some-one else as if we were husband and wife or civil partners **and**
- our financial affairs have been interdependent (or the cohabiting partner has been financially dependent upon the Scheme member)

Member's Signature Date

Cohabiting Partner's Signature Date

More information about eligible cohabiting partners

Provided you paid into the LGPS on or after 1 April 2008, a survivor's pension can be paid to an **eligible** cohabiting partner, of either opposite or same sex, in the event of your death.

Telling us about your cohabiting partner will help the Fund establish whether an eligible cohabiting partner's survivor's pension will be payable in the event of your death. It is also very important that you complete a new notification form if your eligible cohabiting partner should change in the future.

Failure to notify us of an eligible cohabiting partner may delay payment of a survivor's pension to your eligible cohabiting partner in the event of your death.

What conditions need to be met for an eligible cohabiting partner's survivor's pension to be payable?

For an eligible cohabiting partner's survivor's pension to be payable, **all** of the following conditions must have applied for a continuous period of at least 2 years on the date of your death:

- both you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership¹ with each other, **and**
- you and your cohabiting partner have been living together as if you were husband and wife, or civil partners, **and**
- neither you nor your cohabiting partner have been living with someone else as if you/they were husband and wife or civil partners, **and**
- either your cohabiting partner is financially dependent on you or you are financially interdependent on each other

Your partner is financially dependent on you if you have the highest income. Financially interdependent means that you rely on your joint finances to support your standard of living. It doesn't mean that you need to be contributing equally. For example, if your partner's income is a lot more than yours, he or she may pay the mortgage and most of the bills and you may pay for the weekly shopping.

On your death, survivor's benefits would be paid to your cohabiting partner if:

- **all** of the above criteria apply at the date of your death², **and**
- your cohabiting partner satisfies us that the above conditions had been met for a continuous period of at least 2 years immediately prior to your death.

You and your cohabiting partner should be aware that on your death we will have to verify that eligibility conditions have been satisfied, for example, a confirmation that you lived in a shared household with shared household spending, or that you had a bank account or mortgage in joint names. There would be a right of appeal if we decide not to pay a pension and your partner believes that he/she is entitled.

It is very important that you let us know of any change in your circumstances.

¹A civil partnership is a relationship between two people of the same sex ("civil partners") which is formed when they legally register as civil partners of each other.

²A notification ceases to have effect if:

- (a) you make a subsequent valid notification in favour of a new cohabiting partner, or
- (b) either you or your cohabiting partner marries, forms a civil partnership or lives with a third person as if they were husband and wife or as if they were civil partner, or
- (c) your cohabiting partner dies before you.

If you have any queries please contact the Pensions Office, City of London, PO Box 270, Guildhall, London, EC2P 2EJ; ☎ 020 7332 3982/3707 ✉ pensions@cityoflondon.gov.uk

Dear.....

Transfer of Pension Rights

Thank you for providing the updated forms/information regarding your proposed transfer of your LGPS benefits to the *****.

We have now received all the relevant paperwork to allow us to make payment of the transfer; however as this is an extremely important financial decision you are making and, as the transferring fund, we need to carry out due diligence and care checks to ensure that you are aware of all the implications of transferring before we proceed.

I have attached a statement setting out the current value of your LGPS benefits and would ask that you sign, date and return the statement which confirms that you are aware of the benefits you are giving up by electing to proceed with the transfer.

Some further points to consider are:

- Once the transfer has been completed it will be **irreversible** and cease any entitlement that you have to pension benefits with the City of London Pension Fund. Details of the benefits you hold under the LGPS are set out in the attached schedule.
- You have completed and signed a form that states that you have received financial advice before making your decision to proceed. If at a later date you feel that this was in fact an incorrect choice, the City of London Pension Fund will not be held responsible for the transfer being made.
- It is generally accepted that a transfer out from a Defined Benefit Pension Scheme is unlikely to be in the best financial interests for the majority of members. However there could be specific circumstances why it may be beneficial to transfer in a very small number of cases. You should ask yourself whether there are any specific circumstances in your particular case which would make you one of the small number that might benefit.
- There is a great deal of concern around pension liberation scams particularly in relation to overseas pension schemes. We are aware of several cases nationwide where members have transferred out and have subsequently lost most or all of their pension fund due to the receiving scheme going into liquidation.

If you still wish to proceed please complete the enclosed form. If we have not received this form from you in the next 14 working days we will assume that you no longer wish to go ahead and will close our file.

Please be assured that we have our members' best interests in mind and that there is no benefit to our scheme whether members complete a transfer out or not. We are therefore completely impartial and are only concerned to ensure that you have fully considered the implications of a transfer out from a statutory **guaranteed** Defined Benefit pension scheme.

If you have any further questions or would like any information clarified please contact

.....

Yours sincerely

Pensions Manager

Final confirmation of decision to proceed with transfer out

Name	
NI Number	
Transfer of Safeguarded rights to	

If you have now decided not to proceed with a transfer please do **not** complete this form.

If you **do** wish to proceed, this form must be completed together with the enclosed statement and returned to City of London Pension Section before a transfer payment will be made.

I can confirm that :

- I have read and understood all of the information available on Pension Liberation and have taken all reasonable precautions to protect myself against pension scams and additional tax liabilities.
- I understand it is generally accepted that a transfer out from a Defined Benefit Pensions Scheme is unlikely to be in the best financial interests of the majority of members. However I believe that there are specific circumstances why it is beneficial to transfer in my particular case.
- I have received appropriate independent financial advice and have elected to proceed.
- Once a transfer payment has been made my decision is **irreversible**.
- City of London Pension Fund will **NOT** be held responsible if my decision to transfer transpires at a later date not to have been in my best financial interest.

I still wish to proceed with a transfer out of my Safeguarded Defined Benefits and authorise City of London Pension Fund to make payment in accordance with the previously completed discharge forms.

Signed by member	
Print name	
Date signed	

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Pensions Newsletter Summer 2018

Welcome to City of London Pensions Newsletter Summer 2018.

There has recently been an amendment to the scheme regulations effective from 14 May 2018, the main points of which I have included in this newsletter. However, for the most part it has been a quiet year for the LGPS. I'm sure all scheme members welcome a period of stability, with very little change or addition to the scheme regulations and, therefore, very little change to how your pension benefits are calculated.

There has, however, been some change within the City of London Pensions Office with one or two team members leaving or retiring, including the former pension manager Charlie Partridge. Of course, that means we have had new members of the team start and that includes me, Matt Mott, your new Pensions Manager.

Employee Contribution Bands

The contribution bands are adjusted each year in line with inflation and below are the new bands that apply from April 2018.

The rate at which scheme members are paying contributions are also reviewed each September, however, if you think your rate of contribution is incorrect please email us at pensions@cityoflondon.gov.uk

Contribution table 2018/19			
Band	Actual pensionable pay for an employment	Contribution rate for that employment	
		Main section	50/50 section
1	Up to £14,100	5.5%	2.75%
2	£14,101 to £22,000	5.8%	2.9%
3	£22,001 to £35,700	6.5%	3.25%
4	£35,701 to £45,200	6.8%	3.4%
5	£45,201 to £63,100	8.5%	4.25%
6	£63,101 to £89,400	9.9%	4.95%
7	£89,401 to £105,200	10.5%	5.25%
8	£105,201 to £157,800	11.4%	5.7%
9	£157,801 or more	12.5%	6.25%



Inflation and your CARE pension from 1 April 2014

The value of your CARE pension built up since 1 April 2014 changes by inflation on **1 April** each year. The inflation applied for 2018 is **3%** and will be included in your annual benefit statement in 2019 .

The 2018 Annual Benefit Statement will be distributed at the end of August and the values shown on the statement include the 1% inflationary increase applied from 1 April 2017.

The LGPS and HMRC Limits

Annual Allowance (AA)

This is the amount by which your pension can grow before you may have to pay additional tax. The limit is currently **£40,000** but if you earn over **£150,000** the limit may be reduced to a minimum of **£10,000**.

We will write to all scheme members who we think may be affected by 5 October 2018.

There are, however, certain types of income that the Fund will not know about but could affect your AA. For example, income from other employments and income from property rental.

If you do not receive a saving statement in October and you are concerned you may have exceeded the limit please email us at Pensions@cityoflondon.gov.uk

Lifetime Allowance (LTA)

This is the capital value of all your pension benefits and if you exceed the LTA limit you may be liable to additional tax when you retire (unless you have applied to HMRC to protect a previously higher limit).

Last autumn the Chancellor announced with affect from April 2018 the LTA limit will increase each year by Consumer Price Index (CPI).

The limit for 2018/19 has been set at **£1,030,000**.

Generally speaking, only people with higher levels of pay and long periods of pensionable service are usually affected.

The value of your LGPS benefits for LTA purposes is:

- Annual pension at retirement multiplied by 20, plus
- Lump sum at retirement

Regulation Amendments 2018

Additional Voluntary Contribution (AVC) Contracts



If you are a member of the LGPS who is, or was, paying Additional Voluntary Contributions (AVCs) and the contract to pay those AVCs started before **1 April 2014**, you will see some changes to the way you can take your AVC plan.

If you are currently paying AVCs:

- you can now pay up to 100% (rather than 50%) of your pensionable pay into your AVC plan.
- AVCs will now also be deducted from any voluntary overtime you work (if you pay AVCs as percentage of your salary).

When you take your AVC plan:

- if you leave the scheme with a deferred benefit you can now buy additional pension from the LGPS with your AVC plan when you take your benefits from the scheme. Before the change, this option was only available to members who took immediate payment of their main scheme benefits and their AVC plan when they left the scheme.
- when you take your main scheme benefits you will no longer be able to leave your AVC invested and take it later.
- if you die before taking your AVC and a lump sum is to be paid from your AVC plan your pension fund now has absolute discretion over who to pay that sum to (rather than it having to be paid to your estate). If the lump sum is paid at the discretion of the pension fund it does not form part of the estate and will not be subject to inheritance tax.

For information about the other ways you can use your AVC plan see the national LGPS website - www.lgpsmember.org/more/AVCOptions.php

The Protection known as The Underpin has been expanded

The way pension is calculated in the LGPS changed from 1 April 2014. Before 1 April 2014 any benefits built up to 31 March 2014 are protected as final salary benefits and will normally be calculated using membership to 31 March 2014 and the final year's pay.

An additional protection was put in place for scheme members who were active members of the LGPS on **31 March 2012** and who were within 10 years of age 65 at 1 April 2012. Subject to certain conditions, these scheme members will get a pension at least equal to that which they would have received had the scheme not changed on 1 April 2014. This protection is known as the **underpin**.

This underpin protection has now been extended to also apply to individuals who were active members of a different public service pension scheme (e.g. Civil Service Pension Scheme) on 31 March 2012 and who were within 10 years of age 65 on 1



April 2012; if these individuals join the LGPS and transfer their pension benefits from the other public service pension schemes into the LGPS scheme and part or all of that transfer buys final salary benefits in the LGPS the underpin will apply.

This change is being backdated to take effect from 1 April 2014.

General Data Protection Regulation (GDPR)

GDPR is legislation for data protection that is came into force with effect from 25 May 2018 and replaces the Data Protection Act 1998.

As a scheme member you will not notice any change to the way the Fund administers the scheme for you, however, we must let you know how we use, store and retain your personal data.

Part of that communication is the Privacy Notice. This is a statutory requirement placed upon all data controllers and processors, like the pension fund, and explains why we need your data, what we do with it and who (advisors & suppliers) we share that data with.

There are two versions available a full Privacy Notice and a summary Privacy Notice, both of which can be found on our website www.yourpension.org.uk/cityoflondon Please take the time to read at least one of them.



October 2018

Pensioners' Newsletter



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Pensions Board

In 2018 the Pensions Board held meetings on 28th February and 29th June. The next meeting is on 31st October.

The Board members are as follows:

Employer Representatives

Alderman Ian Luder (Chairman)
James Tumbridge (Deputy Chairman)
Jon Avern

Member Representatives

Yvette Dunne
Christina McLellan
Martin Newnham

Minutes and agendas of the meetings are posted to our website.

Pay Day Schedule for remainder of 2018/19

Month	Pay Day
October 2018	31 st October 2018
November 2018	30 th November 2018
December 2018	<u>31st December 2018</u>
January 2019	31st January 2019
February 2019	28 th February 2019
March 2019	29 th March 2019

Change of Address or Bank Details

It is important to inform us of a change of address as soon as possible to prevent correspondence containing financial details e.g. your P60 going to your old address.

We need a signature against such changes so please therefore either:

1. Scan and email a signed letter to pensionspayroll@cityoflondon.gov.uk .
2. Post a signed letter.
3. Complete a form which can be found on the Pensions team's internet site (separate from the main City of London site). You can access this site by using the link www.yourpension.org.uk/CityofLondon.

Please note that should your circumstances have changed e.g. you have married or become a widow/widower, we will require a copy of the certificate for our records. These can also be emailed or posted to us.

Pensioners' Association

Membership of the City of London Pensioners' Association is available to most City pensioners and the surviving partners of late members. For a small monthly subscription, currently 90 pence per month, the Association provides; the services of a Welfare Officer, a quarterly newsletter containing useful information on benefits together with news and articles submitted by members and a diary. If you would like more information please contact the Membership Secretary, Sue Clark, on telephone number 020 8524 4472 or email her on mpwandsemc@ntlworld.com

Life Certificates

As many of you are aware, Life Certificates are sent out on an annual basis to ensure those pensioners living abroad have not passed away.

Several of our overseas pensioners have provided the Pensions Office with feedback about the effectiveness of Life Certificates.

We have considered this feedback and improved our communication to include clearer information about the process. We will also acknowledge receipt of returned certificates so overseas pensioners are reassured their pension will not be suspended later in the year.

We will provide further information when we issue the next certificates in 2019.

Please note that this only applies to those pensioners living abroad.

National Fraud Initiative – 2018

We are participating in an exercise to promote the appropriate spending of public money. We are required by law to protect the public funds we administer. We may share information provided to us with other bodies responsible for auditing or administering public funds in order to prevent and detect fraud. The Audit Commission currently requires us to participate in its anti-fraud initiative.

For this initiative, we are providing details of pensioners so that they can be compared to information provided by other public bodies. This will ensure, for example, that no pensions are being paid to persons who are deceased or no longer entitled, and that occupational pension income is being declared when housing benefit is applied for. Sometimes wrong payments are made because of a genuine error. Previous exercises have uncovered instances of pensioners receiving too little pension, resulting in the payments to pensioners being increased. These exercises, therefore, help promote the best use of public funds.

If you do have any questions, you should contact the Pensions Payroll Team.

GDPR Privacy Notice 2018

From 25/05/2018, new rules regarding data protection have been introduced.

The City holds pensioners' data. We share the data with other organisations eg scheme actuaries and HMRC and therefore these new rules apply.

The privacy statement can be found on the website:

www.yourpension.org.uk/CityofLondon

Payslips

Please be reminded that payslips are only sent out if there is a difference in your net pay of £2 or more from the previous pay period. However, the March payslip is always sent to everyone in order that you have your taxable pay and tax paid to date figures should you need them e.g. for self-assessment purposes. The April payslip also goes out to most people as that contains the pensions increase. As the increase is from partway through April, the May payslip will also go out to those people receiving it as this will be the first full month at the new rate.

Should you need copy payslips for a specific one-off reason e.g. mortgage applications, these can be provided by the Payroll Team.

CITY OF LONDON PENSION OFFICE CONTACTS

Telephone 020 7332 followed by the following extension

☎ Claire O'Malley 0207332 1370 – claire.o'malley@cityoflondon.gov.uk

☎ Julia Olayiwola 0207332 3982 – julia.olayiwola@cityoflondon.gov.uk

General Office Email: pensionspayroll@cityoflondon.gov.uk

Pensions Website – www.yourpension.org.uk/cityoflondon

✉: Pensions Manager, City of London, Guildhall, PO Box 270, London EC2P 2EJ
(The Pensions Office is located in the North Wing, Guildhall)



Notice to opt out of Pension Saving

Opting out of the Local Government Pension Scheme in England or Wales

The Local Government Pension Scheme (LGPS) allows you to save while you are working in order to enjoy a pension once you retire. It is one of the best occupational pension schemes in the UK. What's more, the LGPS is provided by your employer who meets a large part of the cost of providing the excellent range of secure benefits, so it's an extremely valuable and important part of your employment package.

You might be thinking of opting out of the LGPS for a variety of reasons. Whatever the reason, it's worth taking some time to look at the benefits you could be giving up. A brief summary of these is included in the "Declaration" section of this form.

You may wish to consider the **50/50 section of the LGPS** where you **pay half your normal contributions** and build up half your normal pension during the period that you are in that section. Whilst you are in the 50/50 section you will still get full life assurance cover, full ill health cover and full survivor benefits in the event of your death. For more information about the 50/50 section please visit - www.yourpension.org.uk/CityofLondon/Home or contact the Pension Office.

Opting out won't save you as much in take home pay as you may think. In most cases, you will pay more tax if you opt out of the LGPS. A basic rate tax payer paying pension contributions of £100 a month will pay £20 more tax if they opt out.

If you opt out with an entitlement to a preserved benefit (see point 5 on notes page) and subsequently re-join the scheme you will not be permitted to join the two periods of membership together. Instead you will have two separate sets of pension benefits in the scheme.

If you want to know more about the costs and benefits of being a member of the Local Government Pension Scheme please visit - www.yourpension.org.uk/CityofLondon

Whatever your reasons for considering opting out of the scheme, we ask that you give this matter careful consideration before making a final decision. **You may wish to take financial advice before making a decision to opt out.** If you are opting out of the LGPS due to advice you have received you should ask for this advice in writing.

Your employer cannot ask you or force you to opt out. If you are asked or forced to opt out you can tell The Pensions Regulator - see www.thepensionsregulator.gov.uk

Equally, no one can force you to remain a member of the scheme but, if you elect not to be a member, you should understand the implications both for you and your dependents.

Your Personal Details (please complete this form in black ink)

Surname:

First name (s):

Title: Mr / Mrs / Miss / Ms / Other (please specify)

Your home address:

Post code:

Your national insurance number:

Your date of birth:

Your employer's name:

Please indicate below the job you wish to opt out of membership of the LGPS.

If you currently have more than one job with any City of London LGPS employer, you must indicate below all the jobs you wish to opt out of membership of the LGPS.

Job title – Post 1: _____

Job title – Post 2: _____

Job title – Post 3: _____

Job title – Post 4: _____

You will continue to pay contributions on any job you have not elected to opt out of the LGPS

Declaration:

I declare that by opting out of the Local Government Pension Scheme (LGPS) I am knowingly giving up the opportunity to participate in the LGPS which would provide a guaranteed package of benefits which are backed by law including:

- **a secure pension** – payable for life that increases with the cost of living
- **tax free cash** – the option to exchange part of my pension for some tax-free cash at retirement
- **life cover** – with a lump sum of three times my pay if I die in service
- **voluntary early retirement** – from age 55 even though the normal pension age is linked to my individual State Pension Age (SPA). Benefits drawn before normal pension age may be reduced for early payment
- **serious ill-health cover** – if I have to retire due to a serious illness I could receive immediate benefits based on an enhanced period of scheme membership
- **redundancy cover** – with the early payment of pension if I am made redundant or retired on business efficiency grounds at age 55 or over
- **cover for my family upon my death** – including a survivor's pension for my husband, wife, civil partner or cohabiting partner as well as children's pensions

I have read the above and understand that the choices I make now are important in planning for my retirement. I confirm that I wish to opt out of pension saving in the post(s) I have indicated on this form.

I am aware of the 50/50 section of the LGPS where I can pay half my normal contributions and build up half the normal pension.

I understand that if I opt out I will lose the right to pension contributions from my employer.

I understand that if I opt out I may have a lower income when I retire.

Signed:

You can only sign and date this opt out form once you have commenced employment in the post from which you wish to opt out. If you sign and date the form before then it will be treated as an invalid opt out.

Date:

It is important to fully complete this form. An incomplete form will not be accepted as a valid opt-out and the form will be returned to you for completion.

Notes:

1. **You can only sign and date this opt out form once you have commenced employment in the post from which you wish to opt out of membership of the LGPS. You cannot sign and date the form before then as it will be treated as an invalid opt out.**
2. The completed opt out form should be returned to your employer's Payroll Section or Human Resource department.
3. If you have another job with another employer, that employer might also put you into pension saving, now or in the future. This opt out notice only opts you out of LGPS pension saving in relation to the employer and jobs you have named on this form. A separate opt out notice must be filled out and given to any other employer you work for if you wish to opt out of pension saving with that employer as well. You will need to obtain the opt out form for employment with that employer from the pension administrators for the scheme provided by that employer.
4. If you opt out of the LGPS before completing three months membership you will be treated as never having been a member and will receive a refund of any contributions you have paid via your salary. If you opt out after completing more than three months but less than 2 years membership you will be entitled to a refund which will be paid from the City of London's Pension Fund. You are not able to claim this refund **until a period of one month and one day** has passed since your last day of membership. To claim a refund please complete Option C of the leaver form which can be found at: www.yourpension.org.uk/CityofLondon/Home
5. If you joined the LGPS on or after 1 April 2014 and have at least two years membership of the LGPS (or less than two years membership but you have transferred pension rights in from another scheme) you have the right to a preserved benefit. This means the pension benefits you have built up will remain with the City of London until they either become payable to you or you decide to transfer them. If you were a member of the LGPS on or before 31 March 2014 and you have at least three months membership of the LGPS (or less than three months membership but you have transferred pension rights from another scheme) you may also elect to a preserved benefit.
6. If you decide to opt out of membership of the LGPS and subsequently change your mind you will be able to rejoin the scheme provided you are under age 75 and you remain in an employment that qualifies you for membership of the scheme. You will need to write to your employer if you want to opt back into the scheme.
7. If you stay opted out your employer will normally automatically put you back into the LGPS approximately three years from the date they have to comply with the automatic enrolment provisions of the Pensions Act 2008. You will, however, again be entitled at that time to opt out of membership of the scheme.
8. If you change employer your new employer will normally put you back into pension saving straight away.
9. If you re-join the scheme and have a right to a preserved benefit in respect of your previous membership you will not be permitted to join the two periods of membership together. Instead you will have two separate sets of pension benefits in the scheme.

Purpose for which this form will be used

This form should be returned to your employer's Payroll Section or Human Resource department; it will be used to cease your active membership of the Local Government Pension Scheme as per your instruction. The form will be retained as a record of your election to cease membership of the Local Government Pension Scheme or, if you hold more than one post with us, as a record of your election to cease membership in the job or jobs you have indicated on the form.

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Election to Join the Local Government Pension Scheme (LGPS)

You should complete this form if you wish to join the LGPS and:

- you have previously opted out of the LGPS administered by the City of London, or
- you are an employee with a contract for less than three months or a casual worker who must positively elect for membership of the LGPS i.e. you are not entered into the LGPS automatically

If you are new employee with a contract for three months or more you will be automatically entered into the LGPS and you do not need to complete this form.

Surname:

First name (s):

Title: Mr / Mrs / Miss / Ms / Other (please specify)

Relationship Status:

Single / Married / Civil Partnership / Divorced / Dissolved Civil Partnership /Widow(er)
/ Cohabiting **(Please circle as appropriate)**

Your home address:

Post code:

Your national insurance number:

Your date of birth:

Your employer's name:

If you currently have more than one job with any of the City of London scheme employers, you must indicate below in which of these jobs you wish to be a member of the LGPS.

*If you do currently have more than one job with any of the City of London scheme employers and you do not indicate below that you wish to be a member of the LGPS in a job, you will not be brought into the scheme for that job.

Job title – Post 1: _____

Job title – Post 2: _____

Job title – Post 3: _____

Job title – Post 4: _____

**For all jobs that you are not a member of the LGPS, your employer may periodically enroll you into the LGPS under Automatic Enrolment legislation.*

For more information please visit our website or speak to your employer

Declaration:

I am under age 75 and wish to become a member of the LGPS.

I understand I will be entered into the LGPS from the next available pay period and that pension contributions will be deducted from my salary.

Signed: _____

Date: _____

Chamberlain's Department

Dr Peter Kane MA, MSc, CPFA
Chamberlain (Finance Director)

Telephone 020 7332 3750

Fax 020 7710 8539

Email matt.mott@cityoflondon.gov.uk

Date 2018

Dear Sir/Madam

**Local Government Pension Scheme (LGPS)
Tapered Annual Allowance 2017/18**

As a scheme member of the LGPS with the City of London Pension Fund you may be aware of Annual Allowance (AA). This is the limit by which your pension can grow in any tax year before you may be liable to further taxation.

The standard AA limit for 2017/18 is £40,000. For the tax year 2017/18 a Tapered Annual Allowance (TAA), between £10,000 and £40,000 may also affect scheme members with a Threshold Income in excess of £110,000 per year. In the factsheet enclosed the criteria is explained.

The inclusion of all types of taxable contributable income in the definition of Threshold Income has made the identification of scheme members affected by the TAA difficult. The City of London Pension Fund will not know about any contributable income external to the City of London LGPS employment and only the scheme member or their accountant/advisor will hold all the required information.

Pension schemes have a legal requirement to issue a Pension Saving Statement declaring AA used by a scheme member, only when that member has pension growth exceeding the standard £40,000 AA limit. It is, however, possible for a scheme member to have pension growth of less than £40,000 but still have a tax charge because they are affected by TAA.

To assist scheme members, the 2018 Annual Benefit Statement included an estimated AA figure used from the City of London LGPS employment. However, if you feel you are affected by TAA and you have not already received a separate Pensions Saving Statement for 2017/18 (because you didn't exceed the standard £40,000 AA limit) you may wish to consider requesting one.

Should you have any questions please contact me on the details provided below.

Yours Sincerely

Matt Mott Pension Manager



Information about the Tapered Annual Allowance From 6 April 2018

Tapered Annual Allowance

The Government has introduced Tapered Annual Allowance from 6 April 2016 as a means to further reduce the Annual Allowance. It works by reducing a person's Annual Allowance by £1 for every £2 of 'adjusted income' earned over £150,000, up to a maximum reduction of £30,000 leaving a minimum Tapered Annual Allowance of £10,000.

Members with an adjusted income of between £150,000 and £210,000 will be affected by the Tapered Annual Allowance in the 2017/18 tax year. Those with an adjusted income of over £210,000 will have a Tapered Annual Allowance of £10,000.

Members with a threshold income of **less than** £110,000 will be exempt from the Tapered Annual Allowance.

As at present, any unused Annual Allowance from the three previous tax years can be carried forward and added to the individual's Annual Allowance. Where this Annual Allowance is reduced by the taper, the carry forward will be the balance of the tapered amount.

Tapered Annual Allowance is based on an Annual Allowance of £40,000, so the rate of the taper may vary if the annual allowance is changed in the future.

How does the taper work?

The taper reduces the Annual Allowance by £1 for every £2 of adjusted income received over £150,000, until a minimum Annual Allowance of £10,000 is reached. This means that from 6 April 2017 the Annual Allowance for high earners is as follows:

Adjusted Income	Annual Allowance
£150,000 or below	£40,000
£160,000	£35,000
£170,000	£30,000
£180,000	£25,000
£190,000	£20,000
£200,000	£15,000
£210,000 or above	£10,000

Adjusted income (£150,000 and over)

Adjusted Income	Broadly, your threshold income plus pensions savings built up over the tax year	£150,000
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Adjusted income is the total of all sources of taxable income falling in the tax year plus the value of any pension saving in that year. This is to ensure that the restriction applies fairly and cannot be avoided, for example, through using salary sacrifice.

There are six steps for members to consider when calculating their adjusted income.

1. Identify the amounts of income on which the member is charged income tax for the tax year.

The main types of chargeable income are:

- employment income,
- trading income (income from trades and professions),
- property income,
- pension income,
- social security income (where it is taxable),
- savings income,
- dividend income, and
- Miscellaneous income.

2. Deduct from total income the amount of any relief under a provision listed in the Income Tax Act 2007 to which the member is entitled for the tax year.

There are two pension related reliefs:

- excess relief where relief under a net pay arrangement is not sufficient, and
- relief on making a claim.

There are numerous other reliefs set out in the Income Tax Act 2007 that may be deducted at this step.

3. Add back in the amount of any claim for excess relief under net pay and relief on making a claim (described in step 2 above).
4. Add in the amount of any pension contributions made from any employment income of the individual for the tax year under net pay (but not any elements already added back in under step 3 above). This is to ensure fairness between those who have contributions deducted via net pay.
5. Add in the amount of relief claimed where non-domiciled individuals make contributions to overseas pension schemes.
6. Add in the value of any employer contributions for the tax year. The normal calculation basis for the Annual Allowance should be used. In the LGPS, this is the pension input amount for the tax year minus the amount of member contributions.

Threshold income (£110,000 and over)

Threshold Income	Broadly, your taxable income after the deduction of your pension contributions (including AVCs deducted under the net pay arrangement)	£110,000
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To provide some certainty for Scheme administrators and members over who may be affected, and to ensure that lower paid individuals are not affected, the taper restriction will be subject to an income floor. The threshold income will be £110,000 (being £150,000 less the Annual Allowance) of what is normally a member's net income for the tax year and will be known as threshold income.

Where an individual has threshold income of £110,000 or less they **cannot** be subject to the tapered Annual Allowance regardless of the level of their adjusted income.

There are four steps for members to consider when calculating their threshold income. Steps 1 and 2 are the same as for adjusted income above.

3. Add in the amount of any employment income given up for pension provision as a result of any salary sacrifice made on or after 9 July 2016.
4. Deduct the gross amount of any pension contribution made via the relief at source method.

Maximum tax relievable contributions

If, in a tax year, a member does not know what their final earnings and other income will be then they will not know where they fall within the taper range for the Annual Allowance (unless they are definitely above or below the range). Consequently they will not know how much their maximum tax relievable pension contributions can be for that year. This uncertainty might be because a member receives a large pensionable or non-pensionable payment at the end of the tax year or receives separate income from outside the LGPS employment.

Money Purchase Annual Allowance

In defined contribution (DC/Money Purchase) arrangements, such as the LGPS AVC arrangement or other personal pensions, the test against the Annual Allowance is simply the amount of contributions paid (by the employee and the employer).

Accessing 'Flexible Benefits'

From 6 April 2017, members who have flexibly accessed their defined contribution pension savings will have a money purchase Annual Allowance of £4,000 leaving £36,000, against which their defined benefit savings are tested.

This will also be restricted by the Tapered Annual Allowance rules. This means that for those with incomes of £210,000 or more, may have a reduced alternative Annual Allowance although any available unused Annual Allowance can be carried forward and added to this.

Annual Allowance Charge

Members have an obligation to include the Annual Allowance Charge information on their tax return by 31 January 2019.

Voluntary Scheme Pays

Where a member is subject to a tapered annual allowance, they can elect to enter into a voluntary arrangement with the City of London to pay the tax charge on amounts in excess of the tapered annual allowance. The charge, however, must be in excess of £2,000 and the members pension benefits will be permanently reduced to reflect the payment of the charge made by the Fund on their behalf.

If you wish to take advantage of voluntary scheme pays please contact your Fund for an election form.

Where can I find more information?

Information about the Annual Allowance can also be found on HMRC's website at:
www.gov.uk/tax-on-your-private-pension/annual-allowance

How can I access independent financial advice?

If you would like personal independent financial advice about any decisions you need to make, you must consult an Independent Financial Advisor. For help in choosing an independent financial advisor visit www.moneyadviceservice.org.uk

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Risk No.	Risk (Short description)	Risk Owner	Cause	Effect	Existing Controls	Current Risk				Planned Actions	Target Risk		
						Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
1	Inappropriate Investment Strategy	Chamberlain	(i) Inappropriate investment advice. (ii) Advice ignored	(i) Inappropriate risk/return profile. (ii) Opportunities not maximised to progress towards full funding (iii) Ramifications on employers contributions.	Investment strategy devised to reduce financial risk through use of asset allocation and a range of Fund Managers implementing different investment mandates. Monitoring of fund managers' performance by Chamberlain & Financial Investment Board. Information on market conditions provide by Investment Consultant.	Unlikely	Major	Amber 8	↔	Review of asset allocation by Investment Consultant following triennial valuation	Unlikely	Major	Amber 8
2	Unsuitable triennial actuarial valuation leading to inappropriate employer rates	Chamberlain	(i) Inappropriate assumptions used by the Actuary (ii) Inaccurate data supplied to the Actuary	Employer rates unsuitable to maintain long term cost efficiency & solvency.	(i) Regular meetings with the Actuary to ensure that assumptions are appropriate involving nominated Members of the Finance Cttee, with final report to Finance Cttee. (ii) prompt clearance of queries from Actuary. (iii) Robust Year End procedures and updates. (iv) Checking for errors or inconsistencies in valuation extract report before submission to the Actuary.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
3	Failure to comply with legislative requirements.	Chamberlain	(i) Lack of consultation with appropriate persons. (ii) Lack of training/appropriately skilled staff	(i) Inaccurate benefits paid. (ii) Financial loss. (iii) Increase in Appeals. (iv) Fines from Pensions Regulator (v) Reputational damage	(i) Recruitment of suitable staff appropriate salary levels. (ii) Formal Institute of Payroll Professionals training. (iii) Attendance at seminars and Forums, webinars and user groups. (iv) Knowledge updates via LGA training sessions	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3
4	Pension Scheme Administration	Chamberlain	(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/increased staff turnover. (iv) IT system failure. (v) Data Accuracy. (vi) Lack of resources.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs. (iii) Financial penalties/ sanctions.	(i) Recruitment and training of staff. (ii) Ensuring software is the latest version and any known errors are reported. (iii) Ensure IT have sufficient back-ups and Disaster Recovery. (iv) Ensuring training opportunities are shared. (v) Robust checking procedures in place at all stages of record management from new starters, transfers received, career changes, pension top-ups, leaving and benefit payment. (vi) If staff or other resources are lacking ensure priority cases are covered and all checking levels maintained.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4
5	Pension Fund Fraud	Chamberlain	(i) Not notified of death. (ii) Staff acting inappropriately	(i) Continued payment of pensions following death. (ii) Overpaid pensions. (iii) Financial loss to the Pension Fund	(i) Use of Mortality Screening Service and Tell Us Once Service (Government initiative that allows us to be notified of a death when registered). (ii) Participation in the National Fraud Initiative. (iii) Sending Life Certificates to Overseas Pensioners.	Unlikely	Minor	Green 2	↔	Continue existing controls	Unlikely	Minor	Green 2
6	Employer becomes insolvent or is abolished with insufficient funding to meet liabilities	Chamberlain/ Comptroller & City Solicitor	Processes not in place to capture or review covenant of individual employers.	Fund would pick up the liabilities potentially leading to increased contribution rates for other employers.	Bond/guarantor sought for potential new admitted bodies and incorporated into admission agreements where appropriate.	Possible	Serious	Amber 6	↔	Annual review of employer covenants particularly where bonds/guarantors are required	Unlikely	Serious	Green 4

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City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people. Objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation of leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

Likelihood	Impact			
	Minor (1)	Serious (2)	Major (4)	Extreme (8)
X				
Likely (4)	4 Green	8 Amber	16 Red	32 Red
Possible (3)	3 Green	6 Amber	12 Amber	24 Red
Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
Rare (1)	1 Green	2 Green	4 Green	8 Amber

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporation Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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Ver3 Ref	Date reported	Scheme	Employer / Third Party	Type of Breach	Details of breach	Date of breach & ref no. if occurred before	Cause	Effect	Reaction Include actions planned/ taken to correct	Wider implications	Overall category & reporting recommendation	Final category & reporting decision	Reported by /date	tPR ack received	Date breach corrected
	3 September 2018	LGPS	COL	Annual Benefit Statements (ABS) sent to wrong scheme member	<p>29 ABS less than expected were distributed by COL following a print and envelope job by KNP printers.</p> <p>6 scheme member have confirmed they have received their ABS along with that of another scheme member.</p> <p>The ABS contained current and projected pension values along with personal data such as name, NI number, address and in some cases nominated beneficiaries.</p> <p>The ICO were notified within 72 of the breach becoming known</p>	31 August 2018	<p>Written confirmation from KNP printers that the ABS address did not fit in the envelope window.</p> <p>They accept responsibility for this. They also confirmed they did not inform the pension office and filled envelopes by hand.</p> <p>Furthermore, they confirmed the ABS were not returned in any order, job ref or alpha, and they had not correctly read emails asking for confirmation of numbers.</p> <p>They admitted they did not know if any were missing and did not know the final numbers returned to COL.</p> <p>The envelopes were counted by the franking machine in the post room at COL. Upon distribution it was confirmed the number was 29 less than expected.</p> <p>It was explained the counter sometimes skips a count on large print runs.</p> <p>The extent of the issue was not recognised until complaints on 3 September.</p>	<p>6 Scheme members to date have received someone else’s ABS along with their own.</p> <p>Member data breached</p>	<p>Pension Manager met with printers KNP on 4 September 18 to ascertain exact details. (please see cause)</p> <p>ABS resent to members when informed of error along with a letter of apology.</p> <p>Printing for 2019 should be considered a full automated/digital production process.</p>	<p>A data breach under GDPR .</p> <p>This has been reported to the ICO on 3 September.</p> <p>Within the 72 hour statutory deadline of reporting breaches.</p>	<p>Amber.</p> <p>This is a data breach but with numbers limited to potentially a maximum of 29 scheme members</p> <p>Breaches policy has been followed and senior COL officers and Board Members notified.</p> <p>ABS has been distributed and letters of apology have been sent to known members affected.</p> <p>There is no affect to the Fund or to other scheme members. Benefit values have not been incorrectly calculated or incorrectly paid.</p> <p>Investigation has determined issues were unforeseen and not in the control of COL and measure will/are to be taken to ensure cannot happen again.</p> <p>One off event.</p> <p>Therefore, not material, and not necessary to report to TPR.</p>				

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