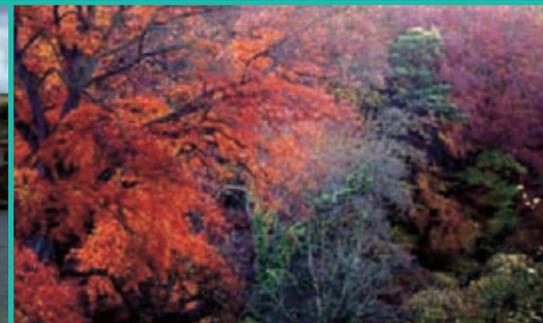


PensionsFocus

Autumn 2009



Want more at retirement?

Paying into either or both of the options below could be the answer!

Additional Voluntary Contributions (AVCs)

Prudential is the authorised AVC provider for the North Yorkshire Pension Fund.

Changes to the Local Government Pension Scheme have made saving for retirement even more tax efficient. If you would like more tax-free cash, more pension or a mixture of both, and you are a taxpayer, these changes will interest you. Before reading on, have a look at the following points that illustrate how income tax relief can help to pay for your retirement.

If you pay tax at 20%, £100 of extra saving only costs you £80, for the 2009/10 tax year.

If you pay tax at 40%, £100 of extra saving only costs you £60, for the 2009/10 tax year.

Pension will be taxed as earned income.

Additionally, AVCs are very flexible when it comes to deciding what you want, and now have appeal for employees of all ages, not just those close to retirement:

- You can start, stop or change how much you pay to suit your circumstances, subject to a maximum contribution of 50% of your salary per month.
- You can use the AVC Fund for 100% TAX-FREE CASH, subject to certain limits.
- You can use the AVC Fund for PENSION only.
- You can use the AVC Fund for a combination of TAX-FREE CASH and PENSION.
- Your decision is made at retirement, not when you start saving.
- Any pension you buy in the LGPS is INDEX LINKED to fight inflation.
- You can use AVCs for TAX-FREE CASH and keep your 60ths Pension from April 2008.
- No medical is required.

There is no doubt that the Local Government Pension Scheme is an excellent scheme, but average benefits may not be as high as you might think. You should already have an idea of what your benefits are from the Annual Statement issued by the Pension Fund.

If you think your retirement benefits may not be enough, and would therefore like more information about AVCs, you can either call the Pension Connection on 0845 607 0077, or email northyorks@prudential.co.uk or mike.plumb@prudential.co.uk, Account Manager to the Pension Fund. There is no cost for this service, it is an arrangement agreed with the Pension Fund to improve awareness around retirement planning. The Pension Connection team operate between 9am and 6pm Monday to Friday. Calls are charged at local call rates. Please quote 001055 when calling. Calls may be monitored or recorded for quality and security purposes.

continued on next page



Did you know? The LGPS is a defined benefit, final salary pension scheme (an ever increasing rarity these days!).

Want more at retirement? (continued)

Purchase of Additional Pension through Additional Regular Contributions (ARCS)

Since 1 April 2008 it has been possible for LGPS members to buy extra Scheme pension. The amount which can be bought is from a minimum £250 of annual pension up to a maximum of £5,000 of annual pension. If a member wants to purchase an amount in between these values they must do this in multiples of £250. This can either provide a pension for just you or can provide a pension for you and any survivor on your death. It is still possible to pay Additional Voluntary Contributions (AVCs) in addition. The main features of ARCs are:

- the additional pension is purchased by a regular deduction from pay at the same amount each month over a chosen payment period (in whole years). The payment period can be from a minimum of 12 months up to a maximum of the number of months up to your normal retirement age (age 65).
- the cost of purchasing £250 of annual pension depends on your age when contributions start, your sex, payment period selected and whether a survivors pension is being purchased
- the additional pension awarded may be commuted for cash in the same way as the rest of the pension (ie 12:1)
- You can stop contributions at any time if you notify the Pension Fund in writing.
- if you are a tax payer, the additional regular contributions will attract tax relief

WARNING !!

Taking a break from your ARCS or Added Years contract can cost you!!

Before deciding to cease your Added Years or ARCs contract with the intention of starting another at a later date you should be aware of a few points:

- the older you are, the greater the cost for any additional pension bought. If you were to cease one contract and then start another one at a later date, it is likely the new contract would be more costly.
- if you are currently contributing to an Added Years contract, it is important to understand that if you were to cease payments you would not be able to start a new Added Years contract under the new scheme rules, as these were replaced by ARCs.

Do you know what age you can claim your state pension?
You can find out your individual State Pension age by visiting the page below and just entering your date of birth:
<http://pensions.direct.gov.uk/en/state-pension-age-calculator/home.asp>

If you have any questions about state pensions please phone The Pensions Service on 0845 60 60 265.

Did you know? The LGPS provides life cover from the moment you join the scheme (a one off payment of three times your annual salary in the event of your death).

Financial position of the fund

There have been many stories in the media over the last year being critical of public sector pensions. Some clearly have had the effect of blurring the distinction between the pension benefits you will receive upon retirement, and the value of the fund administered by the County Council. The two are completely separate issues.

Your entitlement to pension benefits is guaranteed by national legislation. This can only be changed by the Government and it is considered unlikely that they could introduce any change that would have a retrospective impact (i.e. reduce your pension benefits already 'earned'). They could of course change the benefits package based on service accrued in the future.

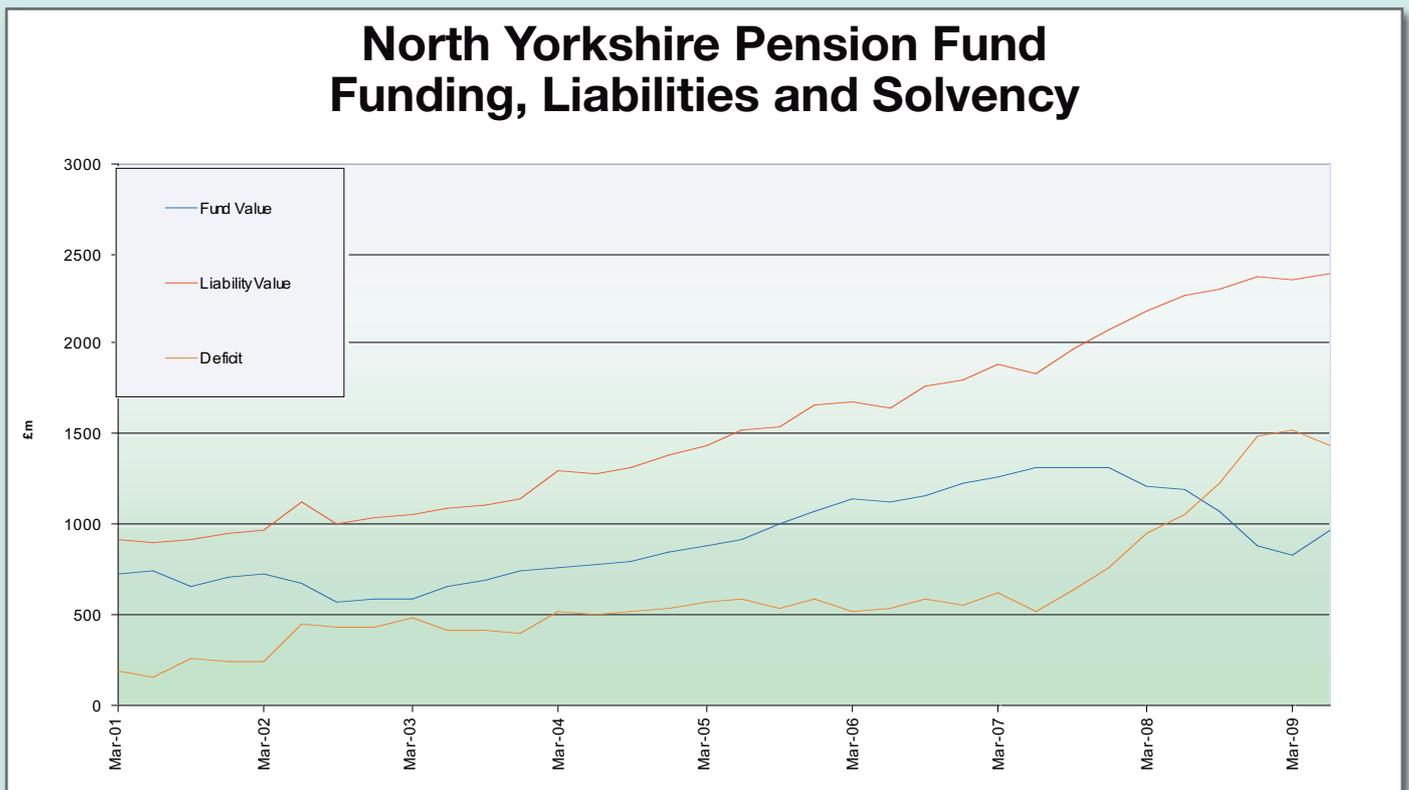
The pension contributions paid by you and your employer are paid into a fund and are essentially used for two purposes:

- (a) to pay pensioners.
- (b) to invest in financial assets that, hopefully, will grow over time.

The County Council manages and administers both processes. The value of these investments can fall as well as grow, a fact that we have all witnessed since the start of the financial crisis. This is an issue for the County Council, and the other employers associated with the North Yorkshire Pension Fund (NYPF) to address - it has no bearing on your pension benefits.

A "pension deficit" arises when the value of pension benefits payable in the future exceeds the value of the assets (i.e. cash, shares etc) held by the Fund. The NYPF has a deficit, which has grown significantly since the start of 2007 when financial markets around the world started to decline (see the chart, below). This has reversed to some extent since March 2009.

However, this "deficit" only represents a shortfall should all pensions become payable immediately – this is clearly not going to happen. Some pensions will not be payable for another forty years or more. To reflect this long term horizon, contribution rates for employers are set to gradually recover the deficit and improve the solvency of the Fund over an extended period.



Pensions roadshows and drop-in sessions

As always, the Pensions Team have been busy holding Roadshows and Information sessions at various locations around the County. The Roadshows are a great opportunity for you to talk to a member of the Pensions Team on a one to one basis. The Prudential are also on hand to give information on how topping up your pension through AVCs (Additional Voluntary Contributions) can benefit you.

We will be visiting the Adult & Community Services Team (NYCC) in Scarborough on 8 December 2009 and the North York Moors National Park in Helmsley on 25 February 2010.

If you would like us to organise a Roadshow or a 'One to One' session at your place of work, please ask your Manager to contact Jo Wade (Communications, Training & Support Team Leader) on 01609 532932.

Pensions 'Drop - in' Sessions

In addition to the Roadshows that we hold for specific employers, the North Yorkshire Pension Fund also hold quarterly drop-in sessions where any member of the Pension Fund (not just NYCC employees) can come along and talk to a member of the Pensions Team about their own personal circumstances. We can cover all aspects of the Local Government Pension Scheme such as increasing your benefits, transferring benefits, retiring and many other subjects.

The meetings are by appointment only (on a first come, first served basis) and will be held at County Hall in Northallerton. Appointments are available from 8.30am to 12.30pm and 1.00pm to 4.30pm and will last no longer than 20 minutes (appointments will be limited). The next drop-in sessions will be held on the following dates:

Date	Venue (County Hall)
12 February 2010	The Pink Room
14 May 2010	The Pink Room

To make an appointment please ring a member of the Communications Training & Support Team on one of the following numbers:
(01609) 532911, 535876, 532565, 532824

Remember to have your National Insurance Number ready and an idea of what you would like to discuss. Time off arrangements must be approved with your Line Manager beforehand.



We often get asked why the drop - in sessions are only held in Northallerton. The drop - in sessions are held in addition to the Roadshows that we hold all over the County and are intended to try and make us more accessible to more of our members. However, all events are hosted by the Pensions Team and there is a limit to the number of events we can host - these additional events are held in Northallerton so that the team do not have to travel and can therefore make the best use of their time.

Did you know? The LGPS will pay a dependent's pension to your loved ones in the event of your death.

Personal accounts

The Government proposes to introduce a low cost way of building up additional pension from 2012. The new method of encouraging everyone to save for retirement will be known as 'Personal Accounts' and these will provide a way of employees and employers paying into a personal fund which will be invested until retirement. The details of how the accounts will be set up and run has yet to be decided but it is proposed that everyone will automatically start to pay into an account unless they opt not to do so or they already pay into their employer's pension scheme.

As a member of the Local Government Pension Scheme (LGPS) it is likely that you will not have to take any action in respect of Personal Accounts as

you will just continue to pay into the LGPS as you do now. However we will keep you informed of the latest information on this.

General information about Personal Accounts can be found on The Pensions Advisory Service website at the following link:

<http://www.pensionsadvisoryservice.org.uk/employer-guidance/personal-accounts>

Did you know? You do not pay income tax on your contributions (so they will cost you less than you think!)

View your own pension records!

@ www.nypf.org.uk

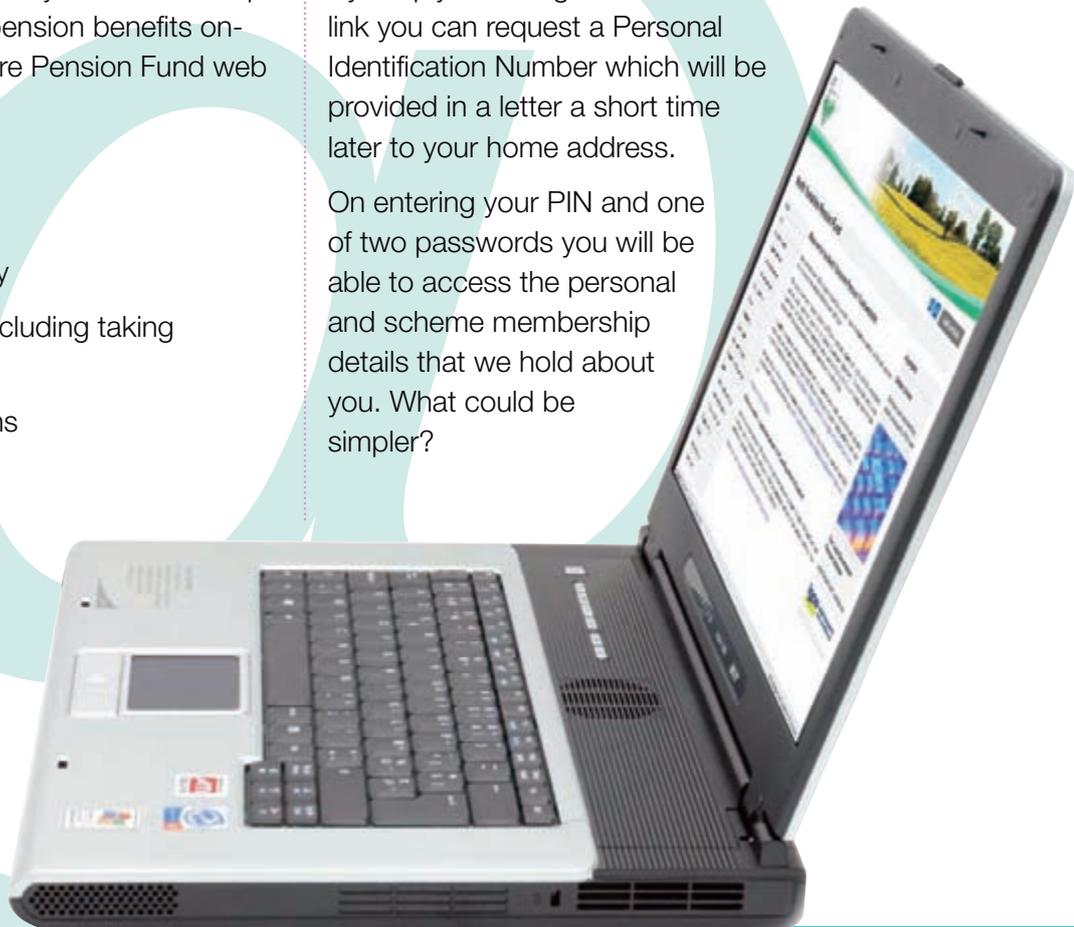
Did you know that you can access your membership details and estimate your own pension benefits on-line by visiting the North Yorkshire Pension Fund web pages at www.nypf.org.uk?

What can you do?

- update personal details
- view service and hours history
- run retirement quotations – including taking different cash sum amounts
- run deferred benefit quotations
- run death benefit quotations
- view your annual benefit statements
- update nomination details

By simply selecting the 'Details on Line' link you can request a Personal Identification Number which will be provided in a letter a short time later to your home address.

On entering your PIN and one of two passwords you will be able to access the personal and scheme membership details that we hold about you. What could be simpler?



Changes to early retirement from 1 April 2010

The rules as they stand:

For members who had joined the Local Government Pension Scheme BEFORE 1 April 2008:

Earliest retirement age (not including ill health)
= 50

For those joining the Local Government Pension Scheme AFTER 1 April 2008:

Earliest retirement age (not including ill health)
= 55

Did you know? As the LGPS is a contracted-out scheme, you automatically pay 1.6% less in NI contributions.

Rules from 1 April 2010:

For all members the earliest retirement date (not including ill health) will be 55.

This will affect members in the following scenarios:

- A member being considered for flexible or voluntary retirement with their employer's consent. From 1 April 2010 the member will only be able to access benefits if age 55 or over.
- A member under the age of 55, retiring due to efficiency or redundancy on or after 1 April 2010. In this circumstance, it may be possible for the member to access benefits at age 55, if the employer gives consent. If the employer does not, then benefits will be available from age 60. The benefits will be subject to actuarial reductions if the member does not meet the rule of 85, unless the employer consents to waive the reduction.

Photo competition – famous landmarks

Do you have a digital photograph of a famous landmark (either in the UK or abroad) that you have taken yourself?

If so, why not enter our competition to win yourself a £20 National Gardens gift voucher (which can be used at various garden centres).

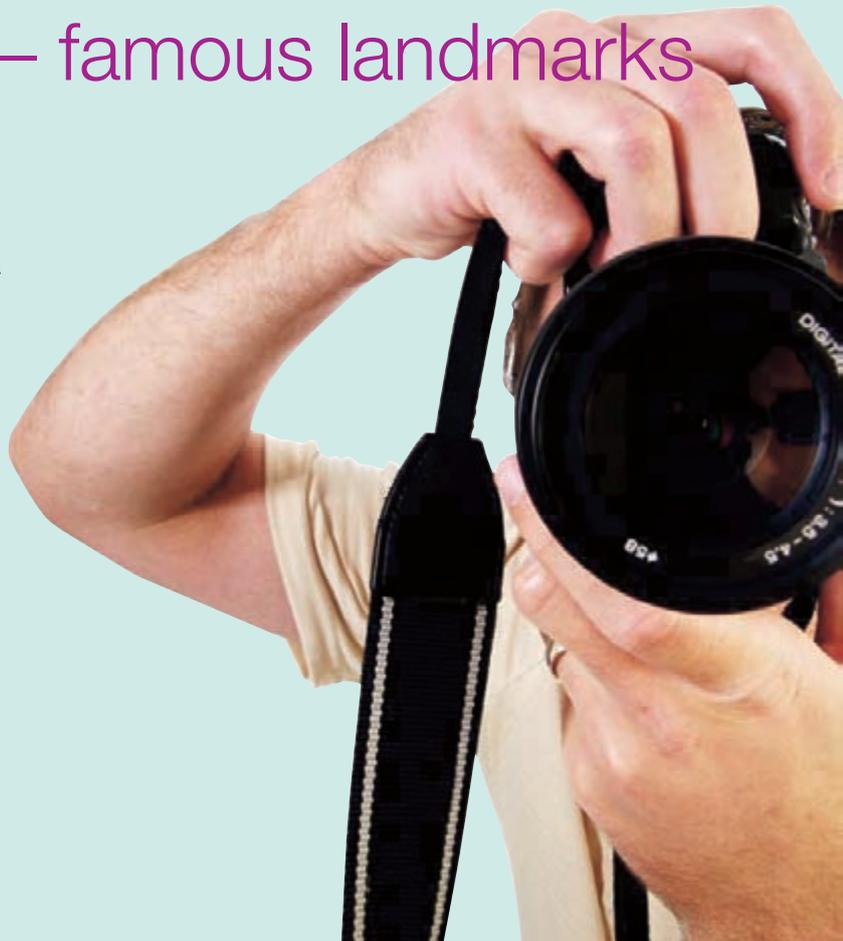
Your digital photo must not include people and you must have taken it yourself.

Please email your photo (in a JPG format) including your full name, address and contact telephone number to jo.wade@northyorks.gov.uk.

Only one photograph per person will be accepted and you must be a current member of the North Yorkshire Pension Fund.

All submissions to be made by 31 January 2010.

The winning photo will be published in the next edition of the Pensions Focus Newsletter



Useful telephone numbers

Karen Scott - Operations Manager (01609) 532340

Benefit enquiries		
Mike Barber	(01609)	532564
Suzanne Berry	(01609)	532567
Ashley Scutt	(01609)	535881
Eric Gullon	(01609)	535882
Sarah Smith	(01609)	532690
Marion McKone	(01609)	535880
Dorothy Wilson	(01609)	532249
Andrea Thompson	(01609)	533091
Sarah Scaife	(01609)	532691
Caroline Park	(01609)	532698
Ian Morton	(01609)	535878
Gill Felton/Julie Brown	(01609)	533075
Helen Raper	(01609)	533675

Annual benefit statements, roadshows, website and communication enquiries		
Joanne Wade	(01609)	532932
Jim Place	(01609)	532949
David Hood	(01609)	532566
Daniel O'Sullivan	(01609)	532948
Matt Sykes	(01609)	532911
Bev Wilkinson	(01609)	535876
Adam Harper	(01609)	532565
Heather Cashmore	(01609)	532824
Hannah Day	(01609)	534192

LGPS regulation enquiries		
Anna Binks	(01609)	535879
Amanda Jones	(01609)	532587

Opening Times

The phone lines at County Hall are staffed from 8.30am to 5.00pm (4.30pm on Fridays) although working flexi time you may catch us outside of those hours.

Remember to have your National Insurance Number to hand for identification purposes

Fax Number: (01609) 532961

Email: pensions@northyorks.gov.uk

All Additional Voluntary Contributions queries for the Prudential should be directed to their Pension Connection Service on 0845 6070077.



active

If you would like this information in another language or format such as Braille, large print or audio, please contact Jo Wade, Communications, Training and Support Team Leader:
Tel: 01609 532932 or by e-mail at jo.wade@northyorks.gov.uk



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