

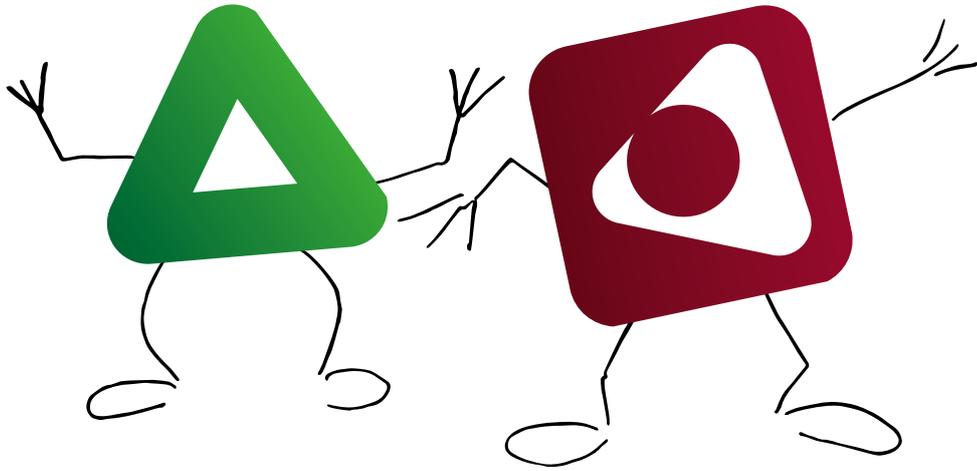
Your Pension

For **Deferred and Retired** members of the Jersey
Teachers Superannuation Fund



Contents

- Your pension increase 2
- Future pension pay dates 2
- The Public Employees Pension Team..... 4
- Your benefit administration 5
- The Management Board 6
- Tax and your pension 8
- Your Social Security Pension..... 9
- The Pension fund in numbers 10
- Frequently asked Questions 11
- The accounts explained 13
- Fund account for the year ending 31 December 2017 13
- The investments explained 14
- Assets Under Management 16
- Investment Strategy..... 17
- Keeping in touch..... 18
- Contact details and further information 18
- General Data Protection Regulation information 19



Your pension Increase

3.6% paid in 2018

A pension increase of 3.6% was paid in 2018 which was in line with the December 2018 increase in the Jersey Retail Prices Index ("Jersey RPI"). The aim of the scheme is to increase your pension in payment by the Jersey RPI so that it keeps its value over time. However, the annual increase to your pension is dependant on investment returns and there being enough funding in the scheme for an increase to be affordable.

Your pension has kept pace with the increase the price of goods and services but future pension increases are not guaranteed.

Your Scheme

During the year the Fund increased in value by £49.0 million to £533.6 million (2016: £484.6 million) at the end of the year. The Fund's investments returned 12.5% over the year and outperformed its benchmark by 3.5%.

The majority of the Fund's assets are managed within the operational control of the States of Jersey Common Investment Fund (CIF). This enables the Fund to achieve a broad diversification in terms of investment managers and asset classes. The Management Board maintains decision-making responsibility for the strategic asset allocation of the Fund, which determines the proportion of Fund assets invested in equities, bonds and property. This is the most important investment decision that the Board makes because it has the biggest impact on the long term returns of the Fund. During the year the Management Board has increased its strategic allocation to alternatives from 20% to 25% and reduced its strategic allocation to property from 20% to 15%.

During the year the Public Employees Pension Team (PEPT) completed 88% of administrative tasks within 5 working days. Throughout the year correspondence was electronically scanned and workflow management used to process member correspondence.

Future pension pay dates

We will pay pensions monthly on the following dates

> 31 July 2018 > 28 Sept 2018 > 30 Nov 2018 > 31 Jan 2019 > 29 Mar 2019 > 31 May 2019
> 31 Aug 2018 > 31 Oct 2018 > 21 Dec 2018 > 28 Feb 2019 > 30 April 2019 > 28 June 2019

2016 Actuarial Valuation

The Fund undergoes an actuarial valuation every 3 years. The last valuation, conducted by the Fund Actuary as at 31 December 2016, was published in February 2018. At the valuation date the funding level was 106.3% and had a surplus of £35.1million.

The Fund Actuary determined that the Fund had a funding level (the relationship between estimated future pension payments and the funds held to pay for those pensions) of 106.3%. The Fund had a surplus of £35.1 million which meant that the Fund was able to continue increasing pensions in line with the full annual increase in line with the Jersey Retail Price Index (RPI).

The 2016 Actuarial Valuation was completed on the basis that agreement will be obtained with the States for the repayment of the Pension Increase Debt. This debt was established in 2007 when changes to the Fund meant responsibility for paying pension increases transferred from the States revenue budget to the Fund. Since 2007 this liability has been shown on the States balance sheet

and the States have been making repayments towards this debt via the employer contribution rate. Of the employer contribution rate of 16.4% of pensionable pay, 5.6% (£3.1 million in 2017) is paid towards the Pension Increase Debt.

The Fund Actuary confirmed that after 5.6% of the employer contribution rate is used to repay the Pension Increase Debt, the employer is paying 10.8% of pensionable pay towards the funding of fund benefits. The Fund Actuary identified that as at the valuation date this was insufficient to fund the benefits being promised, and that there was a shortfall of contribution rate equivalent to 3.1% of pensionable salaries. Whilst the Fund had a surplus as at the 31 December 2016 this is expected to be eliminated over time.



The Public Employees Pension Team

In December 2017 we went through a rebranding exercise.

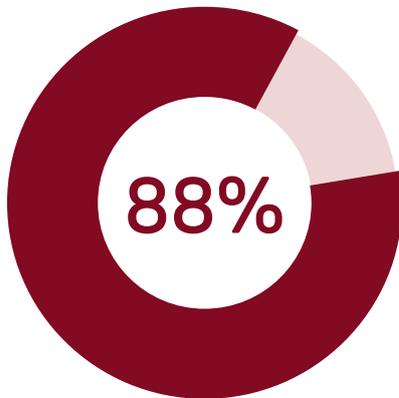
The Dedicated Pensions Unit is now called the Public Employees Pension Team (PEPT). We have also changed the email address for contacting the Pension Team which is now PEPT@gov.je. We have also created a new logo for the Jersey Teachers Superannuation Fund.



Your benefit administration

Your benefits in the Jersey Teachers Superannuation Fund are administered by the Public Employees Pension Team.

Scheme Administration



of administration tasks completed within 5 days

Pension Paid



30 to pensioners living in different countries

Benefit Statements

1,184

annual benefit statements provided to Scheme Members

Pension Payments

12,444

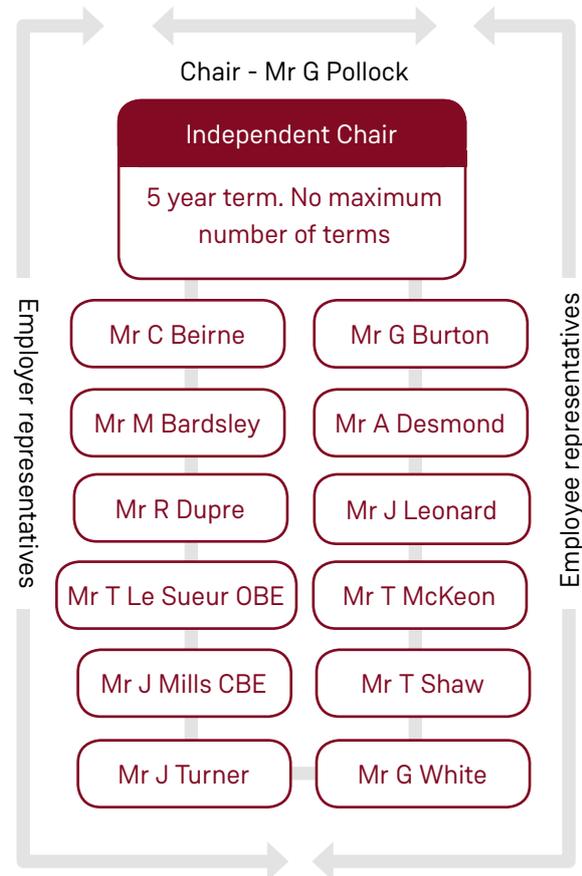
pension payments made

If you wish to find out more about the Jersey Teachers Superannuation Fund a range of booklets and forms are available to scheme members on our website www.gov.je/yourpension.

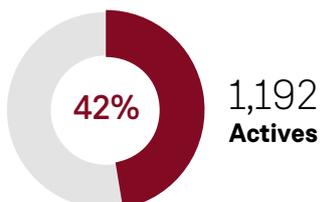
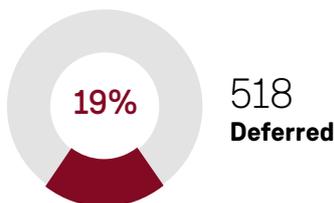
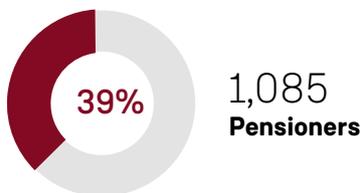
The Management Board

The employee representatives are nominated for appointment by the relevant teacher's representative bodies.

The employer representatives appointments are advertised through the local media.



Scheme Membership Management



2,795

total members
in the JTFSF



Tax and your pension

Thinking about retiring?

When you retire there are two big issues you need to think about; you will no longer be paying your income tax on a monthly basis through ITIS and you will receive a tax assessment based on the previous year when you were in full employment i.e. you will be obliged to pay a comparatively large tax liability out of a much reduced income.

Once you retire you can choose to set up a direct debit mandate to spread payment of your tax liability evenly over a year. The Taxes

Office recommends however that you try, if your circumstances allow, to enhance your effective rate in the years before you retire to get to the position of paying tax on a current year basis (by the time you do reach retirement) if you are not already doing so.

More information is available on the www.gov.je website under Taxes and your Money / Income Tax / Individuals' Tax Information.

What would the Tax year look like for you?

January

If you meet the qualification criteria you will receive details in the post of your Social Security pension from the Social Security Department. This means you no longer need to calculate your weekly / monthly pension for the previous year.

February

In mid-February you will receive a payment on account notice. This is based on 50% of your previous year's tax liability plus your long term care charge. If your circumstances have changed or you don't agree with the amount of tax we are asking you for you can appeal this notice for payment from the taxes office.

April

Your payment on account must be paid by 6pm on the last Friday in April. The easiest way to pay is online at www.gov.je/pages/payonline.aspx

May

If you complete your own tax return it must be returned to the Taxes Office by no later than 6pm on the last Friday in May. If you miss this deadline you will have to pay a £250 penalty. You can appeal this penalty in writing but you must specify the grounds of the appeal.

July

If you have a professional tax agent or accountant completing your return on your behalf your tax return must be returned to the Taxes Office by no later than 6pm on the last Friday in July. If you miss this deadline you will have to pay a £250 penalty. You can appeal this penalty in writing and again you must specify the grounds of the appeal.

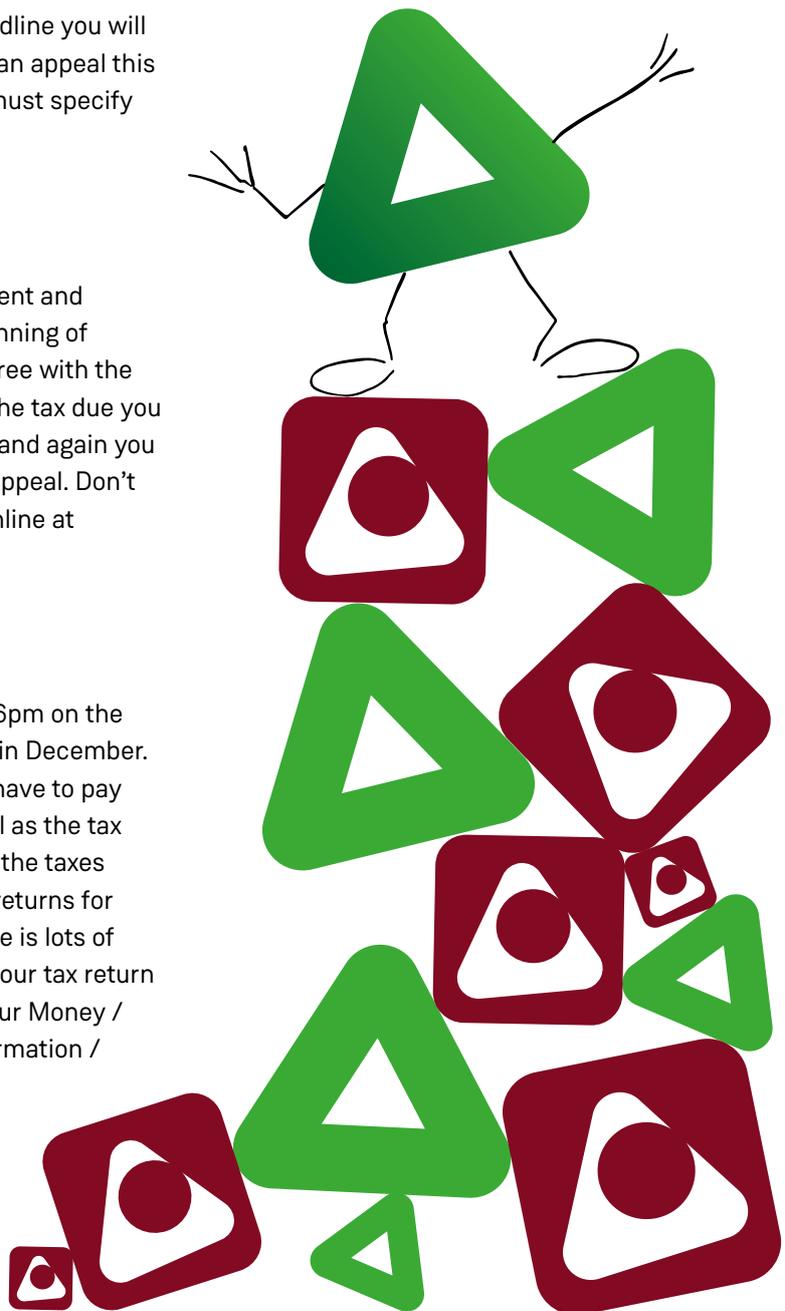
October

You will receive your tax assessment and long term care charge at the beginning of October each year. If you don't agree with the assessment of your income and the tax due you have 40 days to appeal in writing and again you must specify the grounds of the appeal. Don't forget the easiest way to pay is online at www.gov.je/pages/payonline.aspx

December

The latest date to pay your tax is 6pm on the Friday following the first Monday in December. If you miss this deadline you will have to pay 10% of the outstanding tax as well as the tax you owe. At the end of December the taxes office will be sending out the tax returns for you to complete. Don't forget there is lots of information on how to complete your tax return at www.gov.je under Taxes and your Money / Income Tax / Individuals' Tax Information / Your personal income tax return.

Produced by the Tax Office.



Your Social Security Pension

If you have a deferred pension and you are considering retiring your retirement income may come from a variety of sources and the pension you receive from the Jersey Teachers Superannuation Fund may be just one of those income streams.

One of your other sources of retirement income may be the Jersey Social Security pension, although you do not have to be retired in order to claim the Social Security pension.

The Social Security pension is a weekly benefit normally paid when you reach pension age. However, you can claim a pension earlier than this at a reduced rate.

The Social Security pension age is changing for people born after 1st January 1955.

DATE OF BIRTH	SOCIAL SECURITY PENSION AGE
1 Jan 1955 to 31 Oct 1955	65 years and 2 months
1 Nov 1955 to 31 Aug 1956	65 years and 4 months
1 Sep 1956 to 30 Jun 1957	65 years and 6 months
1 Jul 1957 to 30 Apr 1958	65 years and 8 months
1 May 1958 to 28 Feb 1959	65 years and 10 months
1 Mar 1959 to 31 Dec 1959	66 years
1 Jan 1960 to 31 Oct 1960	66 years and 2 months
1 Nov 1960 to 31 Aug 1961	66 years and 4 months
1 Sept 1961 to 30 Jun 1962	66 years and 6 months
1 Jul 1962 to 30 Apr 1963	66 years and 8 months
1 May 1963 to 29 Feb 1964	66 years and 10 months
1 Mar 1964 onwards	67 years

Find out more

Find out more Information on the how your Social Security pension works including the qualifying criteria can be found at: www.gov.je/Pensions

Find a lost pension

The Pension Tracing Service offers a free tracing service of UK based workplace pension schemes. If you feel you may have an entitlement to a pension from a former employer but have lost track of the pension scheme you may wish to contact the Pension Tracing Service at: www.gov.uk/find-lost-pension

Frequently asked questions

Deferred Members

1. What is a deferred pension?

If you leave the Pension Fund before being eligible to receive payment of your benefits, the benefits you have built up to the date of leaving will become preserved until you are eligible to take payment of them. Whilst your benefits are in a deferred status they will receive an annual pension increase.

2. When will my pension be paid out?

Your pension will be paid out on the first pay date following your date of retirement. If you retire in the middle of a month then your pension may be paid in that month, if you are paid in the month that you retire your payment will be pro-rated to take account of it being paid for only part of a month.

3. Will I hear from you regarding my pension options- i.e. taking a lower pension and a lump sum or taking the higher pension?

We will contact you regarding your pension options within 6 months of the earliest date at which you can receive your deferred pension unreduced. For members of the Existing Members Order this will be from age 60 and for members of the New Members Order this will be age 65.

4. Can I transfer my pension out at a later date?

You can transfer your deferred pension to any another pension provider at as long as the scheme you are transferring to is approved by the Comptroller of Taxes.

5. Can I convert my deferred benefits into a one off pension lump sum?

There are specific criteria to meet in order to convert your deferred benefit into a lump sum.

- You have to be under the age of 60.
- The total value of your deferred benefit has to be under £18,000 (this is not the same as the annual pension amount, the figure of £18,000 is calculated in the same way as if you were to transfer out the pension to another scheme).
- Your deferred benefits cannot be made up in part by a transfer in.

Please Note: There is a limit on the overall amount of pension benefits that you can commute into a small pension lump sum in your lifetime. This limit is set at £50,000 under the Income Tax (Jersey) Law 1961. This means that you can receive multiple lump sums up to an overall value of £50,000 in your lifetime.

Also, any small pension lump sum that is paid out will be paid as an income and will not be subject to a deduction of tax on payment. This means that you have to report the payment of the lump sum as an income on your annual tax return to the Jersey Taxes Office.

6. Will my spouse / civil partner be entitled to a pension?

If you married your spouse or entered a civil partnership before you reached your normal retirement age they will be eligible for a benefit in the event of your death.

Pensioner Members

1. What date does my pension get paid?

Your pension is paid in the last banking day of every month. See page 2 for payment dates.

2. What happens if I get married or enter a civil partnership in my retirement?

If you marry or enter a civil partnership after you have reached your Normal Retirement Age your spouse or partner will not receive any benefits from the scheme in the event of your death.

3. When is the pension increase applied and how much will it be?

The pension increase is applied from the 1st January each year and is generally paid in January or February each year. The pension increase is taken from the December RPI of the previous year, in 2018 the pension increase was 3.6%.

4. If I die how much does my spouse or civil partner receive?

For Pensioners who were members under the Existing Members Orders – If you die in service and you have not remarried after retirement, your spouse will receive a pension based on the following: if you are male $\frac{1}{2}$ of your pension calculated using your pensionable service from 01 April 1972 only and if you are female $\frac{1}{2}$ of your pension calculated using your pensionable service from 6 April 1988 only.

For Pensioners who were members under the New Members Orders – If you die in service and you have not remarried after retirement, your spouse will receive $\frac{1}{2}$ of your pension and the calculation

of the survivor pension will disregard any lump sum taken at the point of retirement.

5. Can my pension be paid into someone else's account?

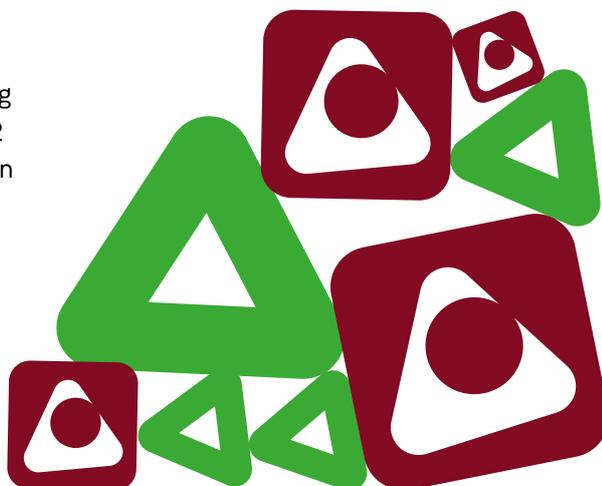
No, we can only pay a pension into the member's account.

6. What is a dependents pension?

A dependant is a person who has to satisfy the Management Board that they were:

- financially dependent on you for the provision of all or most of the ordinary necessities of life, or
- in a mutually dependent financial relationship with you, or
- dependent on you because of a physical or mental impairment.

In the case of a dependant, it would be at the discretion of the Management Board to be satisfied that a survivor was dependent on you for the provision of all or most of the ordinary necessities of life at the date of death.



The accounts explained

Fund account for the year ending 31 December 2017

	DEALINGS WITH MEMBERS	Notes	2017 (£,000)	2016 (£,000)
PAYMENTS IN	Employer Contributions		9,111	9,116
	Employee Contributions		3,108	3,129
	Total Contributions		12,219	12,245
	Transfers In		-	886
	Total Payments In		12,219	13,131
PAYMENTS OUT	Benefits		(21,337)	(20,337)
	Payments to and on account of leavers		(51)	(42)
	Transfers Out		(1,768)	(48)
	Administrative Expenses	(1)	(568)	(517)
	Total Payments Out		(23,724)	(20,944)
Net withdrawals from dealing with members			(11,505)	(7,813)
NET RETURNS ON INVESTMENTS				
	Investment administrative expenses	(2)	(81)	(84)
	* CIF expenses included in the calculation of the NAV	(2)	(4,174)	(2,427)
	* Change in Market Value of Investments (CIF)		63,553	65,093
	Change in Market Value of CIF Investments	(3)	59,379	62,666
	Net returns on investments		59,928	62,582
	Net increase in the Fund's assets during the year		48,959	54,769
	Opening net assets		484,591	429,822
	Closing Net Assets		533,350	484,591

Notes

1. The cost of administering the Scheme including legal, actuarial and audit Fees.
2. Investment management, investment advisory and custodian costs for managing the schemes investments.
3. This includes the income from assets held as well as changes in market value of the units held within the Common Investment Fund.

Find out more

The Fund publishes an Annual Report that provides further information on the accounts and the Fund activity during the year. The Annual Report can be found at: www.gov.je/yourpension.

The investments explained

Overview

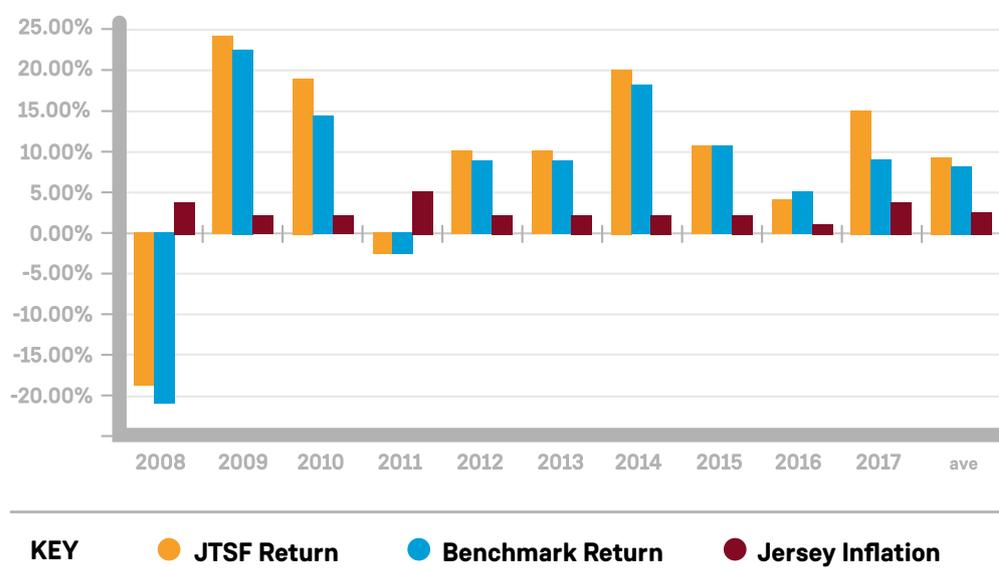
During the year the Fund increased in value by £49.0 million to £533.6 million (2016: £484.6 million) at the end of the year. The Fund's investments returned 12.5% over the year and outperformed its benchmark by 3.5%. The Fund performance was largely due to equity markets performing strongly throughout the year.

The majority of the Fund's assets are managed within the operational control of the States of Jersey Common Investment Fund (CIF). This enables the Fund to achieve a broad diversification in terms of investment managers and asset classes. The Management Board maintains decision-making responsibility for the strategic asset allocation of the Fund, which determines the proportion of Fund assets invested in equities, bonds and property.



This is the most important investment decision that the Board makes because it has the biggest impact on the long term returns of the Fund. During the year the Management Board has increased its strategic allocation to alternatives from 20% to 25% and reduced its strategic allocation to property from 20% to 15%.

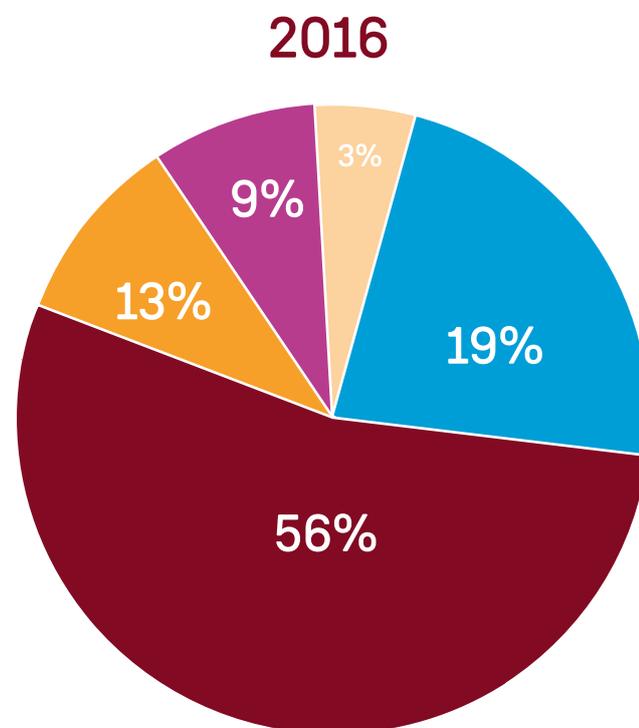
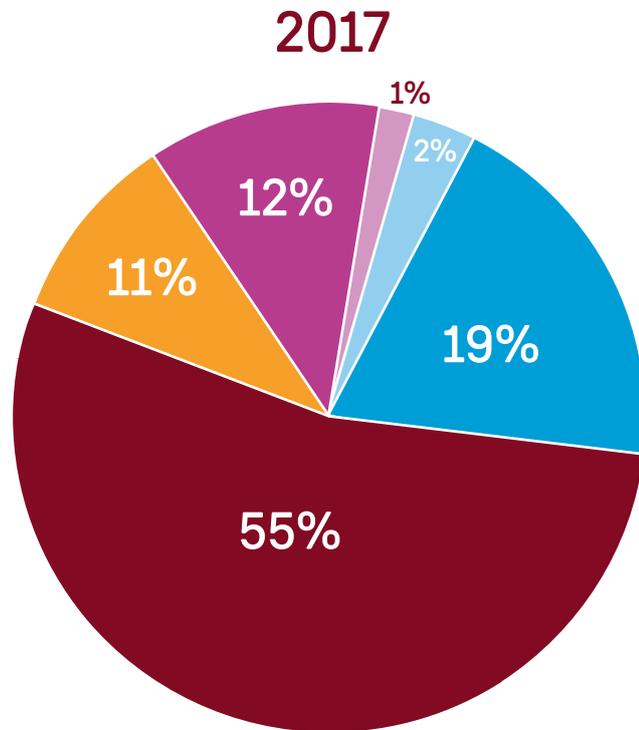
The following graph shows the overall fund investment returns compared with the benchmark for the 10 years from 2008 to 2017. Over that whole period the Fund's investments achieved a return of 9.4% per annum against a benchmark of 8.0% per annum. Jersey RPI over the same period was 2.5% per annum meaning that the Fund's investments have achieved a real rate of return above Jersey RPI of 6.9% per annum.



Assets Under Management

As at 31 December 2017 the Fund's assets under management, split between 28 investment managers, had a market value of £533.2 million (2016: £482.6 million). At the total Fund level the assets are diversified across different investment managers, investment styles and asset classes. The Fund was invested in the following asset categories.

- Property
- Active Equity
- Passive Equity
- Cash <0.1%
- Hedge Fund
- Absolute Return Bonds
- Opportunity pool



Investment Strategy

The Management Board develops the long-term investment strategy with the advice of its investment consultant, Aon Hewitt. The table below sets out the current investment strategy in terms of long-run asset allocation. The Fund is underweight in alternatives due to the time it takes to invest in these asset classes with these positions currently being built. The Statement of Investment Principles sets out in more detail the governing decisions about investments for the Fund this can be found on the Fund website at www.gov.je/yourpension.

ASSET CLASS	ALLOCATION (%)	RANGE (%)
Return Seeking Assets		
Developed Market Equities	45	40-50
Emerging Market Equities	5	3-7
Illiquid Alternatives	10	0-15
Diversifying Assets		
Bonds/Cash	10	5-15
Property	15	0-22
Hedge Funds	15	10-20

During the year the Management Board reviewed its strategic asset allocation and as a result the following changes were implemented:

- The Fund's strategic allocation to property was reduced from 20% to 15% with a corresponding increase allocation to alternatives (20% to 25%).
- A specific allocation to emerging markets, of 5%, was introduced to the Fund's equity allocation.
- Initial investments were made in the opportunity pool with the aim of investing in non-traditional asset classes which exploit the illiquidity premium and provided returns uncorrelated to equities.
- Antin, GreenOak and Basalt were appointed as investment managers in the opportunity pool to enable the Fund to move towards its strategic asset allocation.

Keeping in touch

Please remember to keep in contact with us if you move house, change your bank details or have any personal detail changes. This enables us to keep you updated about changes that may impact on your benefits and will allow us to continue paying your pension.

Forms are available on our website
www.gov.je/yourpension

Not everyone wants to think about what would happen in the event of their death. However, to ensure your pension matters are dealt with promptly you can make sure that whoever is going to look after your affairs in the event of your death knows you have a pension in the Jersey Teachers Superannuation Fund and have our contact details.

They can contact us know by phone on 01534 (4)40227 or by email on pept@gov.je. That way we can put into place as quickly as possible any benefits that may arise – for example, a pension for your spouse or child.

Help us save money

We are now providing much more pension information electronically. It is much more cost effective for the Scheme to provide information via e-mail. If you would like to help us save money so that more of the Fund can be used to pay benefits please provide us with your e-mail address. You can do this by e-mailing us at pept@gov.je or completing the change of address form available on our website www.gov.je/yourpension

Data Sharing and the UK National Fraud Initiative

The Jersey Teachers Superannuation Fund shares member information with other States Departments and participates in the UK National Fraud Initiative. As well as protecting the Scheme by picking up cases of fraudulent Being part of the UK National Fraud Initiative means we share information on UK resident members with UK public bodies such as the Department for Work and Pensions, in order to prevent and detect fraud. All data is be dealt with in line with the relevant legislation and best practice guidance.

Contact Details and Further Information

Rules are contained in the applicable legislation and, where there is any difference between that legislation and the information in this publication, the legislation will prevail.

For more information on any aspect of Jersey Teachers Superannuation Fund please refer to our website **www.gov.je/yourpension**

You may wish to email us at **pept@gov.je**
Alternatively, call us on (01534) 440227

If you wish to write to us or come in and see the team our address is as follows:

Public Employees Pension Team
States Treasury and Exchequer
Cyril Le Marquand House
P.O. Box 353
St. Helier
Jersey, JE4 8UL

We are available from 8:30 to 17:00,
Monday to Friday.

General Data Protection Regulation Information

As a 'controller' under the Data Protection (Jersey) Law 2018 we process and hold your information in order to provide public services and meet our statutory obligations. We may not be able to provide you with a service unless we have enough information or your permission to use that information. Below, we explain what we collect; how we will use your information; and what your rights are.

We have collected your personal details (name; address, contact details; and DOB) and we do this in order to carry out the service you have requested; to monitor and improve our performance; to ensure that we meet our legal obligations; to prevent and detect crime; to process financial transactions including grants or payment of benefits; to allow the statistical analysis of data so we can plan the provision of services; and where necessary, for our law enforcement functions; or to protect individuals from harm or injury.

We will endeavour to keep your information accurate and up to date and not keep it for longer than is necessary. Please see our published retention schedules for more detail about how long we retain your information. We will not pass any personal data on to anyone outside of the States of Jersey, other than those who either process information on our behalf, or because of a legal requirement, and we will only do so, where possible, after we have ensured that sufficient steps have been taken by the recipient to protect your personal data. We do not process your information overseas using web services that are hosted outside the European Economic Area. At no time will your information be passed to organisations for marketing or sales purposes or for any commercial use without your prior express consent.

You can ask us: to stop processing your information; to correct or amend your information; for a copy of the information we hold about you. You can also: request that the processing of your personal data is restricted; and withdraw your consent to the processing of your information.

You can complain to us about the way your information is being used by contacting us at dataprotection2018@gov.je alternatively you can complain to the Information Commissioner by emailing enquiries@dataci.org.



Public Employees Pensions Team

States Treasury and Exchequer
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T: (01534) 440227

www.gov.je/yourpension