



West Yorkshire Pension Fund



London Borough  
of Hounslow

# Pension

AUTUMN 2018 • DEFERRED LINCOLNSHIRE MEMBER NEWSLETTER



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Plain English Campaign  
Committed to clearer  
communication

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**London Borough  
of Hounslow**

## London Borough of Hounslow Pension Fund joins WYPF

We're very pleased to welcome members of the London Borough of Hounslow Pension Fund, which has joined our shared-service arrangement from 1 August 2018. We look forward to offering Hounslow's members the high-quality service already enjoyed by West Yorkshire and Lincolnshire members.

## Transfer time limits

If you're thinking about transferring your deferred LGPS pension to another provider, please remember that to be entitled to transfer your pension you must have both left the scheme and chosen to transfer your pension at least one year before your Normal Pension Age. Your Normal Pension Age is shown on your deferred benefit statement as the date your benefits are payable. It falls between your 60th birthday and your State Pension Age, depending on when you left and possibly what membership you have in the scheme.

## New rules for early payment of deferred benefits

We reported last year that the government was looking at allowing payment of deferred benefits from age 55 instead of age 60 for members who left before 1 April 2014. This would bring the rules into line with those for members who left on or after this date. The change was agreed this year and the LGPS regulations updated on 14 May 2018 to allow payment from age 55 for all members.

If you choose to take your deferred benefits early, you should be aware that they will be reduced to take account of the early payment, and the reductions at age 55 are quite significant. We've put some examples on our website at [www.wypf.org.uk/earlydeferred](http://www.wypf.org.uk/earlydeferred) to give you an idea.

(Please note that at the moment we are only able to provide an immediate estimate of your early payment of benefits if you are nearing retirement age and they currently take up to three months to process.)

# Don't let a scammer enjoy your retirement!

**Regulators warn public of pension scammer tactics as victims report losing an average of £91,000 in 2017**

The Financial Conduct Authority (FCA) and The Pensions Regulator (TPR) have launched a new **ScamSmart** advertising campaign targeting pension holders aged 45 to 65, the group most at risk of pension scams. This comes as a new poll commissioned by the regulators reveals that almost a third of pension holders aged 45 to 65 would not know how to check whether they are speaking with a legitimate pensions adviser or provider.

The regulators have urged the public to be on their guard when receiving unexpected offers about your pension and to check who you are dealing with. Scammers design attractive offers to persuade you to transfer your pension pot to them or release funds from it. Your money is then often invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units – or simply stolen outright.

If you are contacted about your pension, visit ScamSmart before going any further, so that you don't end up becoming the victim of a scammer.

FCA and TPR are part of Project Bloom, a multi-agency taskforce which is working to combat pension scams. The taskforce includes the DWP, HM Treasury, the Serious Fraud Office, City of London Police, the National Fraud Intelligence Bureau, The Pensions Advisory Service, and the National Crime Agency.

**Pension scams can cause victims significant harm – both financially and mentally. If you are ever in doubt about a pension offer, visit the ScamSmart website at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)**

# Fund report 2018

## Introduction by Jo Ray, Pension Fund Manager, LPF

At the end of 2017/18, the value of the fund was £2.189 billion – an increase of £74 million from the previous year.

Our Pensions Committee meets quarterly and reviews the asset allocations and the strategic benchmark, based on expected investment returns. It also monitors administration performance and provides governance across all aspects of the Pension Fund. It is now three years since the creation of the Lincolnshire Pension Board, which assists the committee and oversees the governance and administration of the fund. An annual report on the work of the board is included within the full annual report. Our shared-service pensions administration partnership

with West Yorkshire Pension Fund continues to develop, improving service for members, while also improving resilience and bringing efficiency savings to the Lincolnshire Fund.

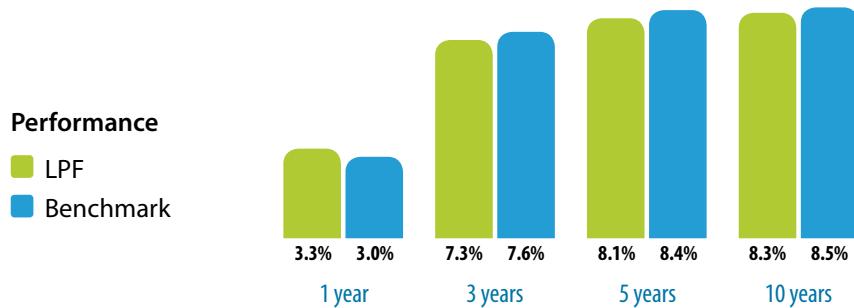
The government's requirement for funds to pool assets has continued to keep us very busy, working with 11 other funds to form the Border to Coast Pensions Partnership. The project is still on track to begin transitioning assets into the new company in July 2018. Assets from the Lincolnshire fund are not expected to begin moving across to Border to Coast until next year.

This summary gives a flavour of our full Annual Report and Accounts, published on our shared website at [www.wypf.org.uk](http://www.wypf.org.uk)

## Performance

Our investment return was 3.3% in 2017/18, 0.3% above the return for the Fund's strategic benchmark of 3.0%.

Actual investment performance against the Fund's strategic benchmark performance is set out in the table below. Across all periods the returns are positive, and the longer-term return, whilst slightly behind the benchmark, is ahead of the long-term required return set by the fund's actuary of 4.0% (as per the March 2016 triennial valuation).



## Fund account

<b>Opening assets of the fund at 1 April 2017</b>	<b>£2,115.4m</b>
<b>Investment return and income</b>	
Return on investments	£55.0m
Investment income	£17.8m
<b>Dealing with members</b>	
Benefits paid	(£91.2m)
Contributions (including transfer in £7.1m)	£104.4m
<b>Management expenses</b>	
(including administration, manager fees and governance)	(£12.0m)
<b>Closing net assets of the fund at 31 March 2018</b>	<b>£2,189.4m</b>
Closing net assets made up of	
• Market value of fund investment portfolio	£2,167.9m
• Net current assets (debtors, overdraft and creditors)	£21.5m
<b>Total (closing assets of the fund at 31 March 2018)</b>	<b>£2,189.4m</b>

## Ten biggest equity holdings at 31 March 2018

	Company	Market value	Percentage of total fund
1	Royal Dutch Shell	33.3	1.5
2	British American Tobacco	31.9	1.5
3	Microsoft	24.7	1.1
4	HSBC	23.6	1.1
5	Reckitt Benckiser	22.5	1.0
6	Unilever	22.5	1.0
7	BP	16.3	0.8
8	JP Morgan	16.1	0.7
9	Apple	15.6	0.7
10	Visa	15.0	0.7
<b>Total</b>		<b>221.5</b>	<b>10.1</b>

# LPF investment management arrangements

The arrangements for segregated management of the fund's assets, in place at 31 March 2018, are set out below. Portfolio values include cash at the balance sheet date.

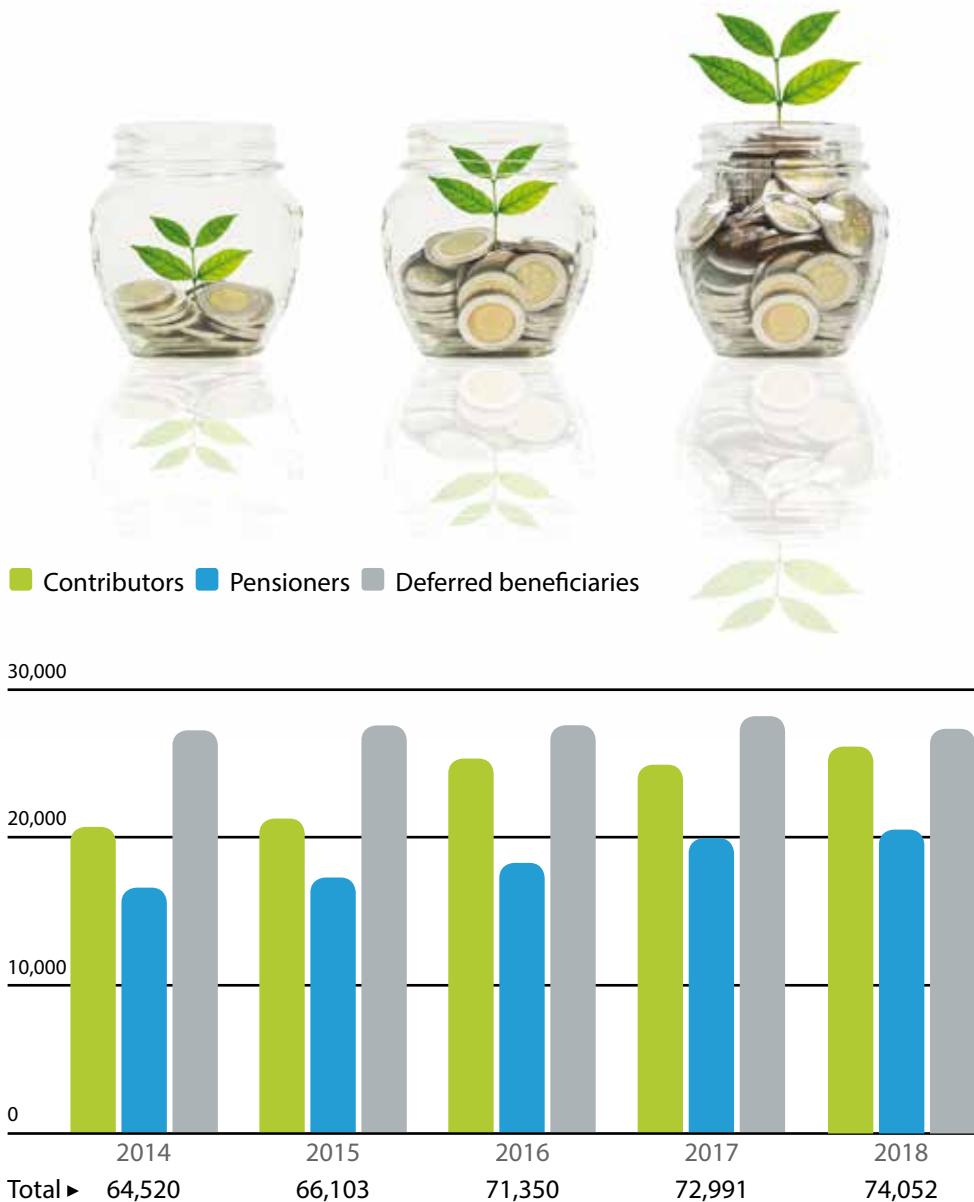
<b>Segregated investment management mandates</b>			
<b>Asset class</b>	<b>Manager</b>	<b>Market value £m</b>	<b>% of the fund</b>
Global equities – (Ex UK)	Invesco	502.3	22.9
Global equities	Schroders	123.9	5.7
Global equities	Columbia Threadneedle	132.6	6.1
	<b>Total segregated equities</b>	<b>758.8</b>	<b>34.7</b>

**Pooled funds** – the fund also invests in a number of asset classes by means of collective investment vehicles, also known as pooled funds.

<b>Asset class</b>	<b>Manager</b>	<b>Market value £m</b>	<b>% of the fund</b>
<b>Property and infrastructure</b>	Franklin Templeton	3.9	0.2
	Igloo	2.5	0.1
	Aviva	46.6	2.1
	Royal London	23.5	1.1
	Reef	0.5	0.0
	Blackrock	41.4	1.9
	Standard Life	76.0	3.5
	<b>Total UK property</b>	<b>194.4</b>	<b>8.9</b>
<b>Infrastructure</b>	Innisfree	32.5	1.5
	Infracapital	1.5	0.1
	Pantheon	1.5	0.1
	<b>Total UK Property</b>	<b>35.5</b>	<b>1.7</b>
<b>Alternatives</b>	Morgan Stanley	268.2	12.2
<b>UK Equities</b>	Legal and General	264.1	12.1
<b>Global Equities</b>	Morgan Stanley	178.7	8.2
<b>Fixed Interest</b>	Blackrock	403.8	18.4
<b>Total Pooled Vehicles</b>		<b>1,374.0</b>	<b>62.9</b>

# Local Government Pension Scheme membership

There were 74,052 members and beneficiaries from 219 employers at 31 March 2018. The fund is reasonably mature, with deferred members (those that are no longer in the scheme but will be entitled to a pension at some point in the future) making up 37% of the overall membership and pensioner members 28%.



# Contact us

**Don't forget to tell us if you move house!**

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Lincoln LN1 1YL

Ask at reception for the pensions team

(Do not send mail to this address)

Open weekdays 8.00am to 5.15pm



@WYPF\_LGPS



[facebook.com/westyorkshirepensionfund](http://facebook.com/westyorkshirepensionfund)

Published autumn 2018 by West Yorkshire Pension Fund

The information in this newsletter relates to LPF deferred members only and can't be treated as a statement of law.

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