

2009

Pensions Newsletter

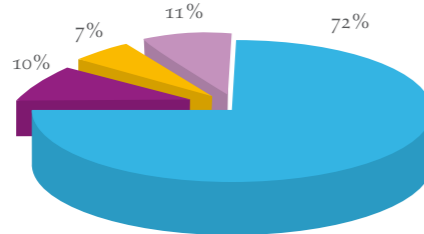
Your Pension Benefits are secure

The rules of the Local Government Pension Scheme (LGPS) for Scotland are written under statute, which means that your pension benefits are safe, secure and fully guaranteed. Since 31 March 2008 the value of the fund assets have fallen due to the impact of the 'credit crunch'. Please remember that **your pension benefits are calculated on your final salary and years of service** and **are not affected in any way** by the fall in global stock markets over the last year.

The table below shows the value of the Pension Fund assets.

Value as at 31 March 2007	£1,786 Million
Income	
EMPLOYEE CONTRIBUTIONS	£24 MILLION
EMPLOYER CONTRIBUTIONS	£74 MILLION
TRANSFERS RECEIVED	£5 MILLION
INVESTMENT INCOME AND GAINS	£121 MILLION
INCREASED/DECREASED ASSET VALUE	-£169 MILLION
Expenditure	
PENSION BENEFITS	£67 MILLION
LEAVERS AND TRANSFERS	£3 MILLION
FUND ADMINISTRATION COSTS	£1 MILLION
Value at 31 March 2008	£1,770 million

Asset allocation as at 31 Dec 2008	
EQUITIES	£1,091 MILLION
BONDS	£164 MILLION
PROPERTY	£100 MILLION
CASH/OTHER	£151 MILLION
Value at 31 Dec 2008	£1,506 million



Top 5 directly held stocks		
Company	£	% of Fund
VODAFONE GROUP PLC	17 MILLION	1.14
HSBC HLDGS	17 MILLION	1.13
BRITISH AMERICAN TOBACCO	15 MILLION	0.97
ROYAL DUTCH SHELL	14 MILLION	0.95
IMPERIAL TOBACCO	14 MILLION	0.93

How the Pension fund is invested

- Equities
- Cash
- Property
- Bonds

Contact Details For State Pension Benefits

The Pension Service

Part of the Department for Work and Pensions, this website provides information about pensions and pensioner benefits for those planning for the future, about to retire or already retired, at www.thepensionsservice.gov.uk.

General Helpline 0845 606 0265 Textphone 0845 606 0285

Pensioner intending to live abroad

If you live abroad permanently, in certain countries you may get yearly increases in your State Pension, and may also continue getting Winter Fuel Payments and Bereavement Payment. In certain circumstances, you may also be able to get other benefits if you live outside the UK. If you are going abroad temporarily, you may be able to continue getting your benefit entitlements for a limited period. You should get advice from the Pension Service as soon as possible if you are getting state pensions or benefits and planning to go abroad. The contact details are as shown above. If you need any information while you are abroad, call **+44 191 218 7777** or visit the Pension Service website.

Pension Credit

Pension Credit is an entitlement for people aged 60 or over living in Great Britain. This could mean extra money for you every week. If you apply for Pension Credit you can now claim Housing Benefit and Council Tax Benefit at the same time. Call the Pension Service on **Freephone 0800 99 1234**.

DirectGov

The Government's website for citizens, providing a single point of access to public sector information and services. It provides information and useful links for pensioners at www.direct.gov.uk/en/MoneyTaxAndBenefits/PensionsAndRetirement/index.htm

Attendance and Disability Allowance

Helpline 08457 123 456 Text phone 08457 224 433

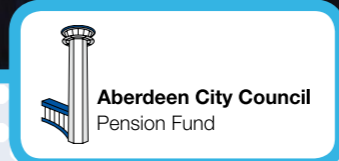
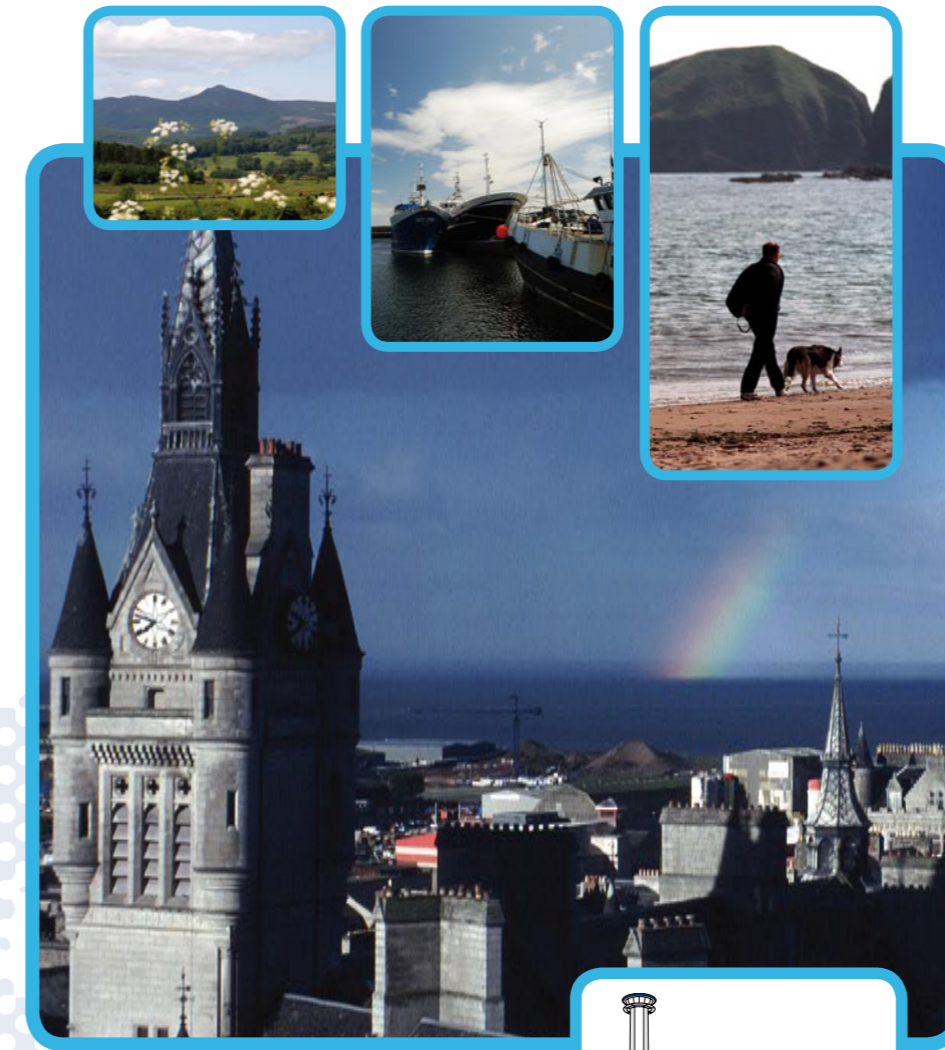
Carer's Allowance

Helpline 01253 856 123 Text phone 01772 562 202

Pension Fund Contact Details

**Aberdeen City Council Pension Fund
Pensions Section
AECC – 2nd Floor
Balgownie One
Conference Way
Bridge of Don
Aberdeen AB23 8AQ**

**Helpdesk: (01224) 814949
Fax: (01224) 814969
Email: Pensions@accpf.org.uk
Website: www.accpf.org.uk**



THE LOCAL GOVERNMENT PENSION SCHEME (LGPS) - SCOTLAND

Welcome to your new-look newsletter for 2009

As usual we have tried to concentrate on the most common queries raised by pensioners and we hope that you find this newsletter useful and informative. We would be glad to hear your comments, particularly if there are any points we have not covered which you feel are important.

New Scottish Local Government Pension Scheme Regulations

You may be aware that the Government over the last few years has been reforming pensions across the public service, which includes the LGPS. Most public service pension schemes have now reformed, with the LGPS (Scotland) having made changes to their regulations from 1 April 2009. Although these changes will not affect your pension benefits in payment, you should be aware that the design of the LGPS has significantly changed for members currently active in the Scheme.

Pensions Increase

Each year we increase pensions in line with the increase in the Retail Prices Index; this is applied to your benefits whether you are a retired member or receiving a dependent's pension. The only exception is if you are a member who took retirement before the age of 55 and not on the grounds of permanent ill health.

The increase to pensions for this year is 5% and has been applied from 6 April 2009.

Who pays the increase?

The pension increase is not all paid by the Aberdeen City Council Pension Fund. If you were employed before 6 April 1997 and have reached State pension age, your pension from us includes an amount known as a Guaranteed Minimum Pension (GMP). If so, the Department for Work and Pensions may have to pay some or all of the increase on this part of your pension from us. They will pay it together with your State pension. However, in total, the increase to both your pensions will be the full amount to which you are entitled.

Did you retire after 7 April 2008?

If you haven't been on pension for a full year, then you won't get a full year's increase. For example, if you retired on 30 September 2008, you get half a year's increase, which is 2.5%. In cases where the pay used in the calculation of your pension benefits was based on a previous year's pay, then the increase to which you are entitled will be higher than that shown under your date of retirement.

The table on the next page shows the percentage increase based on the date your pension began.



Pensions Beginning	Percentage Increase
7TH APRIL 2008 TO 21ST APRIL 2008	5.00%
22ND APRIL 2008 TO 21ST MAY 2008	4.58%
22ND MAY 2008 TO 21ST JUNE 2008	4.17%
22ND JUNE 2008 TO 21ST JULY 2008	3.75%
22ND JULY 2008 TO 21ST AUGUST 2008	3.33%
22ND AUGUST 2008 TO 21ST SEPTEMBER 2008	2.92%
22ND SEPTEMBER 2008 TO 21ST OCTOBER 2008	2.50%
22ND OCTOBER 2008 TO 21ST NOVEMBER 2008	2.08%
22ND NOVEMBER 2008 TO 21ST DECEMBER 2008	1.67%
22ND DECEMBER 2008 TO 21ST JANUARY 2009	1.25%
22ND JANUARY 2009 TO 21ST FEBRUARY 2009	0.83%
22ND FEBRUARY 2009 TO 21ST MARCH 2009	0.42%

Calculation of April payment of pension

The increase in your pension takes effect from 6 April 2009, therefore your first month at the full rate will be May 2009. Your April payment is based on a full month at your new rate of pension less the amount of days prior to the increase (this year 16.03.2009 to 05.04.2009 = 21 days).

If for example your pension was £6,000 per year before the increase, we would calculate the April payment as follows:

Annual Rate of pension prior to increase	£6,000
Pension increase — 5.0%	£234
Annual Rate of pension from 6 April 2009	£6,234

Calculated as follows:

1/12th of £6,234	£519.50
less 21 days (21/365ths) of £234	£13.46
April payment	£506.04
May and future payments (before income tax)	£519.50

Pension payment dates

Your pension is always paid into your bank account on the 15th of each month, unless the 15th is a Saturday or Sunday, in which case it is paid into your bank on the Friday prior to the 15th. In order that any changes of address and bank account details are processed it is important that they reach us in plenty of time.

The pay date and last date for changes up until March 2010 are as follows:

Pensions Beginning	Percentage Increase
15 APRIL 2009	7 APRIL 2009
15 MAY 2009	5 MAY 2009
15 JUNE 2009	3 JUNE 2009
15 JULY 2009	7 JULY 2009
14 AUGUST 2009	4 AUGUST 2009
15 SEPTEMBER 2009	2 SEPTEMBER 2009
15 OCTOBER 2009	6 OCTOBER 2009
13 NOVEMBER 2009	4 NOVEMBER 2009
15 DECEMBER 2009	3 DECEMBER 2009
15 JANUARY 2010	5 JANUARY 2010
15 FEBRUARY 2010	3 FEBRUARY 2010
15 MARCH 2010	3 MARCH 2010

National Fraud Initiative

The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify circumstances (matches) that might suggest the existence of fraud or error.

The Pension Fund has a statutory obligation to participate in the NFI and your pension data will be used along with other authorities and government organisations like the Department of Work and Pensions to share and compare information.

Under NFI we provide details of pensioners to Audit Scotland so that they can compare these with information provided by other public bodies. This will ensure that no pensions are being paid to persons who are deceased or no longer entitled to them and that occupational income is being declared when benefits are applied for.

Data Protection

For the purposes of processing your personal information, Aberdeen City Council (ACC) as the administering authority for the Aberdeen City Council Pension Fund is the Data Controller. The nominated representative of the Data Controller is the City Solicitor. You have a right to obtain details of the personal information which ACC holds about you by making a request in writing to the Pensions Manager at the address below, accompanied by a Subject Access Fee of £10.

Income Tax and your State Pension

Your State Pension is paid to you without the deduction of Income Tax. However, this pension is taxable, so in order to recover the tax due your personal allowance is reduced by the amount of your state pension. This leaves you with a net personal allowance which is converted to a tax code, which is then operated against your LGPS pension.

Details	Amount
AGE RELATED PERSONAL ALLOWANCE FOR 2009-10 FOR AGE GROUP 65-74 AND ELIGIBLE FOR THE FULL PERSONAL ALLOWANCE.	£9,490 *
LESS STATE PENSION	£4,953
BALANCE OF PERSONAL ALLOWANCE (THIS IS THE REMAINING AMOUNT OF INCOME THAT YOU CAN RECEIVE WITHOUT PAYING TAX)	£4,537
THE RESULTING TAX CODE IS THE AMOUNT OF ALLOWANCE WITH THE LAST DIGIT REMOVED. (P INDICATES ENTITLEMENT TO THE FULL AGE RELATED PERSONAL ALLOWANCE FOR AGE 65 – 74)	453P
* PERSONAL ALLOWANCE FOR PENSIONERS UNDER AGE 65 IS £6,475 AND FOR PENSIONERS OVER 75 THE ALLOWANCE IS £9,640	

The basic rate of tax of 20% will apply on taxable income above £6,475.

The higher rate of 40% will apply on taxable income above £37,400.

HM Revenue and Customs normally send out the tax code numbers to be operated from April (the first month of the new tax year) around January or February. It is important that you check against your payslip that the code number is correct and you are receiving all the allowances you are entitled to.

If you do not agree with the tax code number being operated against your pension you should contact the HM Revenue and Customs tax office. When contacting them you should quote your National Insurance number. Their contact details are as follows:

HM Revenue and Customs, Centre 1 Tax Office, Queensway House East Kilbride Glasgow G79 1AA • Tel: 0845 0 703 703 (local rate charge)

P60 Reminder

You will shortly receive your P60 showing the pension paid to you and any tax that has been deducted. In addition any pensioner who retired after 6 April 2006 will see an additional entry called “lifetime allowance”. The lifetime allowance is the total value of all your private and work pensions, but not any State pension, which you can build up without paying extra tax.

The P60 displays the percentage of the annual lifetime allowance figure applicable at the date of your retirement from the LGPS. The percentage shown on your P60 will not change unless your pension benefits from the LGPS are recalculated for any reason, e.g. receipt of pay arrears from previous employer. It is important that you retain your P60 as duplicates cannot be issued.

Change of Details

If you change your name, your address, your marital status, or your bank details, please advise us in writing as soon as possible, enclosing a copy of relevant certificates.

Change of Address

It is important that you keep us updated of any change of address. Where a pensioner has not advised us of a change of address their payslip is returned by the Royal Mail and it is the policy of the Pension Fund to suspend payment of pension until such time as the pensioner advises us of their new address. If you wish payment of your pension to continue to be paid promptly you must ensure that you keep us informed of any change of address.

Change of Marital Status

If you marry or enter into a civil partnership after retirement, your spouse or partner will qualify for a survivor’s pension should you die before them; if you divorce, or dissolve a civil partnership, your spouse or partner will lose this entitlement. In addition, if you marry or enter into a civil partnership, any Nomination of Beneficiary of Death Gratuity made before the marriage or civil partnership will no longer be valid. This means it is essential that you inform us of any change to your marital status, supplying the relevant certificates.

The form to make or change a Nomination of Beneficiary is available from the Pension Fund on request or for download from our website at www.accpf.org.uk.

Change of Bank Details

It is important that you keep us advised of any bank or building society change, as we cannot accept this information from your bank or from anyone apart from yourself, unless they have been granted legal powers to act on your behalf. You should therefore advise us by completing the tear off portion in your payslip, by letter or by downloading a bank mandate from our website. On receipt of your notification of a change we will confirm receipt of the notification and advise you when the new details will be applied.

Re-employment

If you are re-employed with an employer that participates in the Local Government Pension Scheme you MUST immediately notify the Pension Fund in writing.

The restriction on your basic LGPS pension being reduced or suspended depending upon your new income no longer applies where a member re-commences employment on or after 7 April 2007. However, if you retired on the grounds of redundancy or business efficiency (and received compensatory pension benefits) and then take up further employment, your compensatory pension benefits may be subject to reduction when you leave or retire from your new post.

It is therefore very important that you advise us if you re-commence employment, as any overpayments of pension made will be recovered from you.

Website relaunch 2009

The Pension Fund website www.accpf.org.uk is currently being redesigned to refresh the overall look and feel, to improve “findability” of information, to meet accessibility guidelines and to provide a secure area for employers. We welcome your comments on the “new look”.

We hope you find this benefit statement useful and informative. If you have any questions or would like more information, please contact us. Our contact details are shown on the back of this Newsletter.