



**PENSIONS INCREASE 2012**

The Government has approved the rate of increase for all public service pensions and state scheme benefits. The increase is effective from XX<sup>th</sup> April 2012 and is 5.2%.

The increase is set by reference to the Consumer Price Index in September 2011. It does not reflect the performance of the Westminster Pension Fund and we do not have the power to pay any additional increase.

Your pension will be increased with effect from XX<sup>th</sup> April 2012 if you:

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

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

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

**DON'T FORGET**

- If you move house;
- Change bank account; or
- Your personal circumstances change in any way that could affect your pension.

Please write to inform us straight away so we can amend our records for you. The LPFA is unable to take any changes by phone or fax.

If your pension began on or before <sup>xx</sup>th April 2011 your pension increase is 5.2%. If your pension began after this date a smaller, pro-rata, increase will apply as shown in the table below.

Pension beginning	Increase

**CALCULATING PENSIONS INCREASE**

Pensions increase is calculated on the annual pension in payment at the end of March 2011 less any Guaranteed Minimum Pension (GMP) notified to you by the Department of Work and Pensions (DWP).

It is not calculated on the figure on your P60 as this amount represents the actual pension paid to you during the financial year April 2011 to March 2012.

## GMP AND PENSIONS INCREASE

The increase on your GMP\* will be paid by the DWP as an addition to your State retirement pension and usually applies to those pensions which arose as a result of employment between 6th April 1978 and 5th April 1997.

If the LPFA has not been notified by the DWP of the amount of your GMP, the increase will be **calculated** using an estimated value with any under or overpayment adjusted later. Further details regarding GMP are available by calling [020 7369 6241](tel:02073696241).

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

## PAYMENT AND DISPATCH OF PAYSLEIPS

Your pension increase will be paid with your April pension payment and a payslip will be sent to you at the end of April showing the increase for the period XXth to XXth April.

Your May payslip will show your increased pension for a full month.

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

Tax Codes - When you receive a new tax code from the Inland Revenue please check your payslip to make sure that the LPFA apply the same code. The new code will usually be applied on the following month.

## RE-EMPLOYMENT

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

Can you please keep us informed if you change address so we can update our systems.

Westminster Pensions Team  
London Pension Fund Authority  
Dexter House  
2 Royal Mint Court  
London  
EC3N 4LP

[www.yourpension.org.uk](http://www.yourpension.org.uk)

Telephone: [020 7369 6241](tel:02073696241) for pension payment or tax code queries

Email: [westminster@lpfa.org.uk](mailto:westminster@lpfa.org.uk)



## **REFORM OF THE LOCAL GOVERNMENT PENSION SCHEME:**

You may have seen press articles or media coverage of late on the affordability of the Local Government Pension Scheme (LGPS) and changes that need to be made to ensure the continued survival of the scheme.

Indeed the Government commissioned Lord Hutton to carry out a review of all public sector pension schemes, including the LGPS. The final version was released in Spring 2011.

The vast majority of the report considered how the scheme could be amended moving forward. These changes will impact current contributors and deferred members in the main with no impact on pensioners.

In the report Lord Hutton affirmed the important place public sector pension schemes, such as the LGPS, occupy in providing reasonable income in retirement. He also ruled out a "race for the bottom" and the move to defined contribution pension schemes which are common in the private sector.

It is, however, likely that future contributors will have to work a little longer and that the basis on which their pension is calculated will be on an average over their career rather than final salary. Broad agreement has been reached between the unions and the Government and a discussion is now taking place on how the new scheme can be implemented by April 2014.

**Remember: As pensioners you will not be impacted by the reports you hear in the press. The pension you receive is therefore secure.**

## **NEW WEBSITE:**

Westminster have a new pension fund website – just go to [www.yourpension.org.uk](http://www.yourpension.org.uk) and click on the Westminster logo. The new site contains information on the scheme, pension increase and newsletters. There is also the facility for you to sign up to our member self service functionality to enable you to check the details we hold for you and to view your p60 at any time. You will need to sign up in advance for this service and all information is on the website [www.yourpension.org.uk](http://www.yourpension.org.uk).

## **ADMINISTRATION AND CUSTOMER CARE:**

One of the Fund's key objective is to promote best practice and to focus on improving administration standards. Pension administration is outsourced to the London Pension Fund Authority (LPFA). During 2010-2011 on time processing in all categories of work exceeded 96%, with an overall percentage of 99.72%. The LPFA reported receipt of twelve complaints for the year.

Customer care is important for both LPFA and Westminster Pension Fund. It is key that we are receiving your feedback so that the service can evolve, If you do have any service improvement ideas please let us know the next time you are speaking with us, alternatively you can email your suggestion to [Westminster@lpfa.org.uk](mailto:Westminster@lpfa.org.uk). This newsletter can be produced in alternative formats such as large print on request.



## FUND INVESTMENT AND MEMBERSHIP NUMBERS:

The net assets of the Fund were valued at £707.5 million as at 31<sup>st</sup> March 2011.

The Fund had a total of 19,494 members (including undecided joiners and those with frozen refunds) at 31<sup>st</sup> March 2011 of which 3,903 were active.

Pensions are paid to 4,989 pensioners and dependants every month.

There are currently 5,699 members with rights to deferred benefits.

Membership Type	31/03/2011
Active Members (employees)	3,903
Pensioners or their Dependants	4,989
Deferred members (ex-employees)	5,699
<b>Total</b>	<b>19,494</b>

Details of Westminster's investment managers and fund performance can be found on the new Fund and Investment section of the website [www.yourpension.org.uk](http://www.yourpension.org.uk) just click on the Westminster logo. You will also find details of the Fund's Statement of Investment Principles and Annual Report.

## FUND MEMBER PANEL:

Would you like to get more involved with the Westminster Pension Fund? A panel representative of fund members is being established to act as a sounding board for service improvements and to liaise with Officers in key areas of investment and administration. If you feel you could participate twice a year then please contact Lawrence Poster who will provide more information [lposter@westminster.gov.uk](mailto:lposter@westminster.gov.uk)

