

The Scribe



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Annual Report and Accounts 2009/2010

Welcome

Welcome to our Autumn edition of *The Scribe*, the newsletter for retired members of the Royal County of Berkshire Pension Fund and their dependants.


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 pages 4 and 5 of this newsletter.

In addition we are introducing brand new Retired Members' Pension Surgeries to be held in May 2011 around Berkshire which will provide an opportunity for you to meet the team and find out more about your pension benefits. Turn to page 21 to find out more about these new events.

Finally we have some exciting awards news on page 13 and don't forget to enter our Autumn crossword 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 Scribe* and as always we welcome your views on the service which we provide in general and in particular your views on our newsletters.



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@berkshirerpensions.org.uk

Website: www.berkshirerpensions.org.uk

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

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Berkshire Pensions Annual Meeting

2010

Annual Meeting attendance request

Full Name

Address

Daytime Telephone Number

Email

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




LGPS membership

As at 31 March 2010, there were 48,052 members in the Royal County of Berkshire Pension Fund. Of this number, 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
TOTAL	48,052

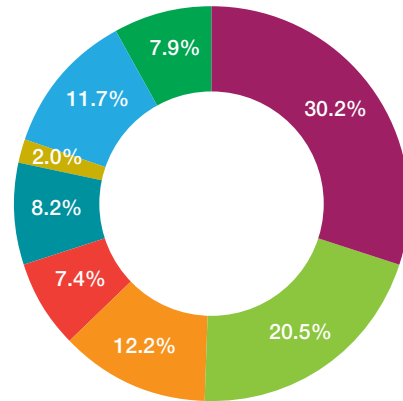
Investments

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

Crossword clues

In our Spring edition of *The Scribe* we invited our readers to try our wordsearch competition. Thank you to everyone who entered. The lucky winner was Mrs Marion Cooper from Dorset – congratulations! For another chance to win a £25 Marks & Spencer gift voucher kindly donated by our publishers Wordshop, why not have a go at our Autumn crossword competition?

Across

1. They gather nuts in autumn in preparation for winter (9)
4. Open container that is filled with water and is used for bathing (3)
6. Fruits of the oak tree (6)
8. Season which might involve an Indian summer (6)
9. Small, mischievous creature with magical powers (3)
10. Poet who describes autumn as ‘Season of mists and mellow fruitfulness’ (5)
12. Cox’s Pippin or Granny Smith (5)
14. And 15 Down. Guy Fawkes’ part in this conspiracy is remembered on November 5th (9,4)
17. Fish eggs (3)
18. A witch flies on one at Halloween (10)
21. Autumn’s name in the USA (4)
22. Golf peg (3)
23. Are the instructions for this firework in Latin? (5,6)
24. Some leaves turn this colour in autumn (3)

Down

1. Glittering firework? (8)
2. Justin, the English golfer (4)
3. Autumn faller (4)
4. Rabbit in the Disney movie ‘Bambi’ (7)
5. Fireworks found on the barbecue? (7)
7. Colour associated with autumn in the Netherlands? (6)
11. Star at the centre of the Solar System (3)
13. Rebecca Adlington’s sport (8)
15. See 14 Across
16. Consume (3)
18. ‘_____ House’, a famous novel by Charles Dickens (5)
19. Milanese football team (5)
20. Work dough with your hands (5)
21. Permanent army position stationed with troops (4)

Autumn crossword competition

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!

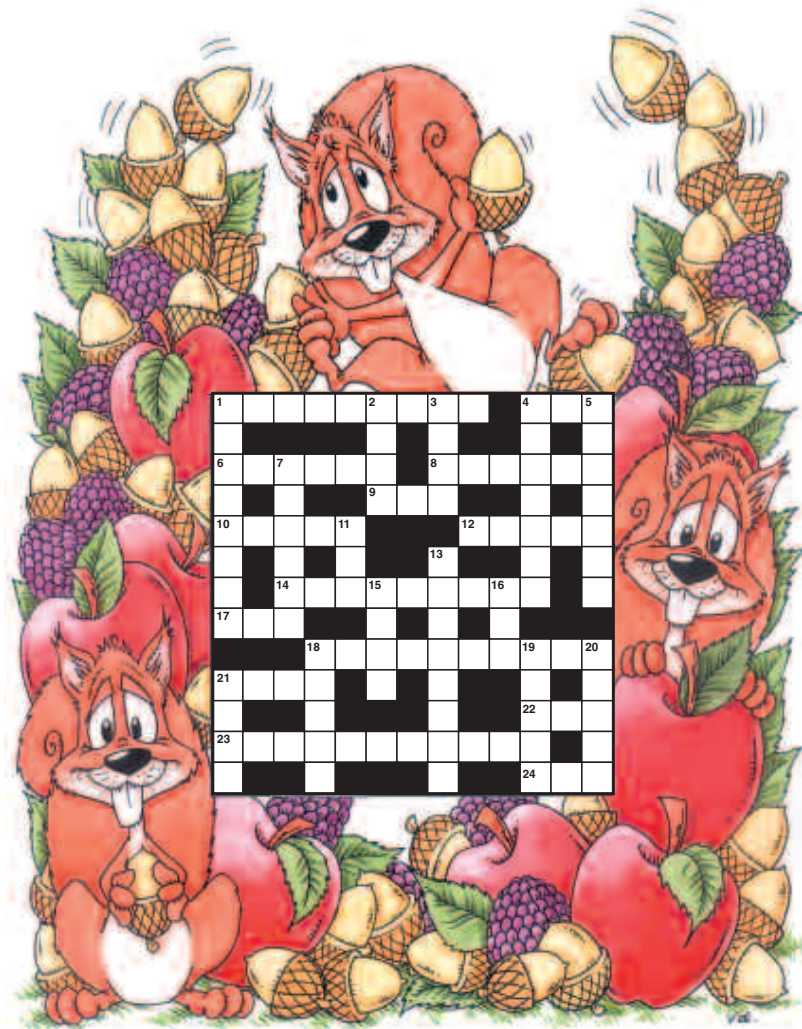
Please note this competition is not open to members of the administration or investments pension teams.

Full Name _____

Address _____

Postcode _____

Telephone number _____





Pension news

Be inspired to get more out of your reading and writing

Ever wondered about writing down your memories or tracing your family tree? Now you can! Many libraries across Berkshire are now distributing free magazines (while stocks last) to people who are over 60, full of fun ideas for reading and writing – just ask for your Bookbite magazine.

Booktrust's first Bookbite magazine in February of this year was hugely popular, reaching 100,000 people across the country. It's now been reprinted and is available free, along with the second edition in your local library, and by some mobile libraries. Or you can go online and use the official Bookbite website for inspiration – there are blogs from featured writers and lots more: www.bookbite.org.uk.

Bookbite encourages you to consider setting up your own reading group or writing group. If you'd like some help in this, contact your local library who will be happy to advise and support.



Another 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.

Pension news continued

Pension pay dates

Your Berkshire pension is paid directly into your bank account. Payments are made into your bank or building society account on the last working day of the month, with the exception of December when payment is made before Christmas. Here are the pension payment dates from September 2010 to August 2011:

Thursday 30 September 2010

Friday 29 October 2010

Tuesday 30 November 2010

Wednesday 22 December 2010

Monday 31 January 2011

Monday 28 February 2011

Thursday 31 March 2011

Friday 29 April 2011

Tuesday 31 May 2011

Thursday 30 June 2011

Friday 29 July 2011

Wednesday 31 August 2011

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."

Pension news continued

What's on the website?

Don't forget that you can visit our website at www.berkshirepensions.org.uk to access up-to-date information about the LGPS. You can also:

- View your newsletters online
- Download our pension scheme guides
- Access our useful forms
- View our Annual Report and Accounts archive
- Keep up to date with the latest pensions news.

Coming soon...online forms

We are currently developing a series of online forms making it easier for you to notify us about a change in your circumstances or to request further information regarding your pension entitlement. Soon you will be able to:

- Change your address
- Trace your benefits
- Request details of your pension payments
- Contact us with your comments and suggestions.

Protecting your benefits

In common with other public sector pension funds and various local authority and government agencies, the Fund participates in the Audit Commission's National Fraud Initiative (NFI). The NFI seeks to identify individuals making fraudulent claims for pensions and/or benefits. For the Fund this could arise as a result of an individual not notifying the Fund of a pensioner's death and continuing to receive a pension to which there is no entitlement.

The NFI currently matches all public sector pension scheme data (of which the Berkshire Pension Fund is one) to the Department for Work and Pensions (DWP) database of deceased persons.

The Fund will again be undertaking the data matching exercise and a letter was recently issued to all retired members.

We accept that the vast majority of payments we make are legitimate, but feel that this exercise is very worthwhile in order to protect the Fund against any possible fraud.

Changes to pensions increases

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, pensions increases are 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. Details of the revised CPI inflation rate for April 2011, once confirmed, will be communicated in the next edition of *The Scribe*. Updates will also appear on our website at www.berkshirepensions.org.uk

State Pension – useful contacts

If you have any queries regarding the payment of your State Pension or additional allowances, please contact The Pension Service on 0845 606 0265. The following useful telephone numbers may also be of help:

If you are under State Pension Age, you can get a State Pension Forecast: 0845 300 0168

Pension Tracing Service: 0845 600 2537

Pension Credit: 0800 99 1234

Winter Fuel Payments: 0845 915 1515

Local Authority contacts within Berkshire

Bracknell Forest Borough Council: 01344 352 000
Council Offices, Town Square, Bracknell, RG12 1AQ.

Reading Borough Council: 0118 937 3737
Civic Centre, Reading, RG1 7AE.

Royal Borough of Windsor and Maidenhead:
01628 683 800
Town Hall, St Ives Road, Maidenhead, SL6 1RF.

Slough Borough Council: 01753 475 111
Bath Road, Slough, SL1 3UQ.

West Berkshire Council: 01635 42400
Council Offices, Market Street, Newbury, RG14 5LD.

Wokingham Borough Council: 0118 974 6000
Civic Offices, Shute End, Wokingham, RG40 1BN.



Changing your details

If you change address, name and/or partnership status please notify the Pension Team immediately. If you are changing address we can accept an email as a suitable notification providing that both the old and new address details are supplied.

Address details can also be amended over the telephone once a number of security checks have been undertaken.

If you are changing your name and/or partnership status we will require sight of the appropriate documentation (photocopied documents are acceptable).

Changing your bank details

Unfortunately, for security reasons, we are unable to accept notifications of bank changes over the phone or by email. Therefore please confirm the new details in writing to:

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

Alternatively you can complete the attached tear-off slip to confirm any changes.

Tax Office information – new contact details

If there are any changes to your tax code, the Tax Office will issue a notification to our Pension Payroll Department to confirm the details of the change. Unfortunately we are unable to answer queries regarding your specific tax code change. If you wish to query your tax code, please contact the Tax Office directly. The new contact details for the Tax Office are:

HM Revenue and Customs
Customer Operations
Southgate House
Southgate Street
Gloucester
GL1 1DL

Telephone: 0845 300 0627

If you are contacting the Tax Office from overseas, please dial: +44 135 535 9022. The tax reference number to quote in all cases is: 070/R5200

Surname

Forenames

Pension No.

National Insurance No.

Change of Bank Details

Bank Name

Bank Address

Account Name

Sort Code (6 digits)

Account No. (maximum 8 digits)

If the above is a building society account please quote the Building Society Reference number below.

Building Society Reference Number

Change of Address

Old Address

Postcode

New Address

Postcode

Tel No.

Email

Please ensure you have signed and dated this form before returning it to the Royal County of Berkshire Pension Fund.

Signature

Date





Brand new for 2011

Retired Members' Pension Surgery

We would like to invite you to attend our first Retired Members' Pension Surgery to be held in May 2011. This will be a great opportunity to discuss any queries you may have about your pension, find out how your pension is calculated and meet members of the Pension and Payroll teams. There is no need to make an appointment – just drop in at any one of the venues below between 10am and 3pm.

We look forward to seeing you there!

Date	Location	Venue	Time
Monday 23 May 2011	Newbury	Council Chamber, West Berkshire Council, Market Street, Newbury, RG14 5LD	10am until 3pm
Wednesday 25 May 2011	Maidenhead	Desborough Suite, Town Hall, St. Ives Road, Maidenhead, SL6 1RF	10am until 3pm
Friday 27 May 2011	Reading	Kennet Room, Reading Borough Council, Civic Centre, Reading, RG1 7AE	10am until 3pm

Frequently Asked Questions

When is my pension paid?

Your monthly pension is paid on the last working day of every month directly to your bank account. However, payments for December will be paid slightly earlier in time for Christmas.

Why don't I receive a payslip every month?

A payslip will be sent to all new pensioner members for their first pension payment. Subsequent payslips will only be sent should the net payment differ by 50p or more compared to the previous month. However, all retired/dependant members will receive a payslip in April and May every year following any pensions increase which becomes payable.

When will I receive my P60 for 2010/2011?

A P60 will be issued to you each year which sets out your pay and tax details for the year calculated to 31 March. There is a legal requirement to issue a P60 by 31 May each year, although you will normally receive this well in advance of that date.

Why has my tax code changed?

If there are any changes to your tax code, the tax office will issue a notification to our Pension Payroll Department to confirm the details of the change. Unfortunately we are unable to answer queries regarding your specific tax code change. If you do wish to query your tax code please contact the tax office directly.

For full contact details of the tax office please see page 18 of this newsletter.

What happens to my pension if I move overseas?

Should you decide at any point in the future to move overseas it might be possible to have your monthly pension paid into an account in that country via TOPS (Travel Overseas Payment Service) as operated by Travellex. If you would like to know more about this facility please contact the pension section on 0845 602 7237 or email: info@berkshirerpensions.org.uk.



Contact us

We hope you enjoyed reading this issue of *The Scribe*. 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

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.



*The Scribe is printed on ClaroSilk,
an elemental chlorine-free (ECF)
paper sourced from certified,
sustainably managed forests.*

**If you would like this newsletter in large print, audio
or braille format please contact Joanne Brazier
on 01628 796754 or email joanne.brazier@rbwm.gov.uk**

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