



Pension

NEWSLETTER

SPRING 2016 • ACTIVE COUNCILLOR MEMBERS

Taxing pension savings

Changes for high earners from 6 April 2016

Lifetime Allowance – the total value of all of the pension savings you can build up by your retirement before having to pay an additional tax charge – will go down from £1.25million to £1million from 6 April 2016.

How might this affect me?

If you expect to have total pension savings worth more than £1million at retirement you might be affected, but there are two new forms of HMRC protections you can use.

- **Fixed Protection 2016** – you retain a Lifetime Allowance of £1.25million, but you'll probably have to stop future pension savings after 5 April 2016.
- **Individual Protection 2016** – you get an individual Lifetime Allowance equal to the value of your rights on 5 April 2016, with a minimum of £1million and a maximum of £1.25million.

You'll be able to apply online from July, but if you're planning to take your pension before July 2016, apply to HMRC for interim protection.

Annual Allowance – the upper limit on how much pension benefit you can build up in any one year without having to pay an additional tax charge – falling from £40,000 to £10,000 from 6 April 2016 for those with income of more than £150,000.

How might this affect me?

If you earn more than £210,000 and have high pension savings in one year, you could pay £13,500 in additional tax because of the fall in annual allowance. If you earn more than £150,000 but less than £210,000 the impact will be less significant, and if you earn less than £110,000 you probably won't be affected by this change.

Note that unused annual allowance from the previous three tax years can sometimes be carried forward.

Pension Input Periods – to put these changes into place, the government has had to make some changes to the Annual Allowance in the 2015/16 year. The time your pension saving is measured over for testing against the Annual Allowance will end on 5 April each year instead of 31 March.

So for 2015/16 the year will be split into two parts, each with different allowance limits.

How might this affect me?

You won't lose out from the change in input period.

We have more on this subject at www.wyfpf.org.uk/allowances

Consider taking independent financial advice too.

Project POOL

At the Conservative Party conference in October 2015, chancellor George Osborne called for a merger of the assets of the 89 Local Government Pension Scheme funds in England and Wales into six wealth funds, each containing at least £25billion. Administering authorities like ours had until 19 February 2016 to come up with their proposals for this.

West Yorkshire Pension Fund is part of the **Northern Powerhouse** pool, covering Greater Manchester Pension Fund, Merseyside and West Yorkshire funds with a pool of around £40billion. Lincolnshire Pension Fund is part of the £36billion **Border to Coast** pool of 13 funds that includes East Riding, Cumbria and Lincolnshire.

Other proposed schemes include

- a £35bn pool of eight schemes across the Midlands
- the ACCESS group of eight central, eastern and southern counties
- a common investment vehicle being developed by the London boroughs
- a South West pool, one covering Welsh LGPS funds.

The government wants the new pools in place by April 2018.

Read more on our submission at www.wyfpf.org.uk/pool

LGPS National Insurance Database – privacy notice

West Yorkshire and Lincolnshire Pension Funds comply with legal requirements by taking part in a data-sharing project with other UK LGPS pension funds.

When LGPS members die, we need to know if they have LGPS pensions elsewhere in the country so their dependants get the right benefits. Because the LGPS is run by many different UK pension funds, we need this national database to check for pensions in other pension funds.

What data is shared?

- Your National Insurance number
- Your membership status
- The last calendar year your membership status changed, and
- A four digit reference number for the pension fund that holds your record.

Where is the database kept?

The South Yorkshire Pensions Authority hosts the database.

How will the data on the database be processed?

In line with the Data Protection Act 1998 and other relevant legislation.

Who is data shared with?

It's shared with other LGPS pension funds and LGPS administering authorities.

Information in the database will also be shared from time to time with the Department for Work and Pensions (DWP) so that the LGPS can join the **Tell Us Once** service that makes sure an LGPS member's own pension fund is told when their death is registered. Their records can then be processed more quickly and accurately.

How long will the data be shared?

For as long as

- the relevant regulatory requirements remain, and
- the LGPS takes part in **Tell Us Once**.

Can I opt out of data sharing?

No. Data sharing is partly to comply with a legal requirement so you can't opt out.

What if I have further questions?

If you have any questions about this, please contact us.

WYPF annual meeting 2015

We held our 2015 annual meeting last November in Wakefield. Two hundred members joined us for our comprehensive yearly analysis of the fund's investment and administration performance over the year.

Councillor Andrew Thornton (chair of WYPF) chaired the meeting, and delegates heard presentations from director Rodney Barton and fund investment advisers Noel Mills and Mark Stevens. Our guest speaker was from West Yorkshire Police Authority.

Answers to audience questions are available at www.wypf.org.uk/meeting

2016 pension statement

We'll produce these between 1 May and 31 August. If you don't get yours by 31 August, please contact your council.

When you do receive your statement, please check that what's on it is right. You have seven years to dispute anything on the statement after which your pension record can't be changed.

Contact us

Phone 01274 434999
Monday to Friday
8.45am to 4.30pm

Email pensions@wypf.org.uk

Postal Address WYPF
PO Box 67
Bradford BD1 1UP

Or call in person to our offices at:

- **Aldermanbury House, 4 Godwin Street, Bradford BD1 2ST** weekdays 8.45am to 4.30pm.
- **County Offices, Newland, Lincoln, LN1 1YL** weekdays 8.00am to 5.15pm (4.45pm on Fridays). Ask for the pensions team at reception.