

Pensioners' News 2011

The Local Government Pension Scheme
(Northern Ireland)



Welcome to the 2011 edition of Pensioners' News



I hope that you will enjoy reading this latest issue. As well as our review of the 2010-11 year, the usual list of payment dates and general pensions information, I have also included an update on the proposed changes for public sector pensions. I am pleased that we have been able to include articles from Sport NI on Active Communities and from the Northern Ireland Tourist Board on Great Days Out.

If you need to know more about your pension payments, you would like a copy of NILGOSC's full annual report, or want more information about any of the features in this edition, you are very welcome to contact any of our Pension Payroll staff on our direct telephone line 0845 308 7343. We are always pleased to hear from our members.

Zena Kee
Pensions Manager

The Committee

The management of the Scheme is overseen by a non-executive Committee appointed by the Department of the Environment. The members of the Committee are as follows:

Mr Trevor Salmon Chairman	Mr Joseph Donaghy	Mr David Jackson
	Mr Bumper Graham	Mr Peter Caldwell
	Mrs Julie Erskine	Mr Peter McMurray
	Mr Colin O'Hare	Mr Ciaran Quigley
	Ms Celine McCartan	Mrs Linda Neilan

The administration of the Scheme is led by the Secretary, Mr Deane Morrice, and the Deputy Secretary, Mr David Murphy.

Current Developments

NILGOSC Secretary Retires



After nearly 30 years of service to NILGOSC, Deane Morrice MBE retired from his position of Secretary on 31st October 2011.

Joining NILGOSC as Deputy Secretary in 1982, Deane became Secretary in 1999 and since then has led the organisation through various challenges and changes. Deane has always ensured the highest level of service to members and employers and his hard work was officially recognised in the Queen's birthday honours list, receiving an MBE in 2009 for his services to Local Government.

We wish Deane a long and very happy retirement.

Pay Dates 2011-12

2011

Monday 31 October 2011
Wednesday 30 November 2011
Wednesday 21 December 2011

2012

Tuesday 31 January 2012
Wednesday 29 February 2012
Friday 30 March 2012
Monday 30 April 2012
Thursday 31 May 2012
Friday 29 June 2012
Tuesday 31 July 2012
Friday 31 August 2012
Friday 28 September 2012
Wednesday 31 October 2012
Friday 30 November 2012
Friday 21 December 2012

Pensions Increase 11 April 2011

Each year in April, in line with the Pensions Increase (Review) Order, NILGOSC increases your pension to reflect rises in the cost of living. The increase applies to all NILGOSC pensioners apart from those who have not yet reached the age of 55 and retired on redundancy or business efficiency. A few ill-health pensions do not receive pensions increase until the pensioner reaches age 55.

In the 2010 Pensioners' News, we explained that the Government announced that the Consumer Prices Index (CPI) would replace the Retail Prices Index (RPI) as the measure of inflation used to set Pensions Increase.

This change has taken effect from April 2011 and the rate of pensions increase from 11th April 2011 was 3.1%.

Paying Tax in Retirement

Her Majesty's Revenue and Customs (HMRC) informs NILGOSC of the tax codes which must be applied to pensioners' records. If you have any queries on your tax code you should contact the tax office directly on 0845 3000 627 (0044 13553 59022 if overseas) as NILGOSC does not have any information on why a tax code has changed.

We know that tax can be confusing, particularly for members who have just started to receive their pension. HMRC has a leaflet entitled 'Approaching Retirement' which explains the tax allowances you may have, what forms you may need to fill in and where help is available. Please see its website at www.hmrc.gov.uk/leaflets/ir121.pdf or contact HMRC on 0845 9000 404 to request a copy.

National Fraud Initiative

In October 2010, NILGOSC submitted pension details of deferred members and pensioners to the Audit Office as part of the National Fraud Initiative. This is a regular data matching exercise and its purpose is to prevent and detect fraud. NILGOSC is required to participate in this initiative by the Comptroller and Auditor General and this exercise meets with data protection law.

The process involves comparing NILGOSC data to that held by other bodies to identify any potentially fraudulent claims or uncover instances where payments have continued to be made after a pensioner has died.

As at 30 September 2011, 22 overpayments have been identified through the NFI 2010-11 data matching exercise and 17 cases are still under investigation.

Further information on the National Fraud Initiative can be found on our website but if you have any questions or would like a hard copy of the information, please contact NILGOSC using any of the details on the back of this newsletter.

Equitable Life Payments Scheme

Equitable Life almost collapsed in 2000 causing a reduction in value of some policies. After investigating the situation, the government accepted regulatory failure of Equitable Life. On 16 May 2011, HM Treasury published a paper that sets out the rules for calculating losses and payments to eligible with-profits policy holders, the Payment Scheme.

We do not know at present who is eligible for a payment and it is unlikely that eligible policyholders will be contacted before June 2012. No action needs to be taken by members at this point.

Further information on the latest developments at Equitable Life and the Payment Scheme is available at www.equitable.co.uk.

Proposed Changes to Public Sector Pensions

On 10 March 2011, Lord Hutton, as Chair of the Independent Public Service Pensions Commission, published his proposals for long-term structural reform of public sector pensions.

The report suggests that changes could be made by 2015 and the aim of the proposals is to ensure that public service pensions can be sustainable and affordable as well as providing an adequate level of retirement income. It is important to note that all benefits accrued prior to the date of any change will be protected. Pensions in payment will not be affected by these changes.

The Latest News section of our website, www.nilgosc.org.uk/LatestNews-Reforms.html, has more information on these proposals. We will keep this up to date with any relevant amendments.

Keeping us informed

Notification of changes

You should advise us of any address changes, bank account changes, changes in your domestic circumstances and any alteration to your death benefit nominees if a death grant is payable. This will help us to keep in touch with you, to maintain up-to-date records and to ensure that you continue to receive your pension.

Your pension will be suspended if we lose touch with you. We will not begin paying your pension again until you re-establish contact with us and any arrears will be paid on the next available payment date.

Please write to us to tell us about any changes to your circumstances or to your bank details. Alternatively, you may use form LGS24 to tell us about changes in your personal circumstances or address. This form is available from our website at www.nilgosc.org.uk/LGS24.pdf or on request by telephone, letter or email.

Re-employment

You should always notify NILGOSC immediately if you become re-employed by an employer who is subject to the LGPS (NI) regulations. You should also inform your new employer that you are receiving a Local Government Pension. Your pension may be reduced or suspended depending on the Committee's abatement policy in force at that time. The Committee's current policy is not to reduce or suspend LGPS (NI) pensions. However, the rules regarding additional compensation pensions are different and these can be reduced or suspended on re-employment. A copy of the current abatement policy is available from your employer or can be requested directly from NILGOSC. It can be viewed on our website at www.nilgosc.org.uk/Abatement Policy May 2009.pdf.

Death Grant Expression of Wish Form

If you die within five or ten years of retirement, depending on your date of leaving the Scheme, a death grant may be payable.

If you retired on or before 31 March 2009, a death grant will be payable if you die within five years of going on pension, provided that you are under age 75 at the date of your death.

If you retired on or after 1 April 2009, a death grant will be payable if you die within ten years of going on pension, provided that you are under age 75 at the date of your death.

You may advise NILGOSC who you would like to receive any death grant payable by completing an Expression of Wish form. Members are strongly advised to complete this form and ensure that it is kept up to date. A new form must be completed if marital or partnership status changes or if your wishes change.

Under the Regulations the Committee retains absolute discretion when deciding to whom to pay any death grant. This discretion enables the death grant normally to be paid free of inheritance tax. However if any part of the death grant has not been paid within two years of death, we are required to pay it to your personal representatives, i.e. to your estate and tax may be liable.

You should also be aware that any pensioner, including surviving spouses, civil partners or nominated cohabiting partners, may be required at any time to complete a Life Certificate, which must be witnessed by a responsible person. Failure to complete and return a Life Certificate will result in pension payments being suspended until the Certificate is produced.

If you would like to make or update an Expression of Wish, a form can be obtained from NILGOSC or downloaded from our website at www.nilgosc.org.uk/LGS20.pdf.

Nomination of Cohabiting Partner Form

If you have a husband, wife or civil partner, he / she will automatically receive a survivor's pension in the event of your death. Children's pensions are also payable to eligible children.

If you were an active member of the scheme on or after 1 April 2009 and you have a partner who is not your husband, wife or civil partner, he / she will not get a pension unless you nominate them and they meet the conditions below.

If you became a NILGOSC pensioner on or before 31st March 2009, the regulations at that time did not allow you to nominate a cohabiting partner and this will not apply to you.

Survivor's pensions for Nominated Cohabiting Partners were introduced to the scheme from 1 April 2009, but at present, we have received fewer nominations than expected. Anyone who was an active member on or after 1 April 2009 is entitled to nominate a cohabiting partner, subject to the conditions listed below.

For the past two years, you must have been:-

- free to marry or form a civil partnership;
- living with a partner as if you were husband and wife or civil partners without you or your partner living with anyone else in the same way;
and
- financially interdependent with your partner or your partner is financially dependent on you.

A Survivor's Pension for a Cohabiting Partner is not an automatic entitlement; we must have a valid nomination form on file to be able to pay this benefit on your death. You can download the form from our website at www.nilgosc.org.uk/LGS21.pdf or you can request it by telephone, letter or email and you should return it directly to NILGOSC.

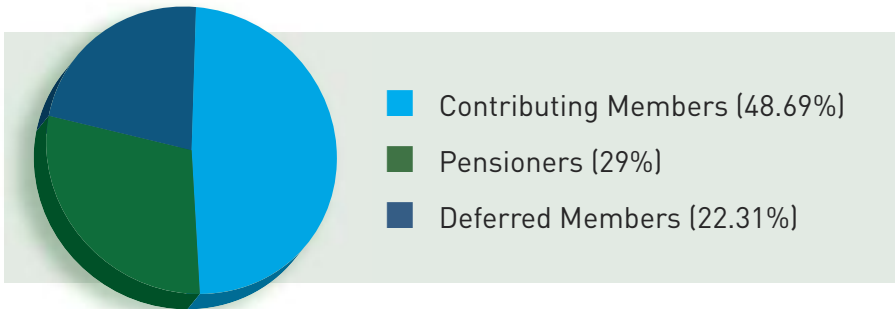
Forms you have left with your partner or with your employer are not valid nominations and will have no effect if we receive them after your death.

Review of the Year 2010-11

Membership

Membership of the scheme increased during the year to 90,667 members. The Scheme had 44,148 contributing members, 26,291 pensioners and 20,228 deferred members and paid over £152m in benefits in the year ended 31 March 2011.

The chart below shows the breakdown of members in the Scheme:



202 employing authorities were participating in the Scheme at 31 March 2011.

Triennial Actuarial Valuation

Every three years the Scheme must be valued. The actuary considered the fund's assets and liabilities as at 31 March 2010 and determined that the Scheme was 82% funded. This figure compares well to the average funding levels of other LGPS funds. The actuary aims to recover this shortfall from the Scheme's employer over 20 years and has set employer contribution rates accordingly.

Financial Statement

Fund Account

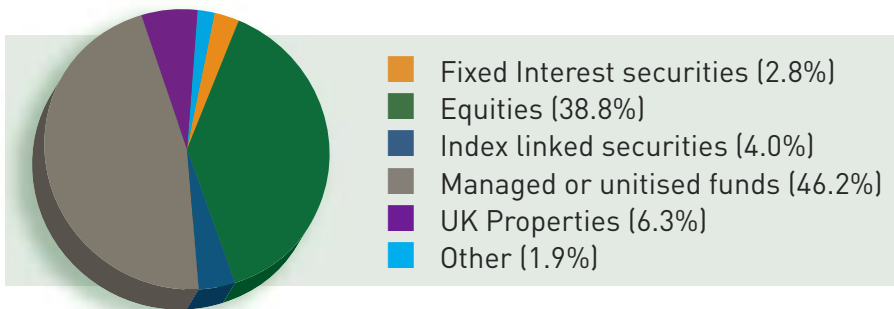
	2010/2011 £'000	2009/2010 £'000
Income		
Employers' Contributions	138,513	128,471
Employees' Contributions	51,705	51,931
Transfers in	6,734	10,636
Investment income	58,807	51,151
	255,759	242,189
Expenditure		
Benefits paid	152,062	140,574
Payment on account of leavers	6,759	6,164
Administration expenses	1,950	2,659
Investment management expenses	10,760	9,428
	171,531	158,825
Net income	84,228	83,364
Opening net assets of the scheme	3,556,366	2,472,877
Net income	84,228	83,364
Change in market value of investments	310,632	1,002,204
Net actuarial gains/(losses) recognised in the year	1,283	(2,079)
Closing net assets of the scheme	3,952,509	3,556,366

The accounts are prepared in line with International Financial Reporting Standards (IFRS).

Investment of the Fund

There was a large amount of volatility in investment returns over the year ended 31 March 2011. The UK equity market ended the year up nearly 9%. The return on government bonds was strong up until August 2010 and then fell back before recovering again from February, whilst the UK commercial property market continued its recovery, ending the year to 31 March 2011 up by just over 10%.

All major equity regions with the exception of Japan delivered positive returns over the year. The UK equity market returned 8.7%. Globally, emerging market equities were the strongest performing region in sterling terms (+12.4%), whilst US equities were the strongest performing region in local currency terms (+15.4%). In summary, the last financial year saw the majority of assets perform well, with equities (except for Japan), government bonds, corporate bonds and the UK commercial property market all posting positive returns. The fund was invested as follows:



All of the Committee's active managers work to longer term investment horizons, the minimum of which is three years, and accordingly the Committee does not place undue attention on short term performance returns. The Committee does however have in place a robust quarterly monitoring process which aims to look behind returns to see the underlying cause of any underperformance. The Committee remains confident in the underlying investment process adopted by its external fund managers and expects all managers to deliver the target level of return over the longer term.

The Committee's three UK equity managers, Baillie Gifford, BlackRock and Jupiter, outperformed their respective targets during the year ended 31 March 2011, delivering returns of 10.95%, 2.45% and 4.72% respectively. Two out of the three global equity managers failed to meet their performance targets, with relative returns of 6.64%, -0.37% and -5.84% for Baillie Gifford, Wellington and Edinburgh Partners respectively. The Committee's fixed income manager, Aberdeen failed to meet its performance objective with a relative return of -0.65%, while the property manager, LaSalle underperformed its annual target by -2.58%. The Committee's passive manager, Legal & General, matched or exceeded the index in all eleven markets in which it was invested during the year.

The Committee made one change to its specialist manager structure, replacing its global unconstrained equity manager, Wellington Global Contrarian Equity, with Edinburgh Partners in October 2010.

Socially Responsible Investment

The Committee faces an ongoing challenge to reconcile the need to obtain the best financial return for scheme members against the desire for sound social, environmental and ethical practices. Under current UK law, pension schemes such as NILGOSC are not permitted to exclude investments solely on ethical grounds. The Committee delegates the selection of investments to its fund managers and does not currently impose any investment restrictions with respect to environmental, social or governance (ESG) issues. Instead, the Committee has instructed its active fund managers to take account of ESG considerations provided the primary financial obligation is not compromised. The Committee has set out its approach to ESG issues in its Statement of Responsible Investment, a copy of which is available on the Scheme's website.

The Committee continues to believe that the best contribution NILGOSC can make in the arena of responsible investment is through the targeted execution of voting rights and the promotion of ESG issues within the investment management industry.

Throughout the year NILGOSC participated in various responsible investment forums, including a roundtable of leading UK pension funds whose aim is to share knowledge and experience and thereby improve behaviours across the investment industry. NILGOSC is also a member of the Local Authority Pension Fund Forum, which aims to bring together a large investor base from which to influence companies' corporate behaviour and social responsibility. The Forum seeks to address ESG issues through direct engagement with 'offending' companies, governments and other relevant bodies on global issues such as climate change, executive remuneration and audit assurance. Finally, as a signatory to the UN Principles of Responsible Investment, the Committee continues to demonstrate its commitment to being a responsible investor and has undertaken to engage with companies on ESG issues, either directly or through its investment managers, and to participate in collaborative engagement activities.

Satisfaction Survey

A stakeholder satisfaction survey was carried out in May 2011. Over 700 questionnaires were distributed to all employers and a sample of active members, deferred members and pensioners. As well as a random sample of members a sample was also taken from all those who had contacted NILGOSC during 2010-11 in person, in writing, by email and by telephone. This sampling method allowed us to target the members who had used our services in the last year and therefore receive a more informed response to our questions.

The survey sought feedback on NILGOSC's publications, website and contact with members and employers.

Key focuses were:

- The relevance of information contained, presentation and layout and ease of understanding our publications; and
- Staff knowledge and ability, time taken and the level of courtesy and professionalism shown in contacts with our staff.

Respondents were asked to rank each element on a scale of 1 to 5, with 1 being very poor or very dissatisfied and 5 being excellent or very satisfied. Level of courtesy and professionalism was ranked highest across all groups surveyed with an average rating of 4.73 out of 5.

In addition, respondents made comments on our services and suggestions for future contact, whilst employers have noted an interest in attending training on pension scheme administration and meeting with NILGOSC more often.

The response rate for 2010-11 was 41%, a vast improvement on the 2009-10 response rate of 31%.

Satisfaction levels ranged from 89% of active members to 100% of deferred members being satisfied or very satisfied with the service they received. Overall, 92% of respondents were either satisfied or very satisfied; an increase from the rating of 91% the previous year. Only 1% of respondents ranked their overall satisfaction as less than three out of five, again an improvement on the 2009-10 figure.



Equality Scheme

NILGOSC has continued its commitment to the promotion of equality of opportunity during the year with the inclusion of equality related objectives in its corporate plan. No complaints regarding equality issues were received during the 2010-2011 period.

We would like to take this opportunity to remind all our members that we will be happy to consider requests for the provision of documents in an alternative format (such as audio or large print) and/or an alternative language for those whose first language is not English. Should you wish to make such a request please let us know by asking for an 'Alternative Methods of Communication' form or by contacting the Pensions Administration team. Contact details can be found on the back page of this newsletter.

To assist us in dealing with your request please let us know:

- why the current communication methods are not suitable for your needs (this may be because you have a sight impairment or English is not your first language); and
- what format you would like to receive information from us – such as in large print, in Braille, on audio cassette, easy read or on computer disc and/or alternative language.

Should you wish to raise an equality issue with NILGOSC, please contact the Equality Officer, on 0845 308 7345 or by emailing info@nilgosc.org.uk

Consultation on Revised Equality Scheme

The Equality Commission for Northern Ireland has published revised statutory duties under Section 75 of the Northern Ireland Act 1998 and has called for revised/new Equality Schemes from public authorities. NILGOSC has prepared its revised scheme and, to ensure equality of opportunity and good relations are promoted, a series of action measures have been identified and developed as part of the revised scheme.

As required by the Equality Commission guidance NILGOSC has issued its revised Equality Scheme and Action Plan for public consultation. If you are interested in reading and/or commenting on the revised scheme the documentation is available for consultation purposes for a period of 12 weeks from 1st October 2011. Details are available on the Equality Scheme section of our website www.nilgosc.org.uk/equality.htm or alternatively you can request a copy by contacting the Equality Officer at the address shown at the back of this newsletter. We look forward to hearing your views on the revised scheme.



30 minutes a day helps you work, rest and play...

Do you know how much exercise the UK's Chief Medical Officer advises every adult should get every day? 30 minutes. Another interesting fact...did you know that in Northern Ireland, there are over half a million over the age of 55? But only about a quarter of them are doing the recommended amount of physical activity – 30 minutes per day, five times a week – that's significantly less than the population average of 35%. And the evidence from the doctors and professionals confirms that regular, frequent and sustained participation in sport and physical activity really does improve your health.

Sport Northern Ireland (SNI), through its Active Communities programme, is working with a range of partners including Age NI, the 26 district councils and a host of governing bodies of sport and sports clubs to increase opportunities for older people to be more physically active.

SNI's Active Communities programme has deployed a network of sports coaches and physical activity leaders in every council area across Northern Ireland and they're making a difference. Last year almost 5,500 older people took part in an Active Communities session in a venue close to you...they included groups like the 'Active Lives Club' - a Lisburn based group of 90 or so older people aged 50+ who meet every week at Lisburn Leisureplex and have tried activities as diverse as badminton, line dancing, swimming, tai chi and gym classes and people like Dolores ("just a tad over 65") who comes along to Shaftesbury Leisure Centre regularly, to participate in armchair aerobics and boccia, but what she and her friends look forward to most are the dance classes and "the craic and the wee cup of tea afterwards"!



To find out more about an Active Communities programme near you and how you can get involved, click on www.sportni.net/activecommunities and click on your council area. Alternatively, you can call Saranne Gallagher on 02890 383203.

With the London 2012 Olympic and Paralympic Games less than 12 months away, there has never been a better time to "get out and get active". If you want a legacy from 2012, make it a legacy for you – give your health a headstart and get active, stay active.



Enjoy a great day out in Northern Ireland

Day trips are a great way to see more of Northern Ireland.

And the thrill of discovering somewhere new or rediscovering a place you may not have visited for years is even better when shared with friends.

Northern Ireland Tourist Board is keen to encourage groups to explore more.

Its Great Days Out For Groups guide - available online at discovernorthernireland.com/groups - is aimed at people from all walks of life, from church groups to sports and social clubs, community groups to retirement associations and from gardening groups to Rotary clubs and even just groups of friends.

The publication for group travel organisers provides proposed itineraries featuring culture, heritage and local history to gardens, literature and nature - plus lots more.

“Through the guide we showcase the best that Northern Ireland has to offer groups who enjoy day trips. We have such a wealth of beautiful gardens, historic monuments, cultural experiences, heritage sites and special interest tours, some of which may be unfamiliar to many people,” explained Elaine Groves, NITB Product Marketing Officer.

A trip to Black Mountain in Belfast is just one of the many ideas in NITB's Great Days Out For Groups guide.



“Our aim is to inspire people to visit somewhere that is new to them or to rediscover places that they may not have been to in many years, and to provide useful advice on how to organise a successful group outing.”

Searchable group itineraries provide ideas for all sorts of day visits. They've even been themed to help you select the type of experience your group would like to enjoy on an outing – from gardens, culture, literature and local history to myths and legends, heritage, Christian heritage, creative, nature and active.

Each year NITB invites group trip organisers to attend a 'Days Out Fair' designed to highlight the best that Northern Ireland has to offer with great ideas for day trips and group visits. The next fair will be staged on Saturday 4th February, 2012. Please call 028 9044 1506 to register for the fair or to find out more.

northernireland
Explore More



Customer Charter

The objective of the Committee is to administer the LGPS (NI) efficiently and effectively while continuously seeking to improve the quality of service provided to all stakeholders. In order to achieve this objective NILGOSC aims to:

- Provide an efficient and high standard of service which we will continuously try to improve
- Maintain accurate and up-to-date records
- Pay benefits promptly and accurately when they become due
- Send an annual newsletter to all pensioners
- Make it easy for you to contact us
- Listen to your enquiries and learn from your comments
- Treat everyone equally and courteously
- Make every effort to address problems honestly and quickly

Data Protection Act 1998

NILGOSC is registered with the Information Commissioner under the Data Protection Act 1998 to hold personal information for the purpose of administration of the pension Scheme.

Essentially the data is used to determine eligibility for, and to calculate any pension or other benefits from, the LGPS (NI). This information is held and processed by NILGOSC strictly in accordance with the Data Protection Act 1998. In order to carry out its purpose, NILGOSC may receive information about members from others, such as employers, but can only do so in accordance with the law.

NILGOSC may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Scheme, for example the Scheme's AVC providers and actuary. NILGOSC may also transfer information to organisations which carry out processing operations on its behalf, such as printers. Any third parties to whom NILGOSC passes personal data are also required to comply with the Data Protection Act.

NILGOSC is required to protect the public funds it administers. It may share information provided to it with other bodies responsible for auditing or administering public funds, in order to prevent and detect fraud.

As individuals, members have a right under the Data Protection Act 1998 to obtain information from NILGOSC, including a description of the personal data which is held.

Any member who wishes to access his/her data on Data Protection Act grounds should write to the Data Protection Officer at NILGOSC.

How to contact us

Postal address:

NILGOSC
Templeton House
411 Hollywood Road,
Belfast
BT4 2LP

NILGOSC telephone: 0845 308 7346

Pensioners' telephone: 0845 308 7343

Overseas Pensioners' telephone: 02890 764 196

Email: info@nilgosc.org.uk

Typetalk (for minicom users): 18001 0845 308 7345

Fax: 0845 308 7344

Website: www.nilgosc.org.uk

Personal Callers

You are welcome to visit us from Monday to Friday, from 9am to 5pm.

You do not need to make an appointment.

Information produced by NILGOSC can be made available in several formats (such as large print, in Braille, on audio cassette, easy read or on computer disk) and languages. We will be pleased to consider your request in this respect.