

NILGOSC NEWS 2024

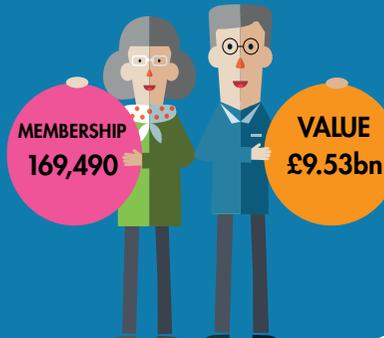


Welcome to the 2024 NILGOSC Annual Pensioners' Newsletter

Scheme membership has continued to grow to 169,490 members by March 2024, which includes 45,711 pensioners.

At 31 March 2023 the Fund was valued at £9.53 billion and grew throughout the year to reach £10 billion in December 2023.

This newsletter contains notes on your payslip and P60 and will answer many of the common questions that we get asked. We hope you enjoy reading it.



We recommend that you take this opportunity to:



Read the Dear Thomas section to view frequently asked questions

SEE PAGE 10



Register with My NILGOSC Pension Online

SEE PAGE 14

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Pension Payment Dates

This table shows the dates your pension will be paid each month.

*Please note early payment of pension in December.



Timetable

Date	Day
2024	
30/04/2024	Tuesday
31/05/2024	Friday
28/06/2024	Friday
31/07/2024	Wednesday
30/08/2024	Friday
30/09/2024	Monday
31/10/2024	Thursday
29/11/2024	Friday
20/12/2024*	Friday
2025	
31/01/2025	Friday
28/02/2025	Friday
31/03/2025	Monday

News

Your Payroll Team

In October 2023 Thomas McHenry took up the position of Payroll Manager. He is no stranger to the role having worked in the payroll team for 13 years. He leads a team of seven staff, who ensure your pension is paid on time each month as well as providing a first-class service to our pensioners. Thomas has put together a list of frequently asked questions on page 10 which you may find helpful. However, if you would rather speak to the team directly they are always on hand to help and can be contacted on 0345 3197 326.



Double Celebrations

NILGOSC has been recognised by the pensions industry at the 2023 LAPF Investments Awards, winning both the Scheme Administration and the Sustainable Investment Strategy (Climate) awards. The LAPF Investments Awards ceremony took place in London on 14 September and was hosted by Dan Walker.

David Murphy, Chief Executive of NILGOSC, thanked all the staff for their contribution to this success, stating “everyone in NILGOSC, whatever the team, has contributed to this success... These awards reflect the excellent reputation we already have, and of course the hard work we all are doing on a daily basis. Thank you all”.



McCloud Judgment Update

When the Government changed public service pension schemes in 2015 and moved from a final salary to a career average pension scheme, older members were protected from the changes. It was later found in the Judges' and Firefighters' pension schemes that the protections in those schemes were age discriminatory as these changes did not apply to younger members. As a result, changes have been made to the Scheme to make the protections fair to members who were both in the Scheme before 1 April 2012 and have membership of the 2015 Scheme up to 31 March 2022.

Members who qualify for protection don't need to claim it - if the changes apply to you, your pension will be adjusted automatically and we will advise you of any changes. We will do this as soon as we can, but reviewing all the pensions in payment will take some time. We will only write to you if the new rules mean your pension will increase or if we need further information to establish if the protections apply to you.

Your pension will not be reduced because of these changes. Most members are unlikely to see an increase to their pension and where an increase is applied, it is likely to be small. For more information visit our website

<https://nilgosc.org.uk/pensioners/help-and-support/the-mccloud-remedy/>.



Coping with the Rising Cost of Living

The price of everyday essentials is going up. You've probably noticed it at the supermarket and in your monthly bills. Inflation and interest rate rises mean that your money might not stretch as far as it used to. The good news however is that each year your pension increases in line with the Consumer Prices Index (CPI), which for this year will be 6.7%.

If you're looking for help with money but don't know where to start, the NI Direct website provides information and advice on the cost of living <https://www.nidirect.gov.uk/campaigns/cost-living>. There is a section for older people which includes information on lone pensioner allowance, free bus travel and concessions, pension credit, attendance allowance, help with rates, health and support and free TV licences.

There are billions of pounds' worth of benefits that are left unclaimed each year¹. Make sure you are getting everything you are entitled to by checking the NI Direct benefits calculator www.nidirect.gov.uk/services/benefits-calculator.

It is important to look after your wellbeing, and the Age NI website (<https://www.ageuk.org.uk/northern-ireland/>) has lots of information on eating well, getting exercise and keeping well at home. They also offer a weekly telephone service for over 60's called 'Check In and Chat'. This service will give you an opportunity for a chat, and allow Age NI to check on your well-being, and to signpost you to other agencies for additional support if necessary.



Your Pension

Your Payslip and P60 End of Year Certificate

Your April payslip and P60 will be available on My NILGOSC Pension Online from 30 April 2024 for those pensioners who have chosen to receive their communications online. We will send you an email to let you know when it has been uploaded. Having an electronic copy means instant access and it can be printed off at home in the official format. Paper copies are still available, and these will be posted by 30 April 2024 to those pensioners that have chosen post or not advised us of their communication preference. You will only receive a paper payslip in April of each year or if the pension payment changes by £5 or more. If you have specifically requested paper payslips in the past, these will continue to be posted to you. More information on general communication preferences can be found on page 15.

Your April payslip shows your annual and monthly pension rates for last year and your new rate after the pension increase has been applied.

NILGOSC receives many queries from pensioners about their tax codes. Unfortunately, we are unable to explain why HM Revenue & Customs (HMRC) has set or amended your tax code. These queries should be directed to HMRC. It can be contacted on **0300 200 3300** or **0044 135 535 9022** if you live overseas. Remember to quote your National Insurance number and our Tax District Reference number which is 916/G82576.



Contact HMRC

Call: 0300 200 3300

Call from Overseas: 0044 135 535 9022

Your Pension Increase this Year

Each year your pension increases in line with the Consumer Prices Index (CPI). CPI is adjusted each year by the Office for National Statistics. NILGOSC is pleased to announce that this year's increase is 6.7%. As the new rate is only applied from 8 April 2024, April's pension includes a mix of the old and new pay rates. Your May 2024 payment will include the full increase for the whole month. The monthly rate will then remain the same for the rest of the year, assuming your annual rate of pension and tax code do not change.

For members who reached State Pension Age before 6 April 2016 and were paying into the NILGOSC scheme before 5 April 1997, part of the 6.7% increase is paid by NILGOSC, the rest is paid through the State Pension.

If you only retired part way through the year, you will get part of the year's pension increase. No increase is paid if you retired after 23 March 2024.

The pension increases are shown in the table below.

Date of Retirement	Increase
Before 23-Apr-23	6.7%
24-Apr-23 to 23-May-23	6.14%
24-May-23 to 23-Jun-23	5.58%
24-Jun-23 to 23-Jul-23	5.03%
24-Jul-23 to 23-Aug-23	4.47%
24-Aug-23 to 23-Sep-23	3.91%
24-Sep-23 to 23-Oct-23	3.35%
24-Oct-23 to 23-Nov-23	2.79%
24-Nov-23 to 23-Dec-23	2.23%
24-Dec-23 to 23-Jan-24	1.68%
24-Jan-24 to 23-Feb-24	1.12%
24-Feb-24 to 23-Mar-24	0.56%



Dear Thomas...

Thomas McHenry, Payroll Manager, answers your pension questions.



Why do I pay tax on my NILGOSC pension and not on my State Pension?

Your NILGOSC pension is subject to tax, just like any other type of income. You have a personal allowance of £12,570 for the 2024/25 tax year. This means that you can have a total income of £12,570 in the tax year before you must pay tax. The maximum new state pension you can receive in 2024/25 is £10,600 a year. If your only income is from the state pension, you won't pay any tax. However, if you have income from other sources that takes you over the allowance, you will pay tax on everything above that figure.

Here's an example - Mary receives the full new state pension of £10,600 a year and has an annual NILGOSC pension of £8,000 a year. Her total income for the year is £18,600. After her annual allowance of £12,570, this leaves £6,030 of her NILGOSC pension that will be subject to tax.

I was expecting a 6.7% increase to my monthly pension payment - why can't I see this?

The increase of 6.7% has been applied to your pension before any tax is deducted. The Government has put a freeze on the income tax thresholds until April 2028, which ultimately means you are now liable to pay more tax as your tax-free personal allowance has not increased.



My annual pension is less than £1,500, can I receive it as a one-off payment?

It is usually possible to take a small annual pension of approximately £1,500 or less as a one-off lump sum payment. This means you would have no further pension payments from NILGOSC and the lump sum that is payable would be taxed. The rules around small lump sum payments are complicated so it is best you contact the payroll team using any of the methods on the back page if you are interested in this option.



What is the easiest way to manage my pension?

One of the things you can do to make it easier to manage your pension is to register for our online portal - **My NILGOSC Pension Online**. This means you can keep track of your monthly pension, update your personal information and view important documents such as your monthly payslips and P60 details. Further details can be found on page 14.

How do I inform you of a change of bank account?

You can update your bank details using **My NILGOSC Pension Online** or in writing by post or email. If you update us in writing we need to verify your signature, so please ensure that you have signed the letter. Unfortunately, we cannot accept bank changes over the telephone. Please let us know three weeks before your next payday so we don't try to make the payment to your old bank account.

Do I need to inform you if I change my address?

It is important to let us know if you change address, because if we get undelivered mail returned to us your pension will be stopped.

You can update your address through your **My NILGOSC Pension Online** account or you can contact the payroll team by phone, email, or post using the details on the back page.

How do I nominate someone for my Death Grant?

If you die after retiring on pension, your loved ones may receive a payment, known as a Death Grant. You can let us know who you would like to receive the Death Grant using your **My NILGOSC Pension Online** account. You can also download the Expression of Wish form from the Pensioners' section of our website www.nilgosc.org.uk/pensioners/keep-us-updated and post it to us. For more information visit our website www.nilgosc.org.uk/pensioners/death-benefits.

Power of Attorney

We have some pensioners who need help from relatives or friends with their financial affairs. There may come a time when you will need someone to do this for you. To enable us to follow their instructions about a change of address or bank details, we require evidence of either:

- a power of attorney/enduring power of attorney, or
- a Court of Protection order. (It can take months to obtain this and it can be costly, so it may be preferable to have an enduring power of attorney in place.)



A solicitor can provide advice and the Office of Care and Protection can give general guidance. The Department of Justice website provides some useful information including how to contact the Office of Care and Protection at:

<https://www.justice-ni.gov.uk/articles/information-enduring-powers-attorney-epa>

Survivors' Benefits

While many of us don't want to think about dying, it may give you peace of mind to know that a pension could be paid to your spouse, civil partner, eligible cohabiting partner and eligible children.

If you die after retiring on pension, your next-of-kin or person dealing with your estate must inform us immediately.

Before any benefits are paid out we will check the eligibility of the claim. In the case of a spouse or civil partner all we require is the marriage or partnership certificate and a copy of the spouse or civil partner's birth certificate.

In the case of a cohabiting partner, it will be necessary to prove that you were living together and that the eligibility criteria have been met. We recommend that if you are co-habiting with a partner, you jointly consider how you will demonstrate financial interdependency and have taken steps to ensure you have evidence in place. For more information on the criteria for cohabiting partners visit our website:

www.nilgosc.org.uk/pensioners/death-benefits/cohabiting-partners-pensions.

The amount of pension payable to an eligible child depends on how many children there are and whether a survivor's pension is also being paid to a spouse, civil partner or eligible cohabiting partner.

For more information visit our website:
www.nilgosc.org.uk/pensioners/death-benefits/childrens-pensions/



My NILGOSC Pension Online

Why not join over 11,600 pensioners who are already using this service? We know that having access to your pension details when needed is important to you, so it's important to us. It's simple and secure and allows you to instantly view and update your information – wherever and whenever.

How do I Register?

It's easy, all you need is an internet connection and computer, tablet or smartphone. Get online in three simple steps:

1. Visit www.nilgosc.org.uk and click on 'Register' at the top of the page.
2. You will need your National Insurance number and your email address to request an Activation Key.
3. Once you have the Activation Key you can complete the registration by creating your username, password and security response.

If you would like more support when registering you can view a registration video and a detailed registration guide on our website www.nilgosc.org.uk/members/joining-the-scheme/my-nilgosc-pension-online/#register

What can I do?

As a pensioner member you can:

- View and update your personal information, contact details and bank details
- Make or alter your Expression of Wish - Death Grant nomination, so your family are taken care of should anything happen to you
- View details about your pension
- Update your communication preferences
- View and print payslips and P60s
- Upload documents directly to NILGOSC



Payslips and P60s

If you received your P60 and April payslip by post this year but would like all future payslips and P60s available to view and download online, this can be set up through your My NILGOSC Pension Online account.

Just log in (or register if you haven't already done so) and update your payroll communications preference in the 'Payroll' section by clicking on the Communication Preferences option.

There is no need to contact us if you currently get your payslip and P60 by post and want this to continue. NILGOSC will continue to post a payslip and P60 to your home address each April.



General Communications

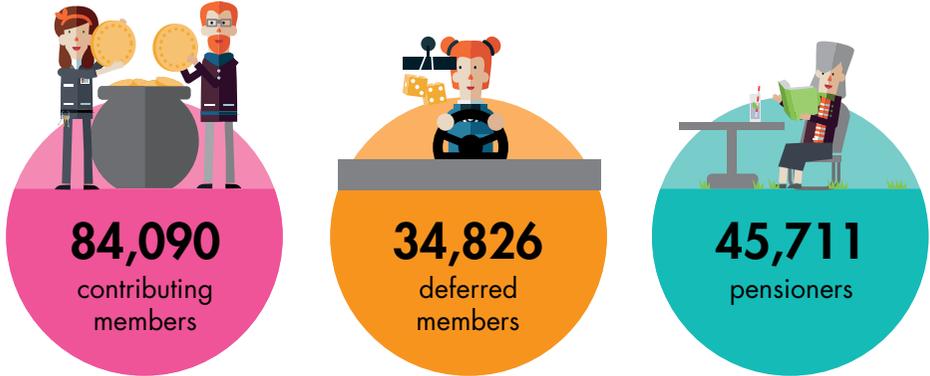
If you would like to receive general communications such as this yearly newsletter electronically you can tell us in the following four ways:

- register your preference on our website at www.nilgosc.org.uk/contact/communication-preferences;
- via My NILGOSC Pension Online - you can choose your communication preference under the 'My Details' section by clicking on the Edit button at the bottom of the page;
- email the team at payroll@nilgosc.org.uk; or
- write to us or telephone our office on 0345 3197 326

Please note that your general communications preferences are held separately from your payroll preferences which means that you can decide to still have a paper copy of your newsletter and an electronic copy of your P60 and payslips.

Review of The Year 2023/24

The last year has been a busy one for NILGOSC with membership increasing to 169,490 members by 31 March. At that time the Scheme had:



Plus 3,635 unclaimed refunds and 1,228 pensions pending.

We pay **45,711** pensioners every month

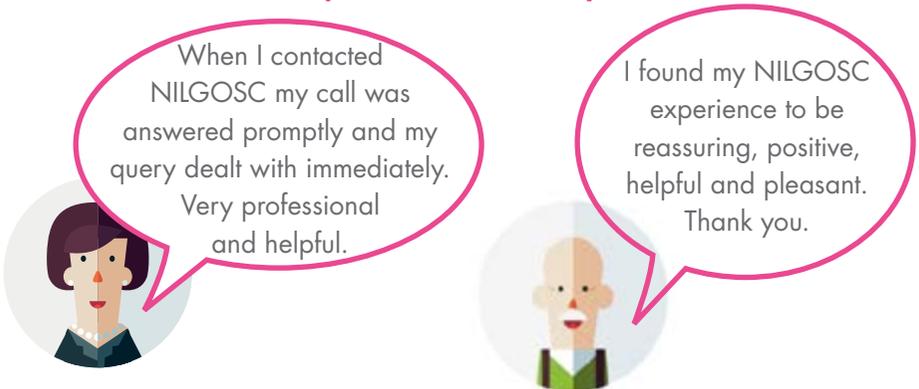
Total pensions of over **£231 million** were paid during 2023/24

Pensions were increased in April 2024 by 6.7%. In the previous year, April 2023, a 10.1% increase applied

Satisfaction Survey

96.5% of pensioners rate customer satisfaction as good or excellent.

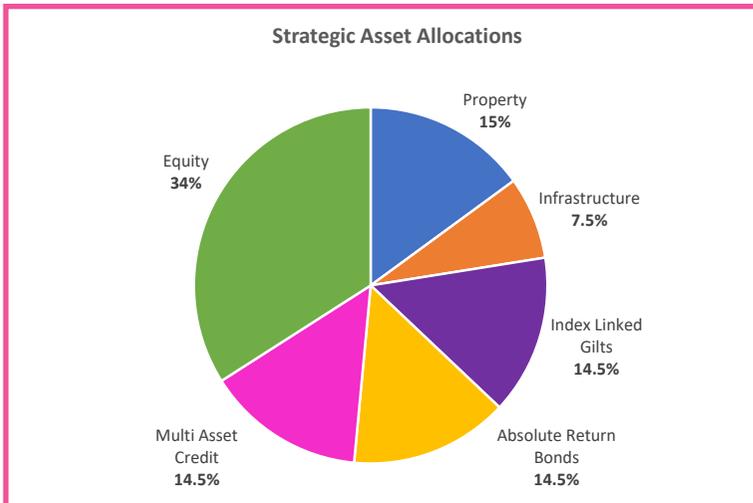
Here's what some of our pensioners had to say...



How we Invest

The Fund value grew over the year, although performance against benchmark was disappointing (because the benchmark includes inflation, which has remained high over the past couple of years). The Fund commenced the financial year at £9.53 billion and ended December 2023 at £10 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. The fund also reduces risk by investing across a variety of different asset classes: including equities, fixed income, property and infrastructure. The pie chart below shows the high-level target allocations for each of the asset classes; although within each asset class, multiple separate strategies are used to diversify further. For example, under the banner of a 15% allocation to property, NILGOSC invests in: UK property; global property; index-linked leases; and the private rental sector.



With a longer-term approach in mind, NILGOSC sets a target for investment returns it expects from the Fund over a three and five year period. Since 1 January 2022, the investment return target for the Fund has been the Consumer Price Index (CPI) + 3%.

Investment Performance

The Consumer Price Index (CPI) measures the average change in price for a basket of goods and services over time, and therefore incorporates inflation growth. As expected, given continued high levels of inflation, in addition to high interest rates, and sporadic market volatility the Fund underperformed its investment target of CPI +3% during 2023. Total investment returns to 31 December 2023 are shown below, alongside the relevant target for that period (CPI + 3%):

	3 Years	5 Years
NILGOSC	0.1%	6.0%
CPI + 3.0%	9.8%	7.6%

For many investors, 2023 proved to be a challenging year of high interest rates, continued high inflation worldwide and ongoing global turmoil. In this context of seismic geopolitical shifts, supply chain challenges, food and energy security concerns, and the climate transition; businesses and economies globally experienced another year of difficulty and slower growth. Over the longer term, performance is expected to move closer to the target as inflation moves back towards historical norms.

NILGOSC continues to work with its investment consultant and the investment managers to monitor fund performance and assess if steps need to be taken to address specific underperformance. NILGOSC's last triennial review of its investment strategy was undertaken in 2021 to ensure it remained appropriate from both a risk and return perspective. In order to align the Fund with its target asset allocation, work has been carried out over the last year, including the appointment of a new global equity manager and a new global property manager. The 2024 triennial investment strategy review has now commenced, and any actions which come out of the review will be implemented over the coming years.

For further details on how the NILGOSC Fund is invested and its performance, please refer to the NILGOSC website:

www.nilgosc.org.uk/pension-fund

Being a Responsible Investor

NILGOSC takes its responsibilities as a global investor seriously and strongly believes that environmental, social and governance (ESG) issues affect the long-term performance of investments. Such issues should therefore be taken into account when managing investments, subject to the overriding legal duty to maximise the financial return for pension scheme members and beneficiaries.

We do this in a number of ways:

- We instruct our investment managers to include ESG considerations in their decision-making process, provided the primary financial obligation is not compromised;
- We exercise our right to vote at all company meetings in which we can;
- Our managers are instructed to engage, on NILGOSC's behalf, with companies whose ESG policies and disclosures fall short of acceptable standards;
- We work with like-minded investors across the globe to help influence governments, policy makers and corporations; and
- We only appoint investment managers and consultants who can demonstrate that they have the necessary ESG capabilities.



During the year, NILGOSC compiled and submitted its second Stewardship Report to the Financial Reporting Council (FRC). We were pleased to have continued to meet the expected standard of reporting, demonstrating continued efforts and improvements in the stewardship of the Fund's assets, and successfully remaining a signatory to the UK Stewardship Code. NILGOSC's next report, covering the period to 30 June 2023, will be submitted to the FRC in May 2024.

Climate Risk

Although there are many important ESG factors to consider, the changing climate arguably presents the biggest long-term, systematic risk to the value and security of pension scheme investments.

Climate change will have a significant impact on the global economy, corporations and society, whether through direct physical impacts, tighter regulations or reputational damage suffered by those who fail to adequately address the risks posed.

NILGOSC believes that active engagement is the most effective way to bring about change, both at a policy level and in respect of individual investments. NILGOSC does not exclude investment in, nor divest from, particular industries on ESG grounds alone, but instead aims to be an active investor bringing about change from within.

All active investment managers are required to include climate risk considerations in their decision-making process, provided the primary financial obligation is not compromised. Where climate change produces a financial risk for a particular investment, NILGOSC expects this to be a fundamental part of the investment decision-making process and we challenge such decisions accordingly.

NILGOSC also makes investments that are designed to follow an index, without such active decision making. To incorporate the consideration of climate risk into that portion of the Fund, at

the beginning of 2022 the £2.8 billion passive equity holding was transferred to the Legal & General Low Carbon Transition Fund, which follows an index aimed to reduce exposure to carbon emissions over time.

Other initiatives undertaken over the year to address climate risk include:

- Supporting a number of collaborative initiatives alongside like-minded global investors, including the CDP's: 2023 Non-Disclosure Campaign; 2023 Climate Change, Forests and Water programmes; and their 2023 Science Based Targets Campaign; as well as endorsing the Principles for Responsible Investment's (PRI) Spring initiative;
- Signing both: a joint letter from IIGCC, PRI and UKSIF to UK PM Rishi Sunak urging the UK government not to lower climate ambitions; and an IIGCC facilitated letter to the EU Commission on preserving the EU Taxonomy's sustainable purpose; and
- Voluntarily publishing our third Taskforce on Climate-related Financial Disclosures (TCFD) aligned report. This report sets out the steps NILGOSC is taking to manage climate risk within its investment process.

If you are interested in our responsible investment activities, further details can be found on our website at www.nilgosc.org.uk/pension-fund/being-a-responsible-investor



Data Sharing and Accessibility



Data Protection

NILGOSC is a data controller under 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/about-us/data-protection or contact our Governance Manager at governance@nilgosc.org.uk. If you would like a hard copy, please contact us using the details on the back cover.

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.

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/about-us/equality-scheme-reports 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



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NILGOSC

NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS'
SUPERANNUATION COMMITTEE

