

NILGOSC NEWS 2019



WELCOME TO THE 2019 NILGOSC ANNUAL MEMBERS' NEWSLETTER.

WHY ME?

You are receiving this newsletter because you are a deferred member i.e. someone who has left the Scheme but not yet receiving your pension.

We have decided to move the newsletter from Autumn to Spring going forward. We hope you enjoy reading this edition.

It's been a busy year in the Scheme with membership growing to 129,947 by March 2019, and the Scheme valued at an all-time high of approximately £8bn.



WE RECOMMEND THAT YOU TAKE THIS OPPORTUNITY TO:



Sign up to My NILGOSC
Pension *Online*
SEE PAGE 4



Update your
Death Grant –
Expression of Wish
SEE PAGE 11



Update your Personal
Details
SEE PAGE 20

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NEWS

MY NILGOSC PENSION ONLINE

Have you signed up to My NILGOSC Pension Online? We know that having access to your pension details when needed is important to you, so it's important to us. That's why we have introduced a new self-service facility that allows you to access your pension details securely and update your information – wherever and whenever. We are delighted that over 12,000 members have signed up so far!

WHAT CAN I DO?

That depends on whether you are an **active contributing member**, **deferred member (left the Scheme but not yet receiving your pension)** or **pensioner member**.

View and update your personal information and contact details	● ● ●
Make or alter your Expression of Wish – Death Grant nomination, so your family are taken care of should anything happen to you	● ● ●
View reports that show how much your pension is currently worth	● ●
Estimate your pension's value upon retirement	● ●
Check your membership history	● ●
View payslips and P60s	●
Check and update your bank details	●



● ACTIVE



● DEFERRED



● PENSIONER

HOW TO GET ONLINE IN 3 EASY STEPS

- 1 Visit www.nilgosc.org.uk and click on 'My NILGOSC Pension Online'
- 2 Click on 'Register without Activation Key'. You will need your **National Insurance number** and your **email address** to enable you to request an Activation Key
- 3 Once you have the **Activation Key** you can complete the registration by creating your username, password and security responses

COMING SOON - COMMUNICATION PREFERENCES

Now that we have introduced My NILGOSC Pension Online we are keen to reduce the amount of paper that we use. Going forward we intend to gradually move our member communications online. This means that your annual newsletter and Pension Benefit Statement will be automatically uploaded to your online account.



If you would rather receive communications by post that's no problem. **You don't need to do anything right now**, later in the year we will be launching a communication preferences project where you can tell us how you would like to receive your communications - either online or by post.

PENSIONS DASHBOARDS

If you have more than one job during your working life you may have many different pension pots – including the State Pension. These can be hard to keep track of.

At the moment, you usually look at these pension pots separately which makes it hard to work out how much money you will have when you stop working.

Pensions Dashboards will let you see all of your pension savings at the same time in the same place. They will look for pension pots that match your details and show you key information. The pension provider's contact details will also be shown.

The pensions industry and government will begin work on Pensions Dashboards in 2019 and most pension schemes should be ready to provide information within 3 - 4 years.



HOW YOUR BENEFITS ARE INCREASED

Each year your benefits are increased by Pensions Increase Orders. In April this year your pension was increased by 2.4%.

More information on how your pension is increased each year is available on our website:
www.nilgosc.org.uk/deferred-member-annual-pensions-increases

DON'T LET A SCAMMER ENJOY YOUR RETIREMENT!

Your pension is one of your most valuable assets and now that you have more choices about what you can do with your savings, scams are becoming more common, more sophisticated and harder to identify. You could lose all your pension savings in a moment, so it is important to be alert to false claims.

THE SCAMMERS HAVE A VARIETY OF TRICKS TO CATCH YOU OUT.

They may:

- claim that you can access your pension pot before age 55 – sometimes known as 'pensions liberation' or 'pension loans'
- claim that you can take more than 25% of your pension as cash
- approach you out of the blue over the phone, via text message or in person door-to-door
- entice you with promises of tax loopholes or better returns on your savings
- offer a free pension review, health check or try to lure you in with so-called one-off investment opportunities such as overseas property or renewable energy bonds which often don't exist or are extremely high risk with low returns.

Check the facts before you make an irreversible decision. A lifetime's savings can be lost in a moment.

WHAT TO DO IF YOU THINK YOU'RE BEING TARGETED:

- never be rushed or pressured into making a decision
- check the FCA register of regulated companies at <https://register.fca.org.uk/> or the FCA warning list www.fca.org.uk/scamsmart/warning-list
- seek independent financial advice from a FCA-regulated firm
- before you sign anything, call The Pensions Advisory Service on **0800 011 3797**
- if you have already accepted an offer, call Action Fraud on **0300 123 2040** or report it online at www.ActionFraud.police.uk

Understand your options by visiting www.pensionwise.gov.uk or visit www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams to find out more.

YOUR PENSION

WHEN CAN I CLAIM MY PENSION?

The date that your deferred benefits are due to be paid depends on when you left the Scheme. **If you left before 1 April 2015 your normal retirement date is usually age 65. If you left on or after 1 April 2015 your Normal Pension Age is the same as your State Pension Age. Your annual Pension Benefit Statement will show you the exact date.**

Over recent years there have been a number of important changes to State Pension Ages. Changes from 2010 have seen the State Pension Age for women rise from 60 to match that of men at 65. The State Pension Age over the coming years will rise for men and women as shown in the table below:

DATE OF BIRTH	STATE PENSION AGE
Between 6 Dec 1953 and 5 Oct 1954	Between 65 and 66
Between 6 Oct 1954 and 5 Apr 1960	66
Between 6 Apr 1960 and 5 Mar 1961	Between 66 and 67
Between 6 Mar 1961 and 5 Apr 1970	67
Between 6 Apr 1970 and 5 Apr 1978	Between 67 and 68*
After 6 Apr 1978	68

* The changes proposed in July 2017 will have to be approved by Parliament before they are finalised.

More information on your State Pension Age can be found at: www.gov.uk/check-state-pension

AT AGE 55 OR OVER

Your benefits can be paid out as soon as you reach age 55 and have left local government employment. As NILGOSC will be paying your benefits for a longer period of time, **your benefits will be reduced.**

The reduction factors were improved earlier this year, so if you decide to retire early your pension won't be reduced as much as it would have been in previous years.

YEARS PAID EARLY	PENSION REDUCTION	LUMP SUM REDUCTION
1	5%	2%
2	10%	5%
3	15%	7%
4	19%	9%
5	23%	11%
6	26%	13%
7	30%	15%
8	33%	17%
9	36%	19%
10	38%	21%



If you are interested in seeing how taking your benefits early would affect your benefits, you can log on to My NILGOSC Pension *Online* and use the benefit projector.

ILL-HEALTH

You may be able to have your benefits paid early, without reduction if because of your health:

- you would be permanently unable to do the job you were working in when you left the LGPS (NI), and
- you are less likely to be capable of doing any other job before Normal Pension Age

The decision is made by NILGOSC after examination by an independent registered medical practitioner. Ill-health retirement applications should be made to us in writing, accompanied by current medical evidence.



PENSION BENEFIT STATEMENT

Look out for your Pension Benefit Statement which will be sent to you in June. This will give you important details about your pension benefits. It is important that you tell us about any incorrect information.

TRANSFERRING YOUR BENEFITS TO ANOTHER SCHEME

As long as you are not a pensioner and are more than one year away from your Normal Pension Age, you can ask for a transfer to another scheme. Please ask your new employer or pension provider to request transfer details from NILGOSC as soon as possible after joining a new scheme or plan. If you are transferring to a defined contribution scheme and the value of your NILGOSC benefits is greater than £30,000 you must take financial advice.

RE-JOINING THE SCHEME?

If you start working for one of our Scheme employers and have a contract of employment of three months or more, you will automatically re-join the Scheme.

Re-joining could allow you to link your deferred benefits with the pension built up in your new job. You only have **12 months** to decide whether to link your benefits. Extending the 12 month time limit is at the discretion of your employer and not NILGOSC. You should contact your employer and ask what its policy is on extending this time limit. If you have deferred benefits as a result of opting out, these cannot be linked together.

If you opted out because of the cost of being in the Scheme you may wish to consider re-joining and choosing the 50/50 section of the Scheme. In the 50/50 section you build up pension at half the rate for half the contributions. You still have full death and ill-health protection.

DEATH BENEFITS

I LIVE WITH MY PARTNER BUT WE AREN'T MARRIED. WILL MY PARTNER RECEIVE A PENSION WHEN I DIE?

If you left the Scheme on or after 1 April 2009 your partner may be entitled to a pension if you die. A cohabiting partner no longer needs to be nominated and, providing the eligibility criteria are met, they will be entitled to receive a survivor's pension.

Although we are still awaiting amended regulations, we understand the criteria will be as follows:

- both you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other
- both you and your cohabiting partner have been living together as if you were husband and wife, or civil partners
- neither you nor your cohabiting partner have been living with someone else as if you/they were husband and wife or civil partners
- either your cohabiting partner is financially dependent on you or you are financially interdependent.

The above criteria will have to be met for a continuous period of at least two years prior to death.

DEATH GRANT EXPRESSION OF WISH FORM

If you die while you are a deferred member of the Scheme, we will normally pay out a lump sum of either three times the value of your deferred annual pension (if you left the Scheme before 1 April 2009) or five times the current value of your deferred annual pension (if you left the Scheme on or after 1 April 2009).

From 1 April 2015 if you are also a contributing member of the Scheme, the death grant payable will be the higher of that from your deferred membership or your active membership. Both death grants will not be paid.

The easiest way to let us know who you would like to receive this lump sum is by logging onto My NILGOSC Pension *Online*. Alternatively, you can download and complete a Death Grant Expression of Wish form from our website www.nilgosc.org.uk/keep-us-updated and return it to us.



REVIEW OF THE YEAR 2018/19

The last year has been a busy one for NILGOSC with membership increasing to 129,947 members by 31 March.

MEMBERSHIP

At 31 March 2019, the Scheme had:



EMPLOYERS

At 31 March 2019, there were 171 employers contributing to the Scheme including:

- 11 councils
- 1 Education Authority
- 1 Library Authority
- 88 schools
- 9 further and higher education colleges and universities
- 49 other bodies
- 12 employers who are closed to new members.

SATISFACTION SURVEY

90% OF MEMBERS RATE CUSTOMER SATISFACTION AS GOOD OR EXCELLENT

98% OF EMPLOYING AUTHORITIES RATE OVERALL SATISFACTION WITH NILGOSC SERVICE AS GOOD OR EXCELLENT



HOW WE INVEST

At 31 March 2019 the fund had a total value of approximately £8 billion.

As a pension scheme with benefits payable far into the future, NILGOSC takes a longer-term approach to investment to avoid undue focus on short-term events and volatility. We have therefore set an investment target which looks at returns over a 3 and 5 year period. Total investment returns are compared to our target, which is the Consumer Price Index (CPI) +3.5%.

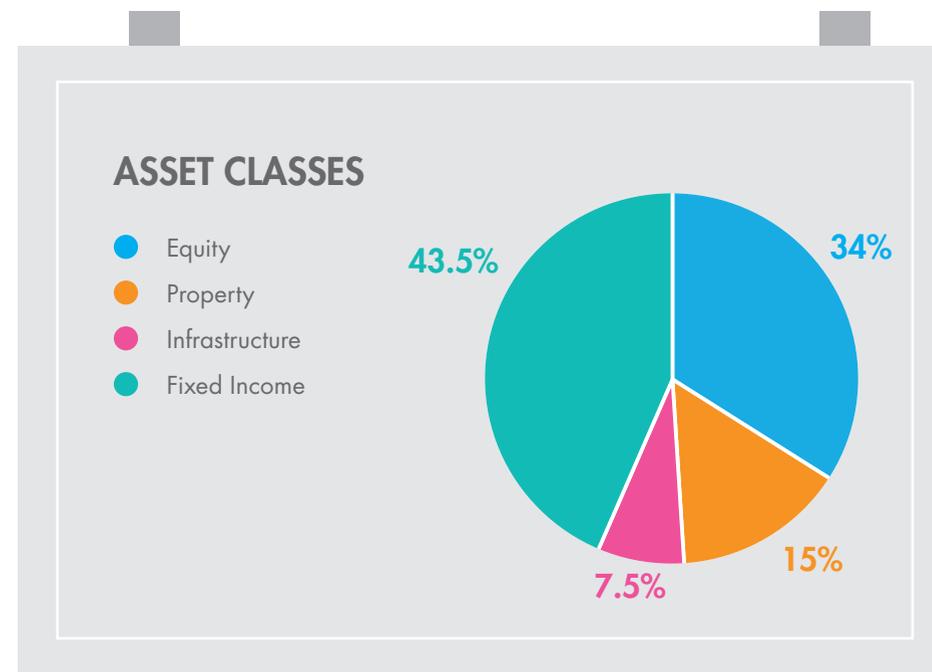
It is often quoted, but past performance really is no guarantee of future returns in financial markets and our focus remains firmly on the future and achieving solid longer-term investment returns within an acceptable level of risk. With this in mind, NILGOSC undertook a formal Investment Strategy Review in October 2017, which resulted in a change to both its strategic asset allocation and overall investment target.

The new investment strategy will take approximately 18-24 months to implement and a transition plan is in place to allow funds to be moved across asset classes in a timely and controlled manner. The first stage of this transition was successfully completed in March 2018, with £828m transferred from active UK equity mandates to passive index linked gilts.

The second stage was completed in March 2019. This involved a £2.2 billion transfer of assets from equities, passive holdings and existing fixed income, to 4 new specialised fixed income mandates. The next part of the process will involve the appointment of a new investment manager to manage a Global Property portfolio and finally the appointment of a specialised Emerging Market Equity manager.



The chart below shows the different asset classes and allocations in which the pension fund plans to be invested when the transition is complete:



Like many investors, NILGOSC encountered a volatile period during the year in respect of its investment portfolio and in particular equities. For further details of how the NILGOSC fund is invested and of fund performance, please refer to the NILGOSC website: www.nilgosc.org.uk/pension-fund.

Collaboration is one of NILGOSC's six strategic themes and during 2018/19 we continued to work together with other UK LGPS Funds on infrastructure investments to help achieve the mutual benefits of scale investing, which include better commercial terms and reduced costs. NILGOSC has 6 such infrastructure co-investments as at 31 March 2019.

RESPONSIBLE INVESTMENT

NILGOSC continues to take its responsibilities as a global investor seriously and strongly believes that environmental, social and corporate governance (ESG) issues can and do affect the long-term performance of investments. It is therefore our policy that these factors should be taken into account when managing our investments, subject to the overriding fiduciary duty to maximise the financial return for pension scheme members and beneficiaries.

As a responsible investor, NILGOSC has a legitimate interest in the management of the companies in which it invests. NILGOSC sees voting as a means of expressing concern over ESG issues and votes, if possible, at all company meetings within its actively

managed equity portfolios. During the year to 31 March 2019, NILGOSC exercised its voting rights at 521 investee company meetings. NILGOSC voted against the management recommendation on 64.5% of resolutions, with the main areas of concerns being executive pay, adequacy of sustainability related reporting and board composition.

As a means of demonstrating its commitment to responsible investment practices, NILGOSC has adopted the United Nations Principles of Responsible Investment (UNPRI) and engages with the companies in which it invests: by writing directly to UK and European companies when it has voted against resolutions at the Annual General Meeting to outline the rationale for the decision; in collaboration with like-minded investors through the UNPRI and other investor groups and indirectly via its Fund Managers. During the year to 31 March 2019 NILGOSC participated in several collaborative initiatives including:

- a UNPRI facilitated engagement on water risks in agricultural supply chains
- the CDP's 2018 non-discloser campaign
- signing the 2018 Global Investor Statement to Governments on Climate Change
- signing a UNPRI facilitated letter to the International Organization of Securities Commissions (IOSCO) on ESG disclosure.

Detailed information on how we invest the Fund, including our responsible investment practices, is available in the Pension Fund section of our website at: www.nilgosc.org.uk/pension-fund

DATA SHARING AND ACCESSIBILITY

DATA PROTECTION

NILGOSC is a Data Controller under the EU General Data Protection Regulations and UK data protection law. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duties, we are required to share your information with certain bodies but will only do so in limited and specified circumstances.

For more information about how we hold your data, who we share it with and what rights you have to request information from NILGOSC, please refer to the Privacy Notice for Members and Scheme Beneficiaries, available on our website at: www.nilgosc.org.uk/data-protection.

If you do not have access to the internet, or if you would like a hard copy of this Privacy Notice, please contact us using the details on the back cover.

Requests in relation to accessing your personal data or exercising any other rights under data protection legislation should be made in writing or via email to the Data Protection Officer at NILGOSC at governance@nilgosc.org.uk.

NATIONAL FRAUD INITIATIVE

In order to prevent and detect fraud, we may share information with other bodies responsible for auditing or administering public funds.

We participate in the National Fraud Initiative (NFI) run by the Northern Ireland Audit Office, which has statutory powers to conduct data matching exercises. As part of this initiative, we provide details of pensioners and deferred members so that the information can be compared to that held by other public bodies. This will ensure, for example, that a pension is not being paid to someone who has died or is no longer entitled.

For further information about our participation in the National Fraud Initiative, please refer to the NFI Privacy Notice available on our website at www.nilgosc.org.uk/data-protection. If you would like a hard copy, please contact us using the details on the back cover.



If you have any further queries about our participation in the National Fraud Initiative, please contact our Governance Manager at governance@nilgosc.org.uk.

ACCESSIBILITY FOR OUR MEMBERS

We are always happy to provide documents and Scheme communications in an alternative format (such as audio or large print) or an alternative language for those whose first language is not English.

Our website can also be translated into over 100 different languages using the Google Translate button at the top of each page.

For more information and an alternative communications form, please refer to the 'Alternative Methods of Communication' booklet which can be downloaded from our website at www.nilgosc.org.uk/equality-scheme or obtained from NILGOSC

If you would like to raise an equality issue with NILGOSC, please contact the Equality Officer on **0345 3197 320** or email equality@nilgosc.org.uk.

CONTACT DETAILS



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www.nilgosc.org.uk



0345 3197 325
Typetalk (for minicom users):
18001 0345 3197 325



info@nilgosc.org.uk

KEEP IN TOUCH

Please remember to add NILGOSC to the list of people who need to know if you move house, get married or if any of your personal details or circumstances change. This is not only to keep your records up to date, but to make sure personal or sensitive information doesn't go to your old address and put you at risk of identity fraud.

If you are registered with My NILGOSC Pension *Online* you can update your address, telephone number or email address online. Alternatively you can download a Change of Circumstances form from our website and email it to us or contact our office.

You are welcome to visit us from Monday to Friday, between 9am and 5pm. You do not need to make an appointment. However, we close on public and statutory holidays, so please phone first, to check that the office is open.