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# Welcome

**Welcome to our Autumn edition of *The Quill*, the newsletter for members of the Royal County of Berkshire Pension Fund.**

As usual with our Autumn issue we have included a summary of the annual report and accounts data for the financial year 2009/2010 on pages 6 to 9.

Our Annual Meeting and Pensions Fair will be held on Tuesday 23 November 2010 and all members are invited to attend. Further information regarding these events can be found on page 4 and 5 of this newsletter.

If you were an active member of the pension scheme before 31 March 2010 you will also find enclosed your brand new combined annual benefit statement for 2009/2010. We have redesigned the statements this year making them more user friendly; we hope you will find your new benefit statement easier to read and understand. We have also included a forecast of your State Pension supplied by the Department for Work and Pensions (unless you have specifically requested not to receive this

information). We hope this will provide you with a better understanding of what you will be receiving on retirement. Explanatory notes to accompany your combined benefit statement can be found in this newsletter on pages 16 to 23.

Finally don't forget to enter our Autumn wordsearch competition to be in with a chance of winning a £25 Marks and Spencer gift card – good luck!

We hope you enjoy reading this edition of *The Quill* and as always we welcome your views on the service which we provide in general and we would particularly welcome your views on your new benefit statement.



Councillor John Lenton  
*Chairman, Berkshire Pension Fund  
and Berkshire Pension Fund Advisory Panels*

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## New contact details – a reminder

Don't forget that our contact details have now changed following our move to Maidenhead in December 2009.

Our new contact information is:

Royal County of Berkshire Pension Fund  
Minster Court  
22-30 York Road  
Maidenhead  
Berkshire SL6 1SF

**Helpdesk Telephone Number:** 0845 602 7237

If you are phoning from overseas, dial +44 1628 796 668

**Fax:** 01628 796 700

**Email:** [info@berkshirepensions.org.uk](mailto:info@berkshirepensions.org.uk)

**Website:** [www.berkshirepensions.org.uk](http://www.berkshirepensions.org.uk)

Don't forget that our '0845' helpdesk number is still a free-call number from BT landlines.

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# Annual Meeting 2010

## Annual Meeting attendance request

Full Name

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Address

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Daytime Telephone Number

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Email

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Please return this form to Joanne Brazier, Royal County of Berkshire Pension Fund, Minster Court, 22-30 York Road, Maidenhead, Berkshire, SL6 1SF. Alternatively you can fax us on 01628 796700.

**If you would like to confirm your attendance by email please contact us at [Joanne.Brazier@rbwm.gov.uk](mailto:Joanne.Brazier@rbwm.gov.uk) All bookings will be confirmed by return of email or post.**

We invite you to attend our Annual Meeting on Tuesday, 23 November 2010, which is being held in the Council Chamber at Maidenhead Town Hall.

The meeting is open to all members of the Royal County of Berkshire Pension Fund. In attendance will be members of the Berkshire Pension Fund Panel and the Pension Fund Advisory Panel including the Chairman, Councillor John Lenton. Also present will be Nick Greenwood, Pension Fund Manager, and Kevin Taylor, Pension Administration Manager.

The meeting will commence at 11am with a view to finishing at approximately 12:15pm. Refreshments will be provided.

To assist us in planning the meeting we would be grateful if you could confirm your attendance by completing the reply slip opposite. Please be advised that spaces are limited and priority will be given to members who have indicated their attendance.



# Berkshire Pensions Fair 2010

To coincide with our annual meeting (see opposite) we are holding a Pensions Fair on Tuesday, 23 November 2010 in the Desborough Suite located in the Town Hall, Maidenhead.

The Pensions Fair will be open to all members of the Fund and will run from 10:30am until 3pm. Entry is free and no appointment is necessary.

## **Representatives will be in attendance from:**

**Berkshire Pension Fund – Pension Team**, answering queries on all aspects of the Local Government Pension Scheme.

**Berkshire Pension Fund – Payroll Team**, offering guidance on any tax or income queries for members who are in receipt of a Berkshire pension.

**Prudential**, offering advice on increasing your pension entitlement through Additional Voluntary Contributions.

**Age Concern Berkshire**, offering help and advice on a wide variety of topics.

**DWP**, offering guidance on State Pension related queries and benefits.

A comprehensive range of literature from these organisations will also be available. Directions to Maidenhead Town Hall are available by contacting us on 0845 602 7237 or you can email us at [info@berkshirerpensions.org.uk](mailto:info@berkshirerpensions.org.uk)

Details are also available via our website at [www.berkshirerpensions.org.uk](http://www.berkshirerpensions.org.uk)

All are welcome to attend and we look forward to seeing you on 23 November.



# Fund Accounts



We monitor the financial performance of the Fund against its liability to pay pensions to members in respect of service accrued to date. As at 31 March 2010 the estimated liabilities of the Fund were £1.64 billion assuming that future pension increases are in-line with changes in the Consumer Prices Index. At the same date the Fund's assets were £1.32 billion resulting in a solvency ratio of 80%. A full actuarial valuation as at 31 March 2010 is being prepared which will give a more accurate value for the Fund's liabilities.

	£'000
<b>Income</b>	
Employer contributions	59,171
Employee contributions	24,650
Transfer values received	9,736
Investment income	20,119
<b>Total income</b>	<b>113,676</b>
<b>Expenditure</b>	
Benefits payable	66,083
Payments to and on account of leavers	13,342
Fund administration and management costs	3,130
<b>Total expenditure</b>	<b>82,555</b>
<b>Net income</b>	<b>31,121</b>
<b>Balance sheet</b>	
Quoted investments	132,538
Managed funds	1,076,759
Current assets	111,455
Less current liabilities	-1,343
<b>Net assets at 31 March 2010</b>	<b>1,319,409</b>




# LGPS membership

As at 31 March 2010, there were 48,052 members in the Royal County of Berkshire Pension Fund. Of this, over 20,130 are actively employed by over 100 organisations within the Berkshire area, with this number continuing to increase.



The breakdown of membership is reflected below:



 Active members	20,134
 Deferred members	16,416
 Pensions in payment (including dependants' benefits)	11,502
<b>TOTAL</b>	<b>48,052</b>

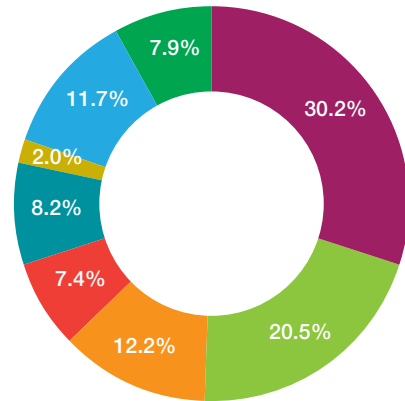
# Investments

The Pension Fund Panel is responsible for setting the strategic asset allocation for the investment of the Fund's assets (see chart).

The new asset allocation policy agreed by the Panel during the financial year 2008/09 continued to be deployed during the 2009/10 financial year. The objective of the new asset allocation is to diversify the Fund's assets across a broad universe of investable assets. With the exception of a small UK equity portfolio, the Fund's assets are managed by external investment managers. Each manager is given a specific benchmark and a target return objective above this specific benchmark.



Asset allocation as at 31 March 2010



Global equities	30.2%
Bonds	20.5%
Absolute Return	12.2%
Property	7.4%
Commodities	8.2%
Infrastructure	2.0%
Global Convertibles	11.7%
Cash	7.9%

During the 2009/10 financial year, the Panel agreed to terminate the three active currency funds with FX Concepts, The Cambridge Strategy and Neuberger Berman considering that the volatility of currency markets precluded managers who were taking very short-term views from outperforming consistently. As at 31 March 2010, the Fund employed the following external managers:

- ▶ Stone Harbour Investment Partners – Emerging Markets Debt (local currency and USD)
- ▶ Legal & General Investment Management – Global High Yield Bonds
- ▶ Muzinich & Co – Global High Yield Bonds
- ▶ Fidelity international – Investment Grade Bonds and Emerging Markets Equity
- ▶ Henderson Global Investors – Senior Loans
- ▶ Morgan Stanley Investment Management – Senior Loans, Emerging Markets Equity and Commodities
- ▶ Blue Bay Asset Management – Global Convertible Bonds
- ▶ JP Morgan Asset Management – Global Convertible Bonds
- ▶ Aviva Investors Global Services – Convertible Bonds and Global Property

- ▶ Informed Portfolio Management AB – Global Equity Enhanced Index
- ▶ William Blair International – Emerging Markets Equity
- ▶ First State Investments – Emerging Markets Equity
- ▶ Wellington Management – Emerging Markets Equity and Global Small Cap Equities
- ▶ Blackrock Investment Management – Global Small Cap Equities
- ▶ Lyxor Asset Management – Absolute Returns
- ▶ MacQuarie Capital Funds – Infrastructure

The 29.6% return for the year was substantially above the growth in liabilities of 12.6%, however the investment return over the past three years at -4.6% reflects the substantial fall in stock markets during 2008/09. The Pension Fund Panel believes that it is more important to manage the Fund's asset allocation against the growth in its liabilities than against the more traditional approach of a static strategic asset allocation and benchmark previously used.

Fund	1 Year to 31 Mar 2010 % p.a	3 Years to 31 Mar 2010 % p.a.
Total Fund	+29.6	-4.6

# Have you considered the retirement you want?

**The LGPS is an excellent pension scheme, but have you considered paying extra towards your income in retirement?**

Members of the Fund have two options available to increase their pension benefits – either by buying additional annual pension by way of Additional Regular Contributions (ARCs) or by joining the Additional Voluntary Contributions (AVCs) scheme run by Prudential.

You may want to learn about the options available to you to increase your pension and lump sum through the in-house AVC scheme run by Prudential.

Learn about some important legislative changes that could help you improve your overall pension position by investing in AVCs.

We have arranged for Prudential to visit Maidenhead to deliver some AVC workshops. The times and venues of the sessions are shown below.

To reserve a space, please email [berkshireavc@pru.co.uk](mailto:berkshireavc@pru.co.uk) stating which date, venue and session time you would like to book.

If you are unable to attend a presentation, you can also ask for more information about AVCs by calling The Pension Connection on 0800 015 4615, quoting the reference 003270.

To find out more about paying Additional Regular Contributions (ARCs) through the Berkshire Pension Fund please visit [www.berkshirerensions.gov.uk](http://www.berkshirerensions.gov.uk) or contact us on 0845 602 7237.

Date	Time	Venue
Wednesday, 20 October	10:30am	Council Chamber, Maidenhead Town Hall
Wednesday, 20 October	2:00pm	Council Chamber, Maidenhead Town Hall



# Autumn Wordsearch competition

In our Spring edition of *The Quill* we invited our readers to try our crossword competition. Thank you to everyone who entered. The lucky winner was Mrs Anita Cacchioli from Marlow – congratulations! For another chance to win a £25 Marks & Spencer gift voucher kindly donated by our in-house AVC providers, Prudential, why not have a go at our Autumn Wordsearch?

Full Name

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Address

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Postcode

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Telephone number

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Please send your entry to Joanne Brazier, Royal County of Berkshire Pension Fund, Minster Court, 22-30 York Road, Maidenhead, SL6 1SF, to reach us by 30 November 2010. The winner will be drawn at random from the correct entries received. Good luck! Please note this competition is not open to members of the administration or investments pension teams.

You must find the following words in the grid:



Autumn	Mists
Fall	Produce
Farming	Rakes
Gardening	Russet
Gathering	Scarf
Harvest	Season
Jumpers	Trees
Leaves	Weather

D	H	W	Y	O	O	P	P	F	H	R	E	H	T	A	E	W
F	A	R	M	I	N	P	R	X	O	D	H	I	E	U	E	F
P	R	Y	A	T	G	H	L	Y	O	S	A	J	L	L	A	R
E	E	V	A	E	A	S	T	E	T	L	I	I	H	L	I	O
R	E	S	U	N	C	S	I	H	E	P	O	N	C	Y	L	C
E	M	R	C	E	M	S	O	R	N	I	E	G	E	M	S	A
I	W	L	T	U	O	M	R	O	S	A	R	I	N	C	R	E
L	E	T	T	O	S	I	C	E	L	A	N	E	N	T	U	L
A	V	E	R	T	H	S	R	O	E	D	A	N	G	U	I	O
S	A	L	L	U	O	G	W	I	M	X	U	M	B			



# Pensions news

## BP investment status

There has been widespread coverage about the oil spill in the Gulf of Mexico and the potential effect this may have on pension schemes that hold investments with BP.

BP is a large constituent of the FTSE 100 stock index and therefore the Berkshire Pension Fund has holdings in BP. However, our holding in BP shares is 0.15% of the total value of the Fund. Consequently the impact of the recent fall in BP's share price has had a negligible effect on the total value of the Fund.

Councillor John Lenton, Chairman of the Berkshire Pension Fund, said: "The fact that the value of the Berkshire Pension Fund has barely been affected by the substantial fall in the value of BP's shares is a result of our recent diversification policy which avoids over-dependence on any one company or type of asset."

## Award success

We are delighted to announce that the Berkshire Pension Fund won the Best Investment Strategy Award at the Engaged Investor Trustee Awards 2010.

The award was accepted by Kevin Taylor, Pensions Administration Manager, on behalf of the Fund's Investments Team. The award ceremony was held on Wednesday, 7 July 2010 at London's Merchant Taylor's Hall.

These awards were open to all UK-based occupational pension schemes and aims to recognise the schemes that have made a significant difference to the performance of their funds.



**Kevin Taylor, Pensions Administration Manager (right) accepts the award for Best Investment Strategy at the Engaged Investors Trustee Awards 2010.**

## Paying extra for your nominated cohabiting partner

Recent changes to the Local Government Pension Scheme (LGPS) mean that you can now buy extra survivor's pension for a nominated cohabiting partner (provided you were a member of the Scheme before 6 April 1988).

A survivor's pension for a nominated cohabiting partner was introduced into the Scheme from 1 April 2008, provided you paid into the LGPS on or after then, and is based on your LGPS membership from 6 April 1988.

If you have membership before 6 April 1988, you can now choose to pay extra contributions so that your pre 6 April 1988 membership can also count in calculating your nominated cohabiting partner's pension on your death. This will increase the pension payable to them.

You can opt for all of your pre 6 April 1988 membership to count towards a surviving nominated cohabiting partner's pension, or you can opt for just part of it (in complete years) to count. You have to be under age 65 to start to pay these extra contributions.

Currently Scheme regulations state that an option to buy extra pension for a nominated cohabiting partner has to be made by 31 March 2011, although the deadline may be extended subject to the Scheme rules being amended.

To find out more, please contact the Pension Team on 0845 602 7237 or download our factsheet "Nominating your cohabiting partner for a survivor's pension" from our website ([www.berkshirepensions.org.uk/publications.htm](http://www.berkshirepensions.org.uk/publications.htm))

To be able to nominate a cohabiting partner, of either opposite or same sex, to receive a survivor's pension on your death, your relationship has to meet certain conditions laid down by the LGPS. You can find these conditions on our website at [www.berkshirepensions.org.uk](http://www.berkshirepensions.org.uk)

# Changes to pensions increase

You may have heard that the new Coalition Government has announced plans to change the index of inflation used to calculate annual increases in public sector pensions from April 2011. This proposal was based on the argument that the CPI, which excludes several housing expenditure items, more closely reflected inflation experienced by pensioners.

Currently, the pensions increase is calculated by reference to the annualised change in the Retail Prices Index (RPI), measured as at September each year. From next April it is proposed that the annualised change in the Consumer Prices Index (CPI) will be used. Before this change of index takes place the LGPS regulations will need to be amended accordingly.

## CPI/RPI – what's the difference?

CPI and RPI are both measures of inflation but will often give different views on its level. This is a result of the basket of goods and services used in each index being slightly different and a difference in the methodology used.

The Government believes that the Consumer Prices Index is a better measure of inflation for pensioners.

Differences include:

- RPI includes mortgage interest payments, whereas CPI does not. Therefore any change in interest rates charged on mortgages affects RPI but does not affect CPI.
- CPI weights are based on expenditure by private and institutional households and foreign visitors. RPI weights are based only on private households and also exclude the highest income households and those pensioner households who are mainly dependent on state benefits.
- CPI excludes some items e.g. house depreciation, council tax and TV licences and includes items such as university accommodation fees and some financial services.

Further information about RPI and CPI can be found by visiting the Office of National Statistics website [www.ons.gov.uk](http://www.ons.gov.uk). Details of the revised CPI inflation rate for April 2011, once confirmed, will be communicated in the next edition of *The Quill*. Updates will also appear on our website at [www.berkshirepensions.org.uk](http://www.berkshirepensions.org.uk)



# Notes to accompany your LGPS benefit statement

Your personal benefit statement for 2009/2010 has undergone a significant redesign this year. We hope that you find your statement more user friendly and easier to understand. In this section of *The Quill* you will find some accompanying notes explaining the figures and terminology we have used:

## Section 1: your personal details

**Final pay:** The final pay figure that would normally be used to calculate your LGPS benefits is your pensionable pay received over the last 365 days of your employment. The final pay shown in your annual benefit statement is based on the pension contributions you paid from 1 April 2009 to 31 March 2010, which is unlikely to be your current salary. If you are part-time, the final pay figure will have been increased to its full-time equivalent rate, again based on the pension contributions you paid during 2009/2010.

**Contractual hours:** If you work part time, your hours will be shown as your contractual hours worked out of a full-time equivalent week. For example, if you work 25 hours per week out of a possible 37, this will be shown as 25.00/37.00.

**Contractual weeks:** If you work term-time only, your total contractual weeks worked will be shown out of a full-time equivalent year. For example, if you are contracted to work 45.10 weeks per year out of a possible 52.143 this will be shown as 45.10/52.143.

**LGPS retirement date:** This is the day before your 65th birthday. The normal retirement age within the LGPS is 65. However, you are eligible to claim a reduced pension from age 60 onwards, and in some cases you may be eligible to receive your pension benefits before the age of 65 at an unreduced rate. Please contact the Pension Team to find out more about when you can retire.

**Please note:** If you are aged 65 or over as at 31 March 2010 no LGPS retirement date will be shown as you will have reached your normal retirement age.

### A note for members joining the LGPS after 1 April 2010

If you joined the Royal County of Berkshire Pension Fund after 1 April 2010 you will not have an annual benefit statement enclosed with this newsletter. You will, however, receive a statement in Autumn 2011. If you would like an estimate of your pension entitlement before then, please contact us on 0845 602 7237 or email [info@berkshirepensions.org.uk](mailto:info@berkshirepensions.org.uk) and we will be happy to arrange this for you.

# Section 2

## your LGPS pension built up to 31 March 2010

**Total 80ths membership:** This is the service you have accrued up to 31 March 2008.

**Total 60ths membership:** This is the service you have accrued from 1 April 2008 to 31 March 2010.

**Total membership (calculated up to 31 March 2010):** This is the combined total of your 80ths and 60ths service as detailed above.

**Important note for part-time workers:** For any period of part-time service, your pensionable membership for this period is proportioned to reflect your part-time hours/weeks of employment.

**Total 80ths pension:** This is your annual pension amount based on your service up to 31 March 2008, which is calculated as follows:

**Total membership x final pay ÷ 80**

**Total 60ths pension:** This is your annual pension amount based on your service from 1 April 2008 to 31 March 2010, which is calculated as follows:

**Total membership x final pay ÷ 60**

**Total annual pension:** This is the combined total of your 80ths and 60ths pension as detailed above.

**Total lump sum based on pre 1 April 2008 service only:**

A tax-free cash lump sum payable based on your service built up to 31 March 2008, calculated as follows:

**Total membership (to 31 March 2008) x final pay ÷ 80 x 3**

**Please note:** If you are aged 60 or over as at 31 March 2010 the benefits shown in your statement will have the relevant early retirement reductions applied. If you are under age 60 as at 31 March 2010 your benefits will be shown at their unreduced value.

**Maximum tax-free lump sum:** Under current regulations it is possible to elect to convert part of your pension into additional tax-free cash on retirement. You are allowed to exchange £1 of pension for an additional £12 of tax-free cash up to a maximum of 25% of the capital value of your total 'pension pot'. You will be provided with details of how this option applies to you before your benefits come into payment at retirement.

For the purposes of this benefit statement we have calculated the maximum tax-free cash which you could receive at retirement based on your pension benefits calculated to 31 March 2010.

**A smaller LGPS pension:** The figure quoted here is the annual pension you would receive if you elected to convert the maximum 25% of the capital value of your total 'pension pot'. This figure is based on your pension calculated up to 31 March 2010.

# Section 3

## your LGPS pension payable at age 65

**Total 80ths membership:** This is the service you have accrued up to 31 March 2008.

**Total 60ths membership:** This is the service you will have accrued from 1 April 2008 to age 65 if your employment remains unchanged.

**Total membership (calculated up to age 65):** This is the combined total of your 80ths and 60ths service as detailed above.

**Important note for part-time workers:** For any period of part-time service your pensionable membership for this period is proportioned to reflect your part-time hours/weeks of employment.

**Total 80ths pension:** This is your annual pension amount based on your service up to 31 March 2008, which is calculated as follows:

**Total membership x final pay ÷ 80**

**Total 60ths pension:** This is your annual pension amount based on your service from 1 April 2008 to age 65, which is calculated as follows:

**Total membership x final pay ÷ 60**

### **Total annual pension**

This is the combined total of your 80ths and 60ths pension as detailed above.

### **Total lump sum based on Pre 1 April 2008 service only:**

A tax-free cash lump sum payable based on your pre 1 April 2008 membership only (service built up to 31 March 2008), calculated as follows:

**Total membership (to 31 March 2008) x final pay ÷ 80 x 3**

**Maximum tax-free lump sum:** For the purposes of this benefit statement we have calculated the maximum tax-free cash which you could receive at retirement based on your pension benefits calculated to age 65.

See page 17 for more information about converting your pension into tax-free cash.

**A smaller LGPS pension:** The figure quoted here is the annual pension you would receive if you elected to convert the maximum 25% of the capital value of your total 'pension pot'. This figure is based on your pension calculated up to age 65.

# Section 4

## your LGPS death benefits

This section details the death benefits which would become payable from the LGPS based on your employment details calculated to 31 March 2010.

**Death grant:** This is the value of the tax-free lump sum which would become payable to your estate or nominated beneficiary(s) at your date of death (for the purposes of this estimate we have used the date of 31 March 2010). The amount of lump sum payable is equal to three times your final annual pay, no matter how long you have been a member of the Scheme. If you are a part-time employee, the pay figure used is the actual pay you receive and is not increased to its whole-time equivalent rate in the same way as when retirement benefits are calculated.

**Survivor's pension:** This is the amount of annual pension which would become payable in the event of your death to your legally married spouse, civil partner or nominated co-habiting partner.

**Your nomination details:** You can choose who you would like to receive any death grant payable by completing an 'Expression of Wish' form. If you have already completed an Expression of Wish form your nominated beneficiary(s) will appear in this section. If this section appears blank we do not currently hold a nomination on file for you.

If you have not already made a nomination or would like to change your existing beneficiary(s) please contact the Pensions Team on 0845 602 7237 or email [info@berkshirepensions.org.uk](mailto:info@berkshirepensions.org.uk). Alternatively you can download a form from our website at [www.berkshirepensions.org.uk](http://www.berkshirepensions.org.uk)

# Section 5

## your employment history within the Berkshire Pension Fund

This section details the employment history within the Royal County of Berkshire Pension Fund that we currently hold for you on file and that we have used to calculate the value of your pension benefits shown in this statement.

The data is split into the following categories:

**Employer:** this is the name of the organisations you have been employed with throughout your membership of the Berkshire Scheme. This will also include any service which has been transferred in from other organisations or local authorities outside of Berkshire.

**Period from/to:** start and end date of your period of employment

**Time with employer:** the calendar length of service worked during your period of employment

**% of whole-time:** the percentage of contracted hours and weeks worked during your periods of employment

**Period of LGPS membership (years/days):** the actual length of service in years and days which are counted towards the calculation of your pension benefits. Your employment history will also include previous service which you have may have elected to transfer in from a former pension provider.

**IMPORTANT:** For any period of part-time service your pensionable membership for this period is proportioned to reflect your part-time hours/weeks of employment. If you work full-time this period of membership will be counted as a full calendar length of service.

For example, if you worked 50% of a full-time equivalent week, for one year (18.50 hours out of a possible 37 per week) we would only be able to count six months of this service towards your pension calculation.

### A note about AVC contributions

Your annual benefit statement does not include any details of Additional Voluntary Contributions (AVCs) which you may be paying through our in-house AVC provider, Prudential. If you would like further information regarding your AVC funds held with Prudential, please contact them directly on 0845 607 0077 or visit [www.pru.co.uk/localgovavc](http://www.pru.co.uk/localgovavc)

### A note about multiple employments

Many of our members within the Berkshire Pension Fund hold more than one active pensionable post. We keep a separate record for each pensionable post that you hold and a separate annual benefit statement will be issued for each job.

# Section 6

## your State Pension forecast

**Please see detailed below the explanatory notes to accompany your individual State Pension forecast on page 8 of your benefit statement.**

**Important information: It is important you read the notes below.**

The 'Current State Pension' estimate is based on your National Insurance record at the date of the forecast.

The 'Future State Pension' estimate is based on the assumption that you will pay, be treated as paying or be credited with full-rate National Insurance contributions from the date of the forecast until you reach State Pension age. If, for any reason this assumption is wrong, the estimated amount above could be too high.

If you are a married woman who has chosen to pay the reduced-rate of National Insurance – sometimes called 'the small stamp' – your 'Future State Pension' amounts are based on the assumption that you will continue to pay reduced-rate contributions.

The amounts shown are based on the current State Pension rules and the rates in payment at the time of the forecast. They do not take into account any future changes to State Pension rates or to the law relating to State Pensions that may occur before you reach State Pension age.

The Government is reviewing the current timetable for increasing the State Pension age from 65 to 66. No decision has yet been made as to how this timetable will change. Any change would require the approval of Parliament.

You may be able to pay voluntary National Insurance contributions for certain years. See 'Your pension statement explained' leaflet for further details.

Your basic State Pension may be more than the amount shown. This is because the Government have announced a 'triple guarantee' about how it will increase the basic State Pension in the future. From April 2011, basic State Pension will be increased every year by the higher of the growth in earnings, prices, or 2.5%. This only applies to the basic State Pension. This does not apply to the additions to State Pension.

# Section 6 continued

From 6 April 2012, if you are a member of a contracted-out defined contribution pension scheme (also called a money purchase scheme), you will cease to be contracted out and may start to build up additional State Pension instead. This change does not affect the estimated 'Current State Pension' amount shown. However, if you are currently in a contracted-out defined contribution pension scheme, the amount of additional State Pension included in the 'Future State Pension' does not include any further additional State Pension you may build up from 6 April 2012 because you are no longer contracted out. Pension forecasts will reflect this change when National Insurance records have been updated.

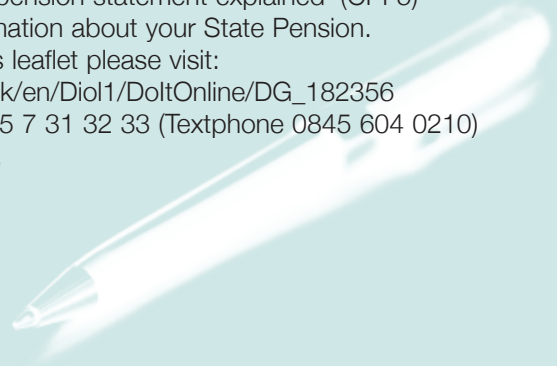
The amount of additional State Pension you actually receive at State Pension age may be different from that shown in your forecast, especially if you have been or remain a member of a contracted-out pension scheme.

Sometime between 2012 and 2015, additional State Pension will gradually become a simple, single-rate weekly top-up to the basic State Pension.

If you receive more than one State Pension forecast, do not add the amounts together. Always use the more recent forecast you have received. The amounts do not include any other income your household may get from income-related benefits such as Pension Credit.

If you think any of the information in this forecast is wrong, tell the DWP by telephoning 0845 3000 168.

The leaflet 'Your pension statement explained' (CPF5) gives more information about your State Pension. For a copy of this leaflet please visit:  
[www.direct.gov.uk/en/Diol1/DoltOnline/DG\\_182356](http://www.direct.gov.uk/en/Diol1/DoltOnline/DG_182356)  
or telephone 0845 7 31 32 33 (Textphone 0845 604 0210) to ask for a copy.



# Frequently Asked Questions

## **Can I retire before age 65?**

The normal retirement age for members of the LGPS is 65. However you can voluntarily elect to receive your pension benefits from age 60 onwards and receive a reduced pension benefit. If you are aged 55 you may approach your employer directly to request the early payment of your pension benefits on employer consent grounds. The employer must give their permission for you to receive your benefits early and you should apply directly to your manager.

If you retire on redundancy or efficiency grounds and you are aged 55 or over you will be entitled to the immediate payment of your pension benefits at an unreduced rate.

Ill-health retirement can be investigated at any age, however you must apply directly to your employer in the first instance if you wish to investigate this further.

## **My previous Local Government service is not showing on my statement**

Under the LGPS regulations you have 12 months from the date you joined the Berkshire Pension Fund to investigate a transfer of previous pension rights, or such longer period

as your employer allows. If you have been a member of the Berkshire Pension Scheme for more than 12 months and would like to investigate a transfer from a previous scheme please contact your employer directly. Transfers from previous pension arrangements are not automatic.

## **My hours or weeks of employment are not correct**

If you do not agree with the current hours or weeks which we hold for you please contact us directly on 0845 607 7237. Each employer is responsible for advising us of any changes in hours or weeks of employment. If we have not been informed of any changes, we will be happy to query this on your behalf and rectify this for you.

## **Does my statement include my Added Years/Additional Regular Contribution payments?**

If you are paying an additional monthly contribution percentage under the old Added Years arrangement or an additional monthly pension amount under the current Addition Regular Contributions facility, the service will be included in your benefit statement. Please note that the added years/ARCs which have been purchased up to 31 March 2010 will be pro-rated to this date.

# Contact us

We hope you enjoyed reading this issue of *The Quill*. If you have any queries or comments about the articles in this newsletter, please contact the Pension Team:

Royal County of Berkshire Pension Fund, Minster Court,  
22-30 York Road, Maidenhead, Berkshire SL6 1SF

Helpdesk: 0845 602 7237

Overseas telephone number: +44 1628 796 668

*(telephone lines are open Monday to Friday 8:30am to 5:00pm)*

Fax: 01628 796 700

Email: [info@berkshirerpensions.org.uk](mailto:info@berkshirerpensions.org.uk)

If you would prefer to visit us in person to discuss your pension you are welcome to call in to our office Monday to Friday between 9am and 4pm.

Please note that our '0845' helpdesk number is now a free-call number from BT landlines.



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or braille format please contact Joanne Brazier  
on 01628 796754 or email [joanne.brazier@rbwm.gov.uk](mailto:joanne.brazier@rbwm.gov.uk)**

The Royal Borough of Windsor and Maidenhead is the administering authority to the Royal County of Berkshire Pension Fund.