

# Bexley Pensions

2008-09

## Welcome to the latest edition of 'Bexley Pensions'

Once again this annual newsletter brings you a variety of information relating to your pension and London Borough of Bexley's Pension Fund.

Inside this newsletter you will find a report on the performance of the Fund over the last year and longer term performance figures which give a clearer view of the health of the Fund. You will also find details of the latest regulations changes which may affect you.

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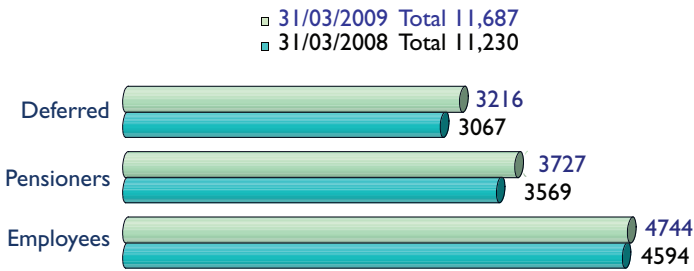
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*(please quote your employee number)*



LONDON BOROUGH OF  
**BEXLEY**

## Scheme membership

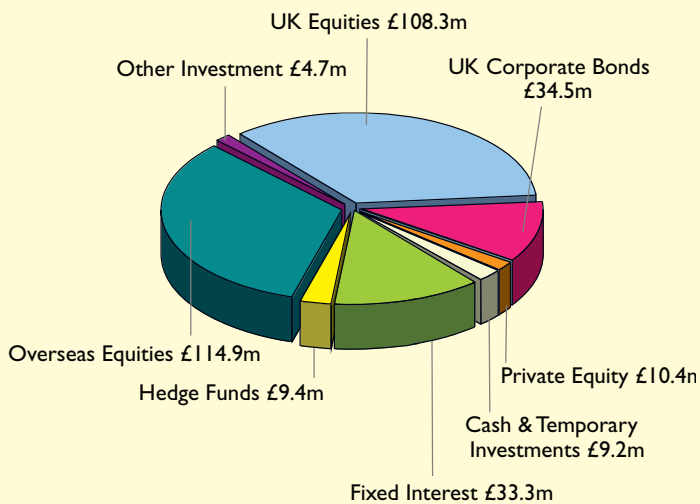


Bexley's Pension Fund has continued to grow over the past year with membership rising from 11,230 to 11,687.

## Where the money is invested

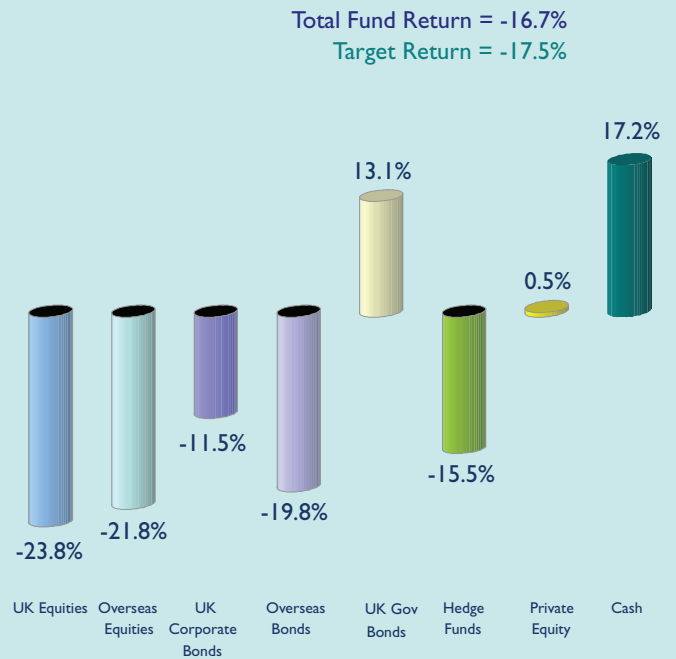
The chart shows the allocation of assets as at 31st March 2009. The allocation is recommended by an investment specialist by means of an asset liability study which is completed every three years. The fund managers must then invest within a set range of the recommended allocations.

Deviation from the set asset allocation and also stock selection is where the managers can add value and beat the target return.



## Strategic investing

### Investment Sector Returns 2008/09



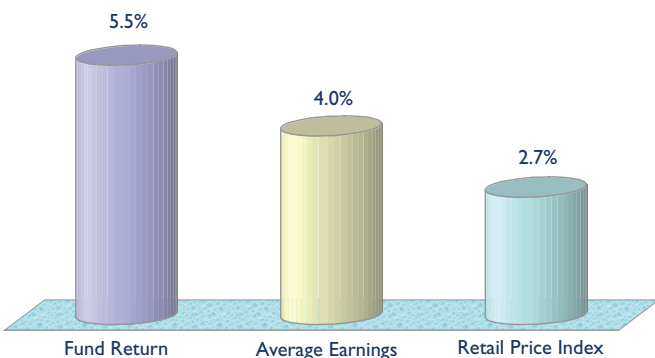
This graph shows that, in the past year, UK Government bonds have performed well for Bexley's Fund. The returns from most other sectors however were negative which is indicative of the current economic cycle.

This year the total fund, which is under the management of Newton, UBS, Partners and RMF returned -16.7% against the target return of -17.5% which although negative does show that as a whole our Fund has performed better than the markets in which it was invested.

Bexley's Pension Fund did better than many other funds, achieving 14th position out of a large sample of 87 Local Authority funds.

## A long-term look at investment returns

### Annualised 15 Year Comparison



This past year Bexley suffered a negative return of -16.7% although this was a relative outperformance of the benchmark by 1.0%. Investments will invariably suffer some lows and benefit from some highs but over the long-term we hope to see these fluctuations average out to a healthy positive return.

Over the last 15 years the fund return is equivalent to an annual return of 5.5%. This compares favourably with both the average earnings index and the retail price index.

#### Annualised Return %

	15 yrs	10 yrs	5 yrs
Fund Return	5.5	3.0	3.1
Target	5.4	1.9	3.1
Outperformance	0.1	1.1	0.0

The pension fund has outperformed the target over 15 and 10 year periods and is equal over the 5 year period.

## How the fund was used in 2008/09

During the year the fund received £33.4m in income. The main sources of which were the income from assets and contributions from both employees and employers.

From this income, £19.0m was needed to cover the payment of pensions, lump sums and death benefits. After other costs were met the balance was held for investment.



### Pension Fund Annual Report 2008/09

This year's Annual Report, is available to all on request. It provides a more detailed review of the fund including long term performance and economic background. It also has information on accounting policies and pension benefits, and includes all the fund's principles and statements.

### Statement of Investment Principles

The Statement of Investment Principles (SIP) is included in the Pension Fund Annual Report 2008/09.

The aim of the SIP is to provide a clear and comprehensive pension fund policy statement. The statement is required to cover 10 main principles set out by the Government.

### Funding Strategy Statement

Bexley's Funding Strategy Statement (FSS) was updated by the Pensions Committee in February 2008. The FSS is designed by the Government to create higher standards of transparency, better levels of accountability and more effective oversight and scrutiny arrangements in the Local Government Pension Schemes (LGPS).

The production of the FSS involved consultation with admitted and scheduled bodies to the scheme and external advice from the Fund's actuary and investment advisor. Copies of the FSS have been distributed to the admitted and scheduled bodies and are also available to the public.

### Communications Policy and Governance Compliance Statements

The Local Government Pension Scheme Regulations 2005 require administering authorities to prepare, publish and maintain a policy statement setting out their communication strategy for communicating with scheme members, scheme members' representatives, prospective scheme members and their employing authorities.

2007 Regulations also require a similar statement on governance. Governance is the leadership, direction and control of organisations to ensure they achieve their aims and objectives. In public service organisations particularly these processes need to be clear and open to scrutiny.

If you would like a copy of any of the publications on this page please contact

Terry Pearce on 020 8298 0123 or email [terry.pearce@bexley.gov.uk](mailto:terry.pearce@bexley.gov.uk)

## The Scheme

As part of a general review of public sector pension schemes, the Government introduced changes to the Local Government Pension Scheme (LGPS) for employees in England and Wales from 1st April 2008. The current Scheme will apply only to continuous active members of the Scheme and new joiners from 1st April 2008. For members who left the Scheme before 1st April 2008, their rights at their point of departure from the Scheme will continue to apply.

### *Your Contribution and Lump Sum Payments*

Active members of the Scheme have seen a change in the rate of contributions they pay into the fund. From 1st April 2008 the contribution rate varies from member to member depending upon their pay. For scheme membership built up after 31st March 2008 pension benefits increase at a more generous 1/60th of final years pay and instead of an automatic lump sum members can choose, if they wish, to exchange part of that annual pension for some tax-free lump sum.

### *Co-habiting Partner Benefits*

The Scheme also introduced the provision for a dependant's pension to be paid to a nominated, co-habiting partner. This option applies only to those who are or were active members of the LGPS on or after 1 April 2008, and is not available to deferred or pensioner members who left before that date. Members who are neither married, nor in a civil partnership, but for at least two years have been living with a partner as if they were, are generally now able to nominate their partner to receive "survivor benefits". To claim benefits the partner should be able to provide acceptable and adequate evidence of financial dependence or interdependence when required.

### *For more information on Benefits*

For more Scheme details or to obtain a co-habiting partner nomination form contact the Bexley Pensions Team (contact details below) or visit the Bexley pensions website [www.yourpension.org.uk/bexley](http://www.yourpension.org.uk/bexley).

### *For more information on Investments*

If you would like to know more about the Pension Fund's investment performance or have any comments about this newsletter please contact Terry Pearce on 020 8298 0123 or e-mail [terry.pearce@bexley.gov.uk](mailto:terry.pearce@bexley.gov.uk)

## Contacts

*If you have any questions about the Scheme, including the calculation and administration of benefits please contact:*

*The Bexley Team  
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020 7369 6247*

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Website: [www.yourpension.org.uk/bexley](http://www.yourpension.org.uk/bexley)*

*(please quote your National Insurance number)*

Don't forget the website!

The Bexley Pension website includes a wide range of information about pension scheme benefits, fund and investment details, news items and publications, and has a secure area where members can access their personal pension details. [www.yourpension.org.uk/bexley](http://www.yourpension.org.uk/bexley)

If you would like to know more about the services the Council provides, or would like either a translation of this document or the information in a different format, please call our Customer Contact Centre on 020 8303 7777 and press 0, quoting reference: 600072/7.09

