

**BARNET**

LONDON BOROUGH

# Pension

WINTER 2023 • DEFERRED MEMBER NEWSLETTER

## Fund report 2023

The McCloud  
judgement  
and remedy

Free pre-  
retirement  
courses

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time limits

Published winter 2023. The information in this newsletter relates to BPF deferred members only and can't be treated as a statement of the law. Available in large type, Braille or in audio format on request.



# Our Net Zero Strategy

On 1 December 2022 Officers, Pension Fund Committee and Local Pension Board members held a day's conference considering Responsible Investment issues with a focus on developing the Pension Fund's Net Zero strategy. We hosted speakers from a number of different organisations and the conference was held at Middlesex University. The conference was a positive and constructive event and will provide a solid platform to develop Barnet's Responsible Investment strategy.

The issues around setting a Net Zero strategy for a Pension Fund

are complex and we expect this process to continue throughout 2023. However, an important first step was taken at the 31 January 2023 Pension Fund Committee meeting when the following principles were agreed.

## Net Zero Principles

- 1. Leading and credible voice:* Our framework should provide a platform for Barnet to be a leading voice in discussions around targeting a Net Zero strategy for an LGPS Pension Fund
- 2. Ambitious and measurable:* our target should be evidence

based, credible, measurable and ambitious

- 3. Risk and return focused:* We should not compromise risk or return potential in targeting a Net Zero strategy
- 4. Wider Council alignment:* We should echo the wider targets set by the Council

Further information about how the Barnet Pension Fund is developing its Responsible Investment strategy can be found within the 31 January 2023 Pension Fund Committee paper linked [here](#).

## Pension Fund Account Statement

	2022/23	2021/22
Notes	£000	£000
<b>Dealings with members, employers and others directly involved in the fund</b>		
Contributions	(66,878)	(61,990)
Transfers in from other pension funds	(6,072)	(9,247)
	<b>(72,951)</b>	<b>(71,238)</b>
Benefits	64,913	63,583
Payments to and on account of leavers	9,944	5,611
	<b>74,858</b>	<b>69,194</b>
<b>Net (additions) from dealings with members</b>	<b>1,907</b>	<b>(2,044)</b>
Management expenses	18,412	14,942
<b>Net (additions) / withdrawals including fund management expenses</b>	<b>20,320</b>	<b>12,899</b>
<b>Returns on investments</b>		
Investment income	(4,037)	(9,023)
Profit and losses on disposal of investments and changes in the value of investments	24,040	(110,902)
<b>Net return on investments</b>	<b>20,002</b>	<b>(119,926)</b>
<b>Net (increase) / decrease in the net assets available for benefits during the year</b>	<b>40,323</b>	<b>(107,027)</b>
Opening net assets of the scheme	1,501,627	1,394,600
<b>Closing net assets of the scheme</b>	<b>1,461,304</b>	<b>1,501,627</b>

## Net Asset Statement

	31 March 2023	31 March 2022
Notes	£000	
Investment assets	1,476,844	1,481,979
Long term investments	150	150
<b>Total net investments</b>	<b>1,476,994</b>	<b>1,482,129</b>
Current assets	14,772	69,353
Current liabilities	(30,461)	(49,855)
<b>Net assets of the fund available to fund benefits at the end of the reporting period</b>	<b>1,461,304</b>	<b>1,501,627</b>

## Pension Fund Investments

	Market value	31 March 2023	Market value	31 March 2022
	£000	%	£000	%
Legal and General	587,697	39.7	603,354	40.7
Schroder Investment Management	117,107	7.9	280,896	19.0
LCIV	227,015	15.4	146,718	9.9
Alcentra	13,161	0.9	35,384	2.4
Partners Group	46,099	3.1	49,506	3.3
Barings	73,469	5.0	60,546	4.1
Insight Investments	89,530	6.1	90,056	6.1
IFM Investors	98,001	6.6	84,949	5.7
Aberdeen Long Lease Property	26,397	1.8	34,234	2.3
CBRE	32,599	2.2	29,881	2.0
Adams Street	62,841	4.3	41,604	2.8
Fiera Real Estate	27,577	1.9	0	0.0
Allianz	18,500	1.3	0	0.0
Pemberton	18,500	1.3	0	0.0
Legal and General Liquidity Fund	19,250	1.3	0	0.0
Aberdeen Standard Life	19,250	1.3	25,000	1.7
	<b>1,476,994</b>	<b>100.0</b>	<b>1,482,129</b>	<b>100.0</b>

## Membership of the Fund

Membership of the Barnet Pension Fund is for employees, including non-teaching staff in schools and employees of other organisations (in addition to the Council) who participate in the Fund.

The other organisations are classed as either:

- **Admitted Bodies** – organisations that participate in the Fund under an admission agreement between the Fund and the organisation. These can include voluntary, charitable and similar bodies or private

contractors undertaking a local authority function following outsourcing to the private sector.

- **Scheduled Bodies** – academies, colleges and similar bodies whose staff are automatically entitled to be members of the Fund.

Below is a breakdown of the number of employers and members in the Fund as of 31 March 2023 (compared against a year before). Scheme members with multiple roles will be included more than once in the table as will contractors with more than one contract.

	31 March 2023	31 March 2022
<b>Number of employers with active members</b>	70	65
<b>Number of employees in scheme</b>		
London Borough of Barnet	3,961	3,561
Other employers	5,768	5,221
<b>Total</b>	9,729	8,782
<b>Number of pensioners</b>		
London Borough of Barnet	5,500	5,248
Other employers	3,087	2,868
<b>Total</b>	8,587	8,116
<b>Deferred pensioners</b>		
London Borough of Barnet	5,835	6,153
Other employers	3,682	3,568
<b>Total</b>	9,517	9,721
<b>Total number of members in pension scheme</b>	<b>27,833</b>	<b>26,619</b>



# The McCloud judgement and remedy



The Court of Appeal 'McCloud' judgment on age discrimination we've reported on before means changes to the Local Government Pension Scheme (LGPS) were needed. The changes, effective from 1 October 2023, are called the **McCloud remedy** and remove the age discrimination found in the court case.

**Not all members are affected by the changes and even those affected will see either no increase to their pension or just a small change. pensions will not go down.**

You may be affected if:

- you were paying into the LGPS or another public service pension scheme before 1 April 2012
- you were paying into the LGPS between 1 April 2014 and 31 March 2022, and
- you have been a member of a public service pension scheme without a continuous break of more than five years.

## Background

In 2014, the LGPS changed from a final salary scheme to a career average scheme – a pension that builds up based on what you earn each year. Older members who were closer to retirement were protected from the changes by comparing the pension from their career average scheme with the pension they would have built up in the final salary scheme. The member received the higher amount on retirement. This protection is called the **underpin**.

To remove the McCloud age discrimination, qualifying younger members will now receive underpin protection too. But underpin protection only applies to pensions built up between 1 April 2014 and 31 March 2022, or sooner if you left the LGPS or reached your final salary normal retirement age (usually 65) before 31 March 2022.

From 1 April 2022, there is no underpin protection. Pensions built up after this date are based on the career average scheme only.

## What do I need to do?

**You don't need to do anything and there's nothing we can tell you now about how this might or might not affect your pension.**

## Will my pension increase?

**Most members won't see an increase** because the pension they build up in the career average scheme is higher than the pension they would have built up in the final salary scheme. If there is an increase, it is likely to be a small increase and we will contact you – **please take no action now.**

For more comprehensive information about the judgement and who the changes are likely to affect, visit the McCloud section of the national LGPS website on [www.lgpsmember.org/McCloud-Remedy](http://www.lgpsmember.org/McCloud-Remedy)

# Transfer time limits matter

If you're thinking about transferring your deferred LGPS pension to another provider, don't leave it too late. You would have to choose to transfer your pension **at least one year before your normal pension age (NPA)**. That's most likely your state retirement age, but some members have a protected NPA of age 60 or 65.

Always be aware of pension scams and don't make rash decisions. Fall foul of a scam and you could lose some or all of your money.

See [pension-scams.com](http://pension-scams.com) or [fca.org.uk/scamsmart](http://fca.org.uk/scamsmart)

# Have you checked your deferred pension statement?

You can see your latest deferred statement and your previous statements by signing in to your online MyPension account.

[www.wypf.org.uk/mypension](http://www.wypf.org.uk/mypension)

# Privacy and your data

Read about how we use the data we hold about you.

[www.wypf.org.uk/privacy](http://www.wypf.org.uk/privacy)



## It's time to go online

View your pension record and your statements with our online My Pension service.

Register today at [www.wypf.org.uk/register](http://www.wypf.org.uk/register)

## Pension scams

Pension scams are a very real threat and could be about insurance policies, **pensions transfers**, or high-return investment opportunities. Sophisticated scammers will try many things, so beware of schemes or investments that seem too good to be true.

Report suspected scams to Action Fraud straightaway on **0300 123 2040** or with the online reporting tool at [www.actionfraud.police.uk/reporting-fraud-and-cyber-crime](http://www.actionfraud.police.uk/reporting-fraud-and-cyber-crime)



### Contact us

Phone **01274 434999**

Monday to Friday 8.45am to 4.30pm

Email [pensions@wypf.org.uk](mailto:pensions@wypf.org.uk)

Postal address

**PO Box 67 Bradford BD1 1UP**



## Who gets your death grant?

A death grant is a one-off tax-free lump sum on top of any pension your husband, wife, partner or children would be due if you died. How much is paid depends when you left your job. If it was before 1 April 2008, we pay your deferred lump sum, including cost of living increases, as a death grant. Otherwise, we pay 5x your deferred annual pension. This may be different if you have active membership elsewhere in the LGPS. If you haven't done it yet, you can [download a form](#) from our website.

## Your LGPS pension is protected

In an uncertain world it's reassuring to know that your future pension is fully protected and unaffected by market changes. We are part of the LGPS, the Local Government Pension Scheme, a **defined benefit** scheme in which benefits are set out in law and therefore fully protected from the impact of short-term market instability. Like all LGPS pension funds we are diversified long-term investors, securely managed to protect our members' pensions from short-term fluctuations in market values. Your deferred pension is safe with us.

## Retirement courses 2023/24

If you're starting to think more seriously about your retirement plans, why not join Affinity Connect, our pre-retirement partner, for an informative **online retirement planning session**. Keeping your retirement plans on track is really important, so it's always best to start planning early! Feedback tells us that members who have

attended past courses wished that they would have attended sooner. This course is perfect for you if you are within up to ten years of retirement and want more information about how to maximise retirement savings.

Workshops cover **estate planning, managing change, income in retirement, state pension and other benefits, personal taxation, money management, budgeting in retirement, making your money last, wellbeing, lifestyle** and more.

### Course dates (more coming)

[Click here to book online](#)

2024	Date	Time
	11 January	9:30am - 12:00pm
	13 February	1:00pm - 3:30pm
	29 February	9:30am - 12:00pm
	20 March	1:00pm - 3:30pm
	27 March	9:30am - 12:00pm
	8 April	1:00pm - 3:30pm
	3 May	9:30am - 12:00pm