



**Norfolk Pension Fund**

## Employer Newsletter November 2022

### Welcome to our Employer Newsletter

In this edition we bring you up to date with the Triennial Valuation of the Fund, the results from which are used to set your contribution rates for the three years from 1 April 2023. I hope you find the information useful, but please remember the team are here to help you and can be contacted at our dedicated valuation email address at:

[valuation.2022@norfolk.gov.uk](mailto:valuation.2022@norfolk.gov.uk)

With the rise in the cost of living, you may find it a good time to remind your employees of the benefits of being in the LGPS. To help you do this in this issue you will find details on a range of resources available for your use. Plus, there's a reminder of the highlights of the LGPS and the 50/50 section of the scheme which may be of interest to members who are struggling financially at the moment.

Although it's not quite December, on behalf of the whole team, may we thank you for all your support during the year and take this opportunity to wish you a Merry Christmas and very best wishes for 2023.

Glenn Cossey  
Director of the Norfolk  
Pension Fund



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### Christmas Opening Hours

**Please note**, the Norfolk Pension Fund will close for the festive holiday period from 12.00pm midday on Friday 23 December 2022.

We will reopen at 8.45am on Tuesday 3 January 2023.

## Triennial Valuation

The **2022 Valuation** is now at the output and engagement stage.

All employers present in the Fund as at 31 March 2022 should now have received their valuation results and the associated consultation on the Funding Strategy Statement (FSS).

The FSS is formally reviewed every three years as part of the governance requirements around each valuation. The results, and consultation were provided as a single electronic mailing.

A separate mailing on the FSS only will be provided to employers that have joined since 1 April 2022 and contractors with pass through admission agreements with a fixed employer contribution rate. Employers in these categories will not have received a valuation results schedule.

The results schedules you have received provide you with your calculated employer contribution rates for the period 1 April 2023 to 31 March 2026, your current funding position and information on how that position has developed since the last valuation (31 March 2019) or your date of joining the Fund if later.

The Fund Actuary (Hymans Robertson) calculates the employer contribution rate appropriate to your individual circumstances, historic pension funding position and current membership.

This means that individual employers may have very different employer contribution rates. The approach taken to calculating these is set out in the FSS alongside policies on managing other funding aspects e.g. employer exits, ill-health risk management etc.

If you have any queries on the FSS or your results schedule, please send these to [valuation.2022@norfolk.gov.uk](mailto:valuation.2022@norfolk.gov.uk)

### Virtual meetings

#### Discuss your results with the Fund Actuary

You can arrange to have a short (30 minute) virtual meeting with the Fund Actuary on 8 December 2022 to discuss your own results in more detail.

Please contact

[laura.copeman@norfolk.gov.uk](mailto:laura.copeman@norfolk.gov.uk) to book your meeting.

We appreciate that some employers with more complex funding positions may require additional discussion and we will be pleased to arrange this as required.

### Employer Forum

#### An overview of the Valuation from the Fund Actuary

The Fund Actuary will be providing an overview of the Valuation at our hybrid Employer Forum event on Tuesday 29 November which is being held virtually via MS Teams and face-to-face in Norwich.

Generally, we find this is our best attended Forum during the three-year valuation cycle and we hope that it supports you in understanding your pension funding position and the financial health of the Fund.

Colleagues from Hymans Robertson and the Fund will be on-hand to discuss your results or any other aspect of your participation in the scheme as part of the meeting.

If you would like to come along, please contact [pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)

## Triennial Valuation

### Fund Level Results

There are many factors at play in any valuation but for the majority of employers, the past service funding position has improved.

The headline funding snapshot as at 31 March 2022 for the whole fund is a solvency position (the value of assets held versus the estimated current value of future liabilities) of 106% (99% at 31 March 2019).

This improvement equates to a surplus of £289 million (deficit £29 million at 31 March 2019). As those that have participated in a number of valuation cycles have seen, pension funding can be extremely volatile, but this is the first formal valuation since 2001 when the Fund has been able to report a small surplus.

That said, we would caution that this is always just a snapshot at a single point in time and since the valuation date we have seen considerable volatility in financial markets arising from geopolitical tension, heightened inflation concerns, concerns about recession and rising interest rates.

These factors have impacted on the value of our investment holdings and the valuation attributed to liabilities, which use some market-based assumptions.

Ultimately, these will all fall into the inter valuation experience when are talking about the results of the next valuation in autumn 2025 but it is always worth remembering that events in the outside world do directly impact upon the Fund.

The main factors driving the funding position improvement is stronger than expected investment returns since the last valuation.



At a whole Fund level these have more than offset the increase in short- to medium-term inflation expectations, which are a negative for the funding position.

The approach that we take recognises that any surplus or deficit is only a snapshot at a point in time. It is true to say that the results would have been different a couple of days before or a couple of days after the 31 March and they will be different again when we come to repeat the exercise at 31 March 2025.

This is why when the Fund Actuary sets employer contribution rates, they are establishing the amount required to secure long term funding over an appropriate timescale rather than how much money may be required to provide funding equilibrium at a now historic date.

In general, whilst funding positions have improved, some employers will have experienced upward pressure on employer contribution rates at the 2022 valuation.

The recent better than expected investment returns have fed through to higher funding levels and reduced costs to fund benefits accrued up to the valuation date (reflected in the Secondary Rate).

Cont...

## Triennial Valuation

### Fund Level Results cont...

However, increased inflation expectations at 2022 result in higher costs for benefits being earned in the future (which are reflected in the Primary Rate).

If your split of pension costs is weighted more towards future service benefits (particularly an issue where you participated in the Fund as a standalone employer for a relatively short timeframe), the upward pressure on Primary Rate more than offsets any reduction in Secondary Rate.

This commentary is in general terms, there will be variation between employers depending on each employer's membership and funding profile.

Employers that are working towards exit from the Fund will often see greater volatility in contribution rates than those who expect to be an ongoing participant.

The valuation will be subject to the external scrutiny of the Government Actuary's Department (GAD) who will be assessing and reporting on the valuation approach of all LGPS funds. This report is publicly available and provides genuine comparison between funds. GAD can ask a fund and its actuary to formally respond if they feel there is insufficient prudence in the funding approach adopted.

The Pensions Regulator (TPR) also retains a focus on the Local Government Pension Scheme.

### Funding vs accounting

If you receive IAS19 / FRS102 accounting disclosures, the key differences between funding and accounting valuation results are:

1. The purpose of the funding valuation is to assess the ongoing financial position of the Fund and to determine each participating employer's cash contribution rates for the following three-year period. Whereas the purpose of an employer's accounting valuation is to facilitate consistent comparison of pension positions between companies/entities. The accounting valuation results do not have an effect on the cash contributions that will be certified for an employer.
2. The funding valuation is carried out using a method and assumptions specific to each LGPS fund, whereas an accounting valuation



is carried out using a more standardised method to assumption setting which is prescribed by the accounting standard. An accounting valuation is not an appropriate mechanism for setting employer contribution rates.

3. Importantly, the method and assumptions underlying the funding and accounting calculations are different, so accounting calculations can (and generally do) produce significantly different results from the funding valuation calculations.

## Triennial Valuation

### Next steps

**We will be writing to you** in the New Year confirming your employer contribution payable for the three years from 1 April 2023 to 31 March 2026.

When you receive your Valuation results letter, please could you return the acknowledgement slip to us as soon as possible.

We are working to strict deadlines, so your assistance to keep us on schedule will be greatly appreciated!

The Fund Actuary will sign the final valuation report prior to the statutory deadline of 31 March

2023 including the certification of employer contribution rates.

The final report will be published on our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)

The consultation on the FSS closes on 31 January 2023. This is in response to requests across the LGPS to provide a longer period for comment than has been the case previously.

After consideration of any consultation responses received, the Pensions Committee will approve the final FSS at their March 2023 meeting.

In the meantime if you have an questions or need additional support, please do not hesitate to contact us at [valuation.2022@norfolk.gov.uk](mailto:valuation.2022@norfolk.gov.uk)

## Our approach to ESG investment

**Understandably there is considerable** interest in the investment portfolio, particularly in relation to our policy on ESG (Environmental, Social and Governance) matters. These funds are held solely to meet the pension promise made to our members.

As our investment policy is formally documented in several different policies, we have produced a 'Statement on Disinvestment/ Exclusion & ESG (Environmental, Social & Governance) Aspects of Investment Strategy' which brings together our approach to this area of investment in one document.

The statement covers four key areas:

- Purpose and Governance of the Fund
- Disinvestment and Exclusion
- Responsible Investment
- Climate Risk

The Statement is published on the 'Investment



and stewardship' page of our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) or please contact us to request a copy.

The whole of the LGPS (Local Government Pension Scheme) is currently subject to a consultation on the Governance & Reporting of Climate change risks. This will lead to enhanced reporting requirements for all LGPS funds from 2023-24 onwards. The Norfolk Pension Fund already provides climate risk reporting on its quoted equity portfolio. This is also available on the 'Investment and stewardship' page of our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)

# A reminder of LGPS benefits

The rising cost of living means many people are struggling to cope with everyday finances.

With money tight, some may be reconsidering their LGPS membership.

With these challenges, you may want to remind your employees of the benefits of their LGPS membership and, if they are struggling financially, there's the flexibility to reduce monthly contributions using the 50/50 option as an alternative to opting out of the scheme - please see pages 7 and 8 for more details.

To help you help your scheme members understand their pension, the Norfolk Pension Fund and the LGPS provide a range of resources with information on the Scheme.

A good starting point is to visit our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) and by reading the *A Brief Guide to the LGPS* booklet.

There's also a range of posters and short videos which you could use to promote LGPS to your employees.

## Posters

To help signpost members to the benefits of the LGPS, we provide a range of five posters as PDFs which you can print and display locally or use electronically via email or on your intranet site.

The posters are aimed at members, or potential members, at different stages of their working life and can be download at the links below.

## Approaching retirement?

**Approaching retirement?**

Our FREE one day Pre-Retirement Planning Course helps Norfolk Pension Fund scheme members who are nearing retirement prepare for life after work.

Delivered via Zoom, the Pre-Retirement Course covers...

- ✓ Your Local Government Pension Scheme (LGPS) with the Norfolk Pension Fund
- ✓ Creating a new future and managing change
- ✓ Investment and finance planning
- ✓ Ideas for leisure, sporting, and cultural activities
- ✓ Volunteering opportunities

To book your place, please call 01603 224114 or email [hr@norfolk.gov.uk](mailto:hr@norfolk.gov.uk)

Norfolk Pension Fund  
Delivering the Local Government Pension Scheme (LGPS)

## Keep in touch with your pension online

**Keep in touch with your pension online**

Register with Member Self-Service at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) to access your LGPS pension account online.

Register online to

- ✓ View your pension account benefits
- ✓ View your latest pension valuation
- ✓ View your Annual Benefit Statement
- ✓ Update your personal and address details
- ✓ Upload documents
- ✓ Contact us securely
- ✓ See what pension you could get with the Benefit Projectors

**Tip!** If you've moved home, you'll need to contact us before registering

Member Self-Service Helpline  
Call 01603 224114  
Email [pensions.mss@norfolk.gov.uk](mailto:pensions.mss@norfolk.gov.uk)

Questions about your benefits  
Call 01603 495923  
Email [pensions.admin@norfolk.gov.uk](mailto:pensions.admin@norfolk.gov.uk)  
Text [01603495923](sms:01603495923)  
Twitter [norfolk\\_lgps](https://twitter.com/norfolk_lgps)

Norfolk Pension Fund  
Delivering the Local Government Pension Scheme (LGPS)

## Thinking about your pension?

**Thinking about your pension?**

Your LGPS pension with the Norfolk Pension Fund provides benefits including...

- ✓ A secure pension payable for life for you and your dependants\*
- ✓ Death in Service lump sum payment
- ✓ Tax relief on your contributions
- ✓ Immediate pension if you are made redundant over age 55\*
- ✓ Ill health cover\*
- ✓ 50/50 option to pay half your normal contributions
- ✓ Employer contributions to your pension

Want to know more?  
[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)  
Call 01603 495923

Text [01603495923](sms:01603495923)  
Email [pensions.admin@norfolk.gov.uk](mailto:pensions.admin@norfolk.gov.uk)  
Twitter [norfolk\\_lgps](https://twitter.com/norfolk_lgps)  
Facebook [norfolkpensionfund](https://www.facebook.com/norfolkpensionfund)

Norfolk Pension Fund  
Delivering the Local Government Pension Scheme (LGPS)

\*Your pension will be tax protected

## Want to boost your pension?

**Want to boost your pension?**

Paying extra pension contributions is a tax efficient way to top-up your retirement income

- ✓ Buy a set amount of guaranteed extra annual pension income
- AND/OR
- ✓ Invest in an Additional Voluntary Contribution (AVC) plan to build up extra retirement savings
- ✓ Receive tax-relief on the additional contributions you pay

Find out more at  
[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)  
Call 01603 495923

Text [01603495923](sms:01603495923)  
Email [pensions.admin@norfolk.gov.uk](mailto:pensions.admin@norfolk.gov.uk)  
Twitter [norfolk\\_lgps](https://twitter.com/norfolk_lgps)  
Facebook [norfolkpensionfund](https://www.facebook.com/norfolkpensionfund)

Norfolk Pension Fund  
Delivering the Local Government Pension Scheme (LGPS)

## Planning your future?

**Planning your future?**

Ever wondered how your LGPS pension would change if you...

- ✓ Retired earlier or later?
- ✓ Took a larger tax-free lump sum?

Register online at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) to

- ✓ Use our Benefit Projectors
- ✓ See what you might get when you retire
- ✓ Update your personal details

**Tip!** If you've moved home, you'll need to contact us before registering

Contact us  
Call 01603 495923  
Email [pensions.mss@norfolk.gov.uk](mailto:pensions.mss@norfolk.gov.uk)  
Text [01603495923](sms:01603495923)  
Twitter [norfolk\\_lgps](https://twitter.com/norfolk_lgps)

Norfolk Pension Fund  
Delivering the Local Government Pension Scheme (LGPS)

## A reminder of LGPS benefits

### ***Pensions made simple* videos**

The LGPS provides a range *Pensions made simple* videos to help members learn more the options and benefits the Scheme offers.

#### **What is a pension?**

The importance of saving for later life, how you join the LGPS and your employer pays in too.

#### **How your pension works**

How pension accounts work and what happens if you leave the LGPS before you take your pension.

#### **Looking after your pension**

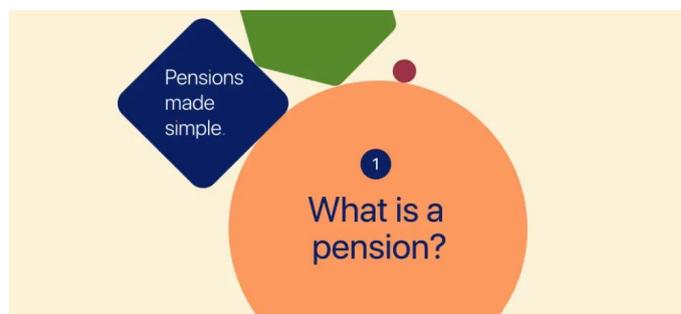
How much you pay and how you can increase or decrease your payments.

#### **Protection for you and your family**

How the LGPS looks after you and your loved ones by providing protection if you have to retire due to ill health and a range of death benefits.

#### **Life after work**

How and when you can take your pension and the decisions you will have to make.



#### **Your annual allowance**

Tax rules limit how much pension you can build up each year without having to pay a tax charge. This video explains how the annual allowance works.

#### **Your lifetime allowance**

Tax rules limit how much pension you can build up over your lifetime without having to pay a tax charge. This video explains how the lifetime allowance works.

#### **Transferring your pension**

What to consider if you are thinking about transferring your pension to a defined contribution scheme.

### **The LGPS is a valuable benefit**

The LGPS is one of the main public sector pension schemes and is considered to be one of the best in the country.

Membership provides a secure, regular **income in retirement linked to inflation**, along with other valuable benefits including:

- A **reliable pension for life** in retirement, based on membership and pay – not linked to the ups and downs of financial markets
- Option to take a **lump sum** on retirement
- A **pension for dependants** on death of the member
- **Valuable life cover** – if an active scheme member dies, their nominated beneficiary will receive a lump sum death grant based on 3 x member's assumed pensionable pay.

(If the member has either a separate deferred benefit or are receiving a pension in the LGPS when they die, this may impact on the death grant payable)

- A member may qualify for an **early pension** if they have to retire through ill health at any age or are made redundant after age 55

#### **Other LGPS benefits your employees get:**

- Your **employer contribution** into their pension is typically twice as much as they pay!
- They **may pay less tax** as their pension contributions are taken out of their pay before tax. For example, if they pay £100 a month into their pension, their tax is reduced by £20 a month (if they are paying tax at the basic 20% rate).

## A reminder of LGPS benefits

### 50/50 option for when money is tight

**When times are hard** and a member needs to pay less for a while, they could join the 50/50 section.

For any period spent in the 50/50 section the member pays half of their normal monthly contributions and build up half of their normal pension in return. They will still get the same level of life and ill-health cover as they would in the main section of the scheme.

Members can choose to move to the 50/50 section at any time and can switch between the main and 50/50 section as many times as they like - they just need to send an Option to switch between sections of the Scheme form to you.



The 50/50 section is designed to be a short-term solution, so you as their employer will always bring them back into the main section when:

- they choose to move back into the main section of the scheme
- It's the employer automatic enrolment anniversary date
- they get nil pay due to sickness or injury

## Member Self-Service

**Please remind your employees** that Member Self-Service (MSS) online portal offers a great way for them to view their pension details.

Member Self-Service can be used to :

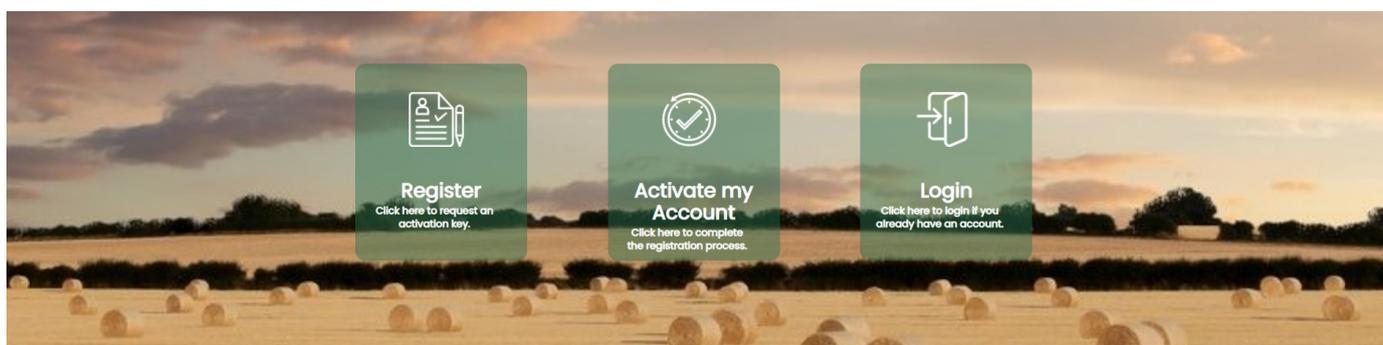
- View pension account benefits
- Amend personal details
- Update Death Grant nomination details
- Calculate pension benefits with the Benefit Projectors
- View the Annual Benefit Statement
- Upload documents and queries
- Contact us securely

The new service can be accessed from the homepage of our website at

[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) by clicking 'Member Self-Service' on the menu bar or on the 'Member Self-Service' icon.

For support, we have a dedicated Member Self-Service helpline on **01603 222132** and email address [pensions.mss@norfolk.gov.uk](mailto:pensions.mss@norfolk.gov.uk)

To help you promote Member Self Service to your employees, we have produced a 'Keep in touch with your pension online' PDF, which can be [downloaded here](#) to print or email.



## Be scam aware!

**The Pension Regulator (TPR)** expects there to be an increase in scam activity in relation to the rising cost of living.

Fraudulent activity can take many forms (texts, emails, phone calls, fake websites etc) and relate to pension transfers, insurance policies, high risk investments and crypto assets and currencies.

Scammers are sophisticated and opportunistic and target the vulnerable. Beware of investments or offers that appear to be too good to be true, as they are more than likely to be a scam.

Please protect yourself, and encourage your employees to protect themselves by:

- rejecting offers that come out of the blue
- beware of adverts on social media channels and paid for or sponsored adverts online

- use the FCA's (Financial Conduct Authority) Financial Services Register and Warning list to check who you are dealing with
- not click links or open emails from senders you don't know
- avoid being rushed or pressured into making a decision
- not give out personal details, bank account details, your address or information about your existing insurance policies, pensions or investments.

**If you suspect a scam, call  
Action Fraud straight away on  
0300 123 2040**

## The TPR Pledge

**The Norfolk Pension Fund** recently signed up to The Pension Regulator's (TPR) pledge in an effort to combat pension scams.

The Pledge means that we will combat pension scams by raising awareness, educating and protecting scheme members in a number of ways including:

- Regularly warning members about pension scams
- Encouraging members asking for cash drawdown to get impartial guidance from Pension Wise



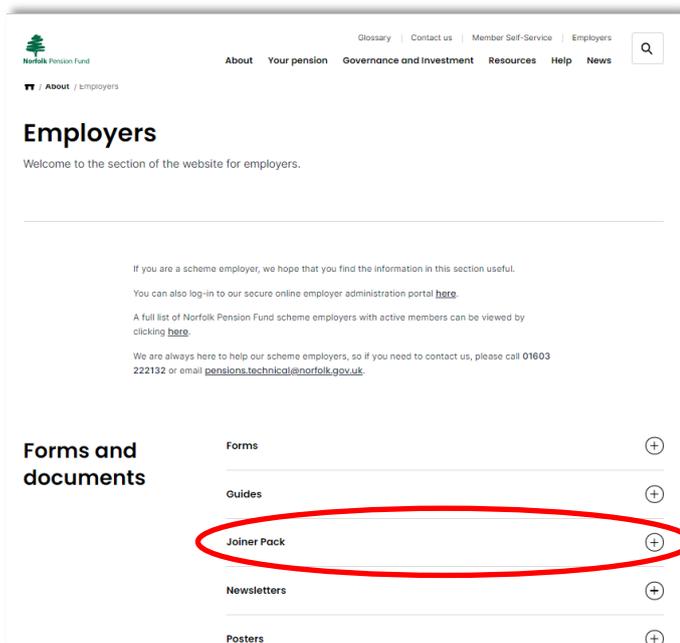
We self-certify that we follow the principles of the pledge to combat pension scams

- Getting to know the warning signs of a scam and best practice for transfers
- Using resources on the Financial Conduct Authority (FCA) ScamSmart website
- Reporting concerns about a scam to the authorities and communicating this to the scheme member

Please visit the [TPR website here](#) for more information.

## New Member Joiner Pack

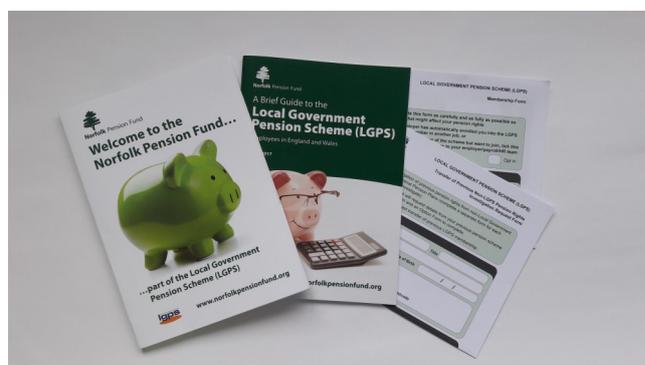
When you have a new employee, you can download PDFs of the joiner pack items for from the 'Employers' section of our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under 'Forms and documents/Joiner Pack'.



You can also download the documents by clicking on the item names below.

- [A Brief Guide to the LGPS](#)
- [Membership Form \(SR95\)](#)
- [Non LGPS Benefits Transfer-In Request \(SR96\)](#)
- [Death Grant Form \(SR81\)](#)

The forms can be completed electronically, so you can email a copy to the employee and submit the completed form via i-Connect.



## Staff transfers

**Just a reminder that** if you are considering options for reshaping and/or reorganising your service delivery, such as outsourcing, please let us know at the earliest stage of your planning.

What you are considering could have significant pension implications...

We can help you understand these and take account of them upfront, for example, considering what pension information you may need to include in tender documentation.



If you are considering making any changes to your service delivery, please contact **Alex Younger** at [alexander.younger@norfolk.gov.uk](mailto:alexander.younger@norfolk.gov.uk)

## Pre Retirement Course

If you have any employees within two years of retirement, they may benefit from the Pre-Retirement Course delivered by Norfolk County Council on our behalf.

The course, which is currently being held virtually over two half day sessions via Zoom, covers general LGPS scheme information, the process of retiring and information members should know before they leave work.

The course is free to all members of the Norfolk Pension Fund and the content includes:

- Creating a new future and managing change
- Investment and finance planning
- Ideas for leisure, sporting, and cultural activities
- Volunteering opportunities
- Information about the Local Government Pension Scheme



### Next Course Dates

- 16 & 23 January 2023 (two half days)
- 16 & 23 March 2023 (two half days)

**To book a place please contact**

**Norfolk Development Team**

**01603 224114**

[hrlid@norfolk.gov.uk](mailto:hrlid@norfolk.gov.uk)

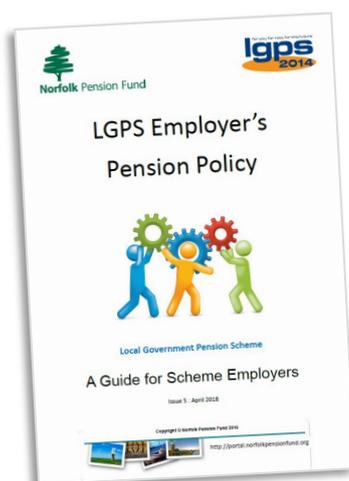
Norfolk County Council employees can book via myOracle Learn.

## Employer's Pension Policy and Internal Disputes

**Just a reminder of the importance** of keeping your Employer Pension Policy up to date.

Your Employer Pension Policy should be sent to [graham.trussell@norfolk.gov.uk](mailto:graham.trussell@norfolk.gov.uk) within one month of joining the scheme and as soon as possible after making any update.

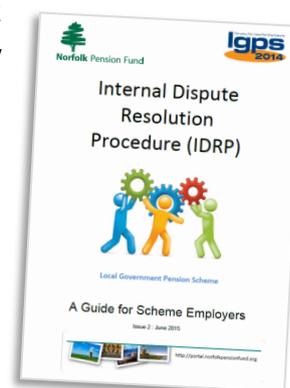
For more information, please see the [Employer Pensions Policy Guide \(G060\)](#) available on the Employers section of our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under 'Forms and documents/Guides'.



The Policy usually specifies the person that your employees should contact in the first instance of any dispute.

For more information about managing Internal Disputes, please refer to the [Employer IDRPs Guide \(G070\)](#) which can be found on the Employers section of our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under 'Forms and documents/Guides'.

There is also the [Scheme Member Guide to Disputes \(G071\)](#) available at [www.norfolkpensionfund.org/help/compliments-complaints-and-disputes/](http://www.norfolkpensionfund.org/help/compliments-complaints-and-disputes/)



## Contact Details

**Norfolk Pension Fund  
County Hall  
Martineau Lane  
Norwich  
NR1 2DH**

**Pensions Administration  
[pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)  
01603 495923**

**Investment, Accountancy and Actuarial Services  
[pensions.finance@norfolk.gov.uk](mailto:pensions.finance@norfolk.gov.uk)  
01603 222139**

**Online, Technical and i-Connect Queries  
[pensions.technical@norfolk.gov.uk](mailto:pensions.technical@norfolk.gov.uk)  
01603 222132**

**[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**



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