



West Yorkshire Pension Fund

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# Pension

NEWSLETTER

WINTER 2021/22 • ACTIVE MEMBERS



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# Hounslow Pension Fund Annual Report 2021

## Introduction

The Pension Fund Panel is responsible for overseeing the management of the Pension Fund, including both investment management and pension administration. As the S151 officer of the administering authority I am pleased to introduce the Pension Fund's annual report for the year 2020/21.

During the year, the value of the fund increased by 24%, £228.7m, from £958m to £1,186.8m. The significant increase reflects how quickly financial markets recovered from the sharp falls witnessed at the onset of the Covid-19 pandemic in February 2020. Officers and their advisers continue to monitor the Fund closely and challenge the investment managers as necessary to ensure the fund's investments are managed effectively during this unprecedented time.

The triennial actuarial valuation of the fund at March 2019 was carried out by Barnett Waddingham and reported to Panel in January 2020. At that time it was pleasing to note that the funding position had substantially increased from 86% to 94%, meaning that the fund had assets to cover 94% liabilities. This primarily reflected the significant increase in the performance of the investments during the previous three years. The next actuarial valuation will be carried out at the end of March 2022.

In March 2020 the panel agreed to the following actions:

- to switch the passive global equity portfolio to a low carbon passive global equity portfolio
- to transfer the residual active global equity portfolio into a sustainable equity fund on the London Collective Investment vehicle (LCIV), and
- to consider investing resources into renewable energy.

The panel agreed to delegate authority to officers, to instruct managers to measure carbon footprint on the equity portfolios.

The switch to a low carbon passive global equity fund and the transfer to the sustainable equity fund were completed by June 21 while a decision on whether to invest in renewable infrastructure will likely be made in 2022. Officers are currently working on proposals for measuring the carbon footprint of the fund that will be brought to the panel in 2022.

I would like to thank the officers and all our stakeholders involved in the management of the Pension Fund during the year during 2020/21.

*Clive Palfreyman*

**Executive Director of Finances and Resources**

# Fund Accounts

	2019/20	2020/21
	£m	£m
<b>Dealings with members, employers and others directly involved in the fund</b>		
<b>Contributions</b>		
From employers	32.0	31.1
From employees	9.0	9.6
Individual transfers in from other pension funds	5.8	6.2
	<b>46.8</b>	<b>46.9</b>
<b>Benefits</b>		
Pensions	(34.3)	(35.1)
Commutation, lump sum retirement and death benefits	(12.4)	(8.1)
<b>Payments to and on account of leavers</b>		
Individual transfers out to other pension funds	(5.3)	(4.0)
Refunds to members leaving service	(0.4)	(0.2)
	<b>(52.4)</b>	<b>(47.4)</b>
<b>Net additions/(withdrawals) from dealings with members</b>	(5.6)	(0.5)
<b>Management expenses</b>	<b>(5.7)</b>	<b>(4.9)</b>
<b>Returns on investments</b>		
Investment income	26.2	23.9
Taxes on income (irrecoverable withholding tax)	(0.1)	(0.1)
	26.1	23.8
<b>Profit and loss on disposal of investments and change in the market value of investments</b>	<b>(95.7)</b>	<b>210.3</b>
<b>Net returns on investments</b>	<b>(69.6)</b>	<b>234.1</b>
<b>Net increase/(decrease) in the net assets available for benefits during the year</b>	<b>(80.9)</b>	<b>228.7</b>
<b>Opening net assets of the scheme</b>	<b>1,039.0</b>	<b>958.1</b>
<b>Closing net assets of the scheme</b>	<b>958.1</b>	<b>1,186.8</b>

# Investments

The top 10 equity holdings of the London Borough of Hounslow Pension Fund worldwide as at 31 March 2021

	Bid value	% of total fund	% of Equities
	£m	%	%
Astra Zeneca Plc	30.3	2.6	8.0
Relx Plc	23.8	2.0	6.3
British American Tobacco Plc	20.7	1.8	5.5
Rio Tinto Ltd	20.7	1.8	5.5
London Stock Exchange Group	17.8	1.5	4.7
Compass Group Plc	15.8	1.3	4.2
Next Plc	15.8	1.3	4.2
Reckitt Benckiser Group	15.7	1.3	4.1
Ferguson Plc	12.7	1.1	3.4
Standard Chartered Plc	12	1.0	3.2
	<b>185.3</b>	<b>15.7</b>	<b>49.1</b>

# Equities

	31 Mar 20	31 Mar 21
	£m	£m
<b>UK Investments (listed)</b>	<b>274.0</b>	<b>370.5</b>
<b>Overseas Investments (listed):</b>		
North America	25.3	5.8
Japan	4.0	0.0
Europe	12.8	2.2
Other	11.6	0.0
	<b>327.7</b>	<b>378.5</b>

# Want a bigger pension?

We have two ways you can increase your pension benefits through your pension with monthly payments or by paying a lump sum. **Paying extra can be an effective way to increase your income in retirement. Always consider taking independent financial advice.**

Read all about it at [www.wypf.org.uk/payingextra](http://www.wypf.org.uk/payingextra) including details of what our AVC provider, **Standard Life**, can offer you.

## APCs

APCs (additional pension contributions) buy you extra pension in the LGPS.

## AVCs with Standard Life

AVCs (additional voluntary contributions) don't buy an amount of pension but build up a fund value which you can then use to buy benefits at retirement including tax-free cash.



# Have you checked your 2021 statement yet?

Always check your statement carefully and if anything looks wrong – especially if it's your pay – tell your employer straightaway.

Watch our video on this at [www.wypf.org.uk/pensionstatement](http://www.wypf.org.uk/pensionstatement)

## Your statement is online

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



## The new name for Money Advice Service

Money Advice Service (including The Pensions Advisory Service and The Pension Wise Service) changed to MoneyHelper in June 2021. All in one place, get clear, free and impartial money and pension help. MoneyHelper is our direct to consumer brand of the Money and Pensions Service.

Their new URL from early June 2021 is [moneyhelper.org.uk](http://moneyhelper.org.uk)

Whatever your circumstances or plans, MoneyHelper is on your side. Online or over the phone, you'll get

clear money and pensions guidance, and pointers to trusted services, if you need more support.

Open to everyone, MoneyHelper is helping people to clear their debts, reduce spending and make the most of their income. To support loved ones, plan ahead for major purchases and find out about entitlements. To build up savings and pensions, and know their options.

For money help all in one place that's free to use, just go to [moneyhelper.org.uk](http://moneyhelper.org.uk)

# Transfer time limits

If you're thinking about leaving the pension scheme and transferring your LGPS pension to another provider, don't leave it too late. You would have to leave this scheme and 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 during the pandemic. 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)

# What to do if you become a scam victim


Being scammed can take a huge toll on people's mental health. **Mind** and **Victim Support** have confidential helplines that provide support to consumers who have been hit and you can get more information from their websites.

There are some immediate practical steps you can take if you think you've been scammed however. Call your bank directly, first checking its website for the correct number to ring. If the fraud involved any of your personal information, consider signing up for a Protective Registration with fraud prevention organisation **Cifas**, which costs £25 for two years. Cifas is an independent, not-for-profit organisation working to reduce fraud and related financial crime in the UK. Check out their website at [www.cifas.org.uk](http://www.cifas.org.uk) for information.

Change your passwords for any accounts that have been compromised due to fraud – and any that use the same password. Set up two-factor authentication wherever possible to provide another layer of protection.

# Be ScamSmart – don't fall for scams in the first place

The Financial Conduct Authority (FCA) and The Pensions Regulator (TPR)'s ScamSmart campaign warns you to be on your guard if you receive unexpected offers about your pension. If you are ever in doubt about a pension offer, visit the ScamSmart website at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

 [facebook.com/westyorkshirepensionfund](https://www.facebook.com/westyorkshirepensionfund)

 @WYPF\_LGPS

## Moving house?

If you move house, we need to know your new address – not only to keep your records up to date but to make sure personal or sensitive information going to your old address doesn't put you at risk of identity fraud. So when you move, please let us know your new address as soon as you can. Tell your employer too, and if you're paying AVCs, your AVC provider.

## Who gets your death grant?

If you die while you're paying into the scheme we pay a death grant of at least three times your pay (actual amount may be different if you have other LGPS pensions). You can choose who should get this money by making a nomination.

If you haven't done it yet, you can download a form from our website.

## Privacy and your data

Read how we use the data we hold about you at [www.wypf.org.uk/privacy](http://www.wypf.org.uk/privacy)

## Online retirement workshops

Our free online workshops are designed to raise awareness of the key issues you need to consider as you approach retirement and look at some of the decisions you will need to make. They're especially useful if you're thinking of retiring in the next couple of years, but also if you're not yet sure when you want to retire.

### What's covered?

**Lifestyle changes • Managing change • Income in retirement • State pension and other benefits • Personal taxation and tax tips • Money management • Budgeting in retirement • Making your money last**

Please note, the workshops provide information only and will not include or constitute financial advice.

**Check our [website](#) for workshop dates in 2022.**

## Contact us

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Monday to Friday 8.45am to 4.30pm

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