



YOUR PENSION

For Active members of the Jersey Teachers' Superannuation Fund

ISSUE 2 — AUTUMN 2017

Contents

| | |
|---|----|
| Your Scheme | 3 |
| Your benefit administration | 4 |
| The current Management Board | 5 |
| Tax and your pension | 6 |
| Your Social Security Pension | 7 |
| Your Pension Life Cycle | 8 |
| JTSF in numbers | 9 |
| Purchasing Additional Pension | 10 |
| Benefit Statements | 10 |
| Transfer in | 10 |
| Changes to the Pension Scheme | 11 |
| Frequently asked questions | 12 |
| The accounts explained | 13 |
| The investments explained | 14 |
| Keeping in touch | 15 |
| Contact Details and Further Information | 15 |

Your Scheme

Over the past year changes have been made to allow more freedom with regard to benefits on leaving, to remove age restrictions and to simplify the process for purchasing of additional pension. The changes are explained later in the newsletter.

During 2016 the Fund achieved a return on its investments of 14.8% meaning that the fund had a value of £484.6m up by nearly £55m from 2015.

During the year the Dedicated Pensions Unit (DPU) completed 94% of administrative tasks within 5 working days. Throughout the year correspondence was electronically scanned and workflow management used to process member correspondence.

Your benefit administration

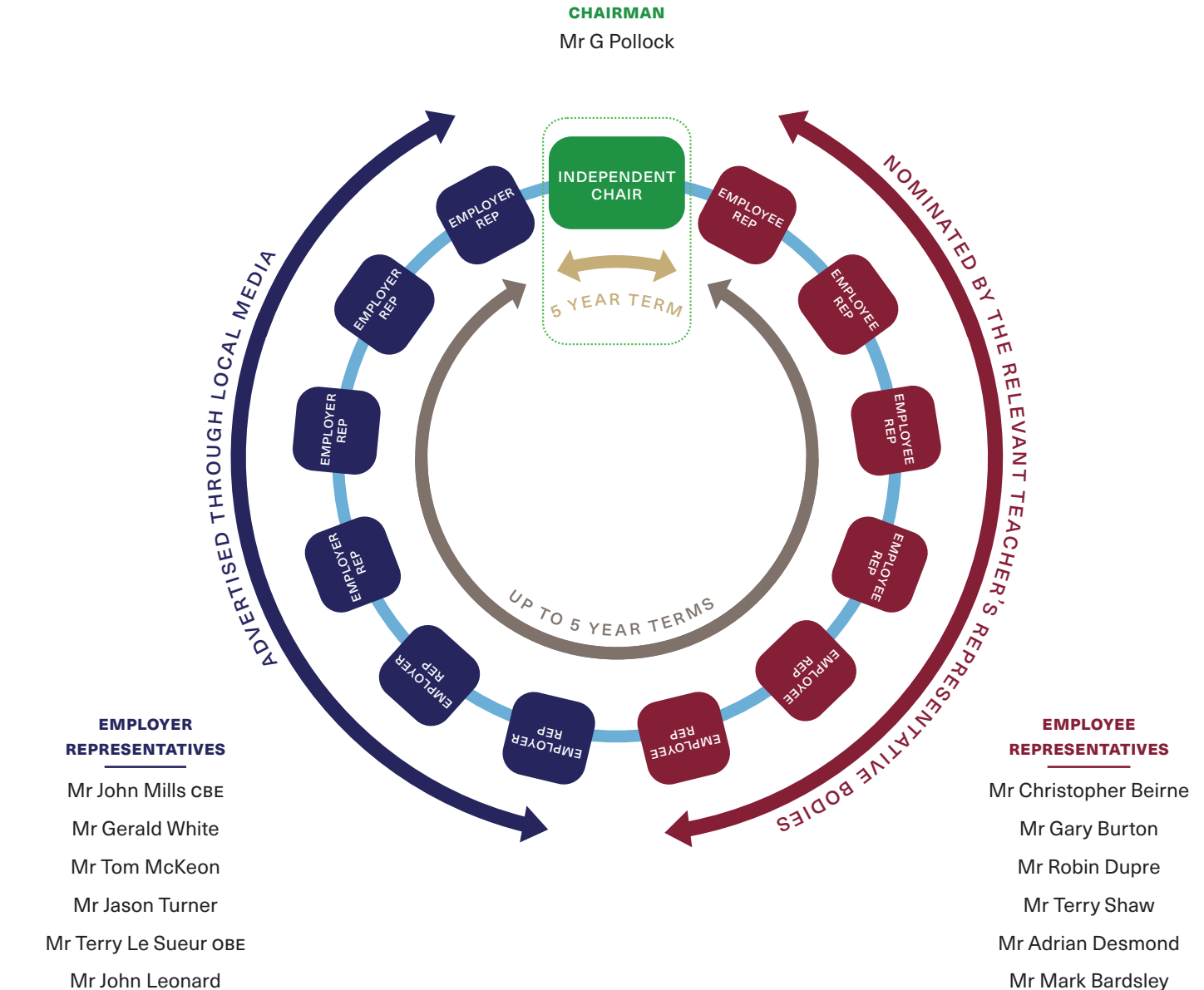
Your benefits are administered by the Dedicated Pensions Unit in the States Treasury.



FIND OUT MORE

A range of booklets and forms are available to scheme members on our website including Full Members Guides for both the New and Existing Members Orders and other useful information. These can be found at www.gov.je/teacherspensions under forms and publications.

The current Management Board



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.

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.

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



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 <http://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 you will receive your tax return 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 Taxes Office

Your Social Security Pension

If you are considering retiring your retirement income may come from a variety of sources and the pension you receive from the Jersey Teachers' Superannuation Scheme 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 |

ABOUT THE SOCIAL SECURITY REVIEW

A review is being undertaken to help set the direction of Jersey's Social Security scheme for the next 30 years and find out what the government should do to help people to financially prepare for retirement. The Social Security Review – Part 1 (Living Longer: Thinking Ahead) consultation asked for the public's views on living longer, and the Social Security scheme. The results of this consultation have recently been published and are available at <http://www.gov.je/SocialSecurityReview>

FIND A LOST PENSION

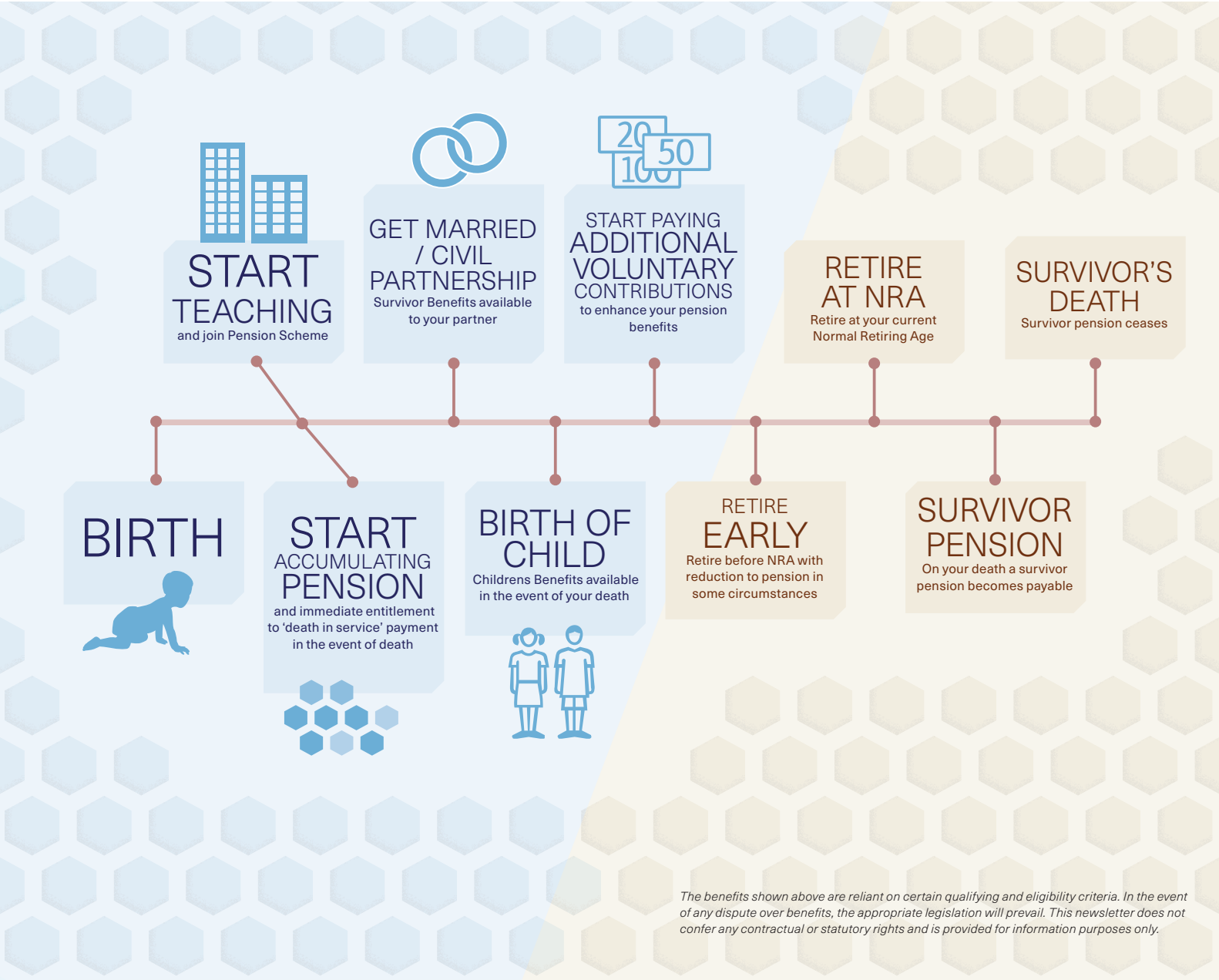
The Pension Tracing Service offers a free tracing service of UK based workplace pension schemes. If you have worked in the UK and feel you may have an entitlement to a pension from a former employer but have lost track of the pension scheme you may wish to contact the Pension Tracing Service at <https://www.gov.uk/find-lost-pension>

FIND OUT MORE

Information on how your Social Security pension works including the qualifying criteria can be found at www.gov.je/pensions

Produced by the Social Security Department

Your Pension Life Cycle

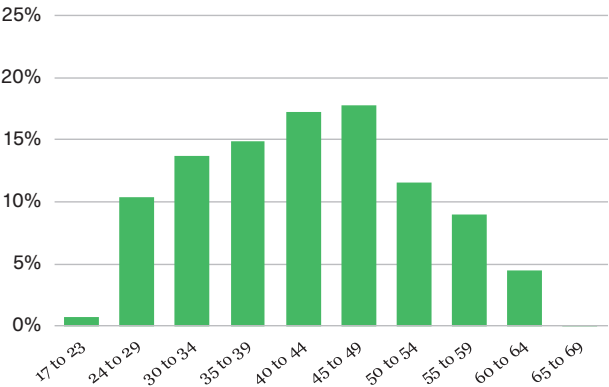


JTSF in numbers

| | |
|-----|---|
| 96 | the age of our oldest pensioner |
| 15% | the percentage of active scheme members employed by Accepted Schools |
| 57% | the percentage of active members who are over the age of 40 |
| 67 | the age of our oldest active member |
| 22 | the average number of years that a 65 year old male can expect to spend in retirement |
| 42 | the average age of an active scheme member |
| 22 | the age of our youngest member |

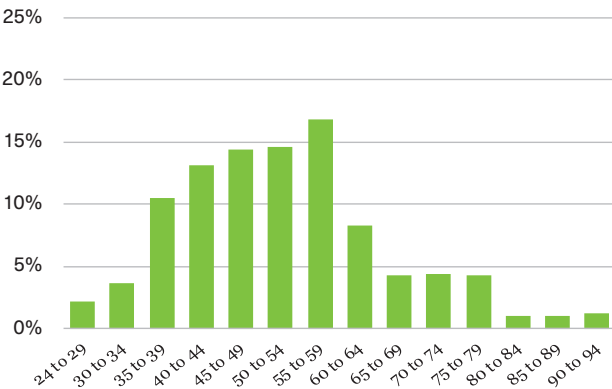
ACTIVES

57% of active members are over the age of 40.



DEFERRED

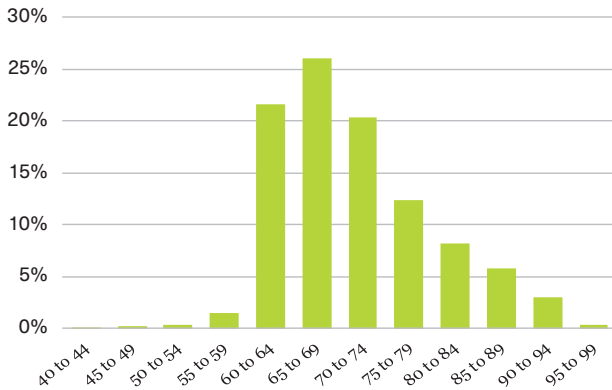
69% of deferred members are over the age of 40.



PENSIONERS

The majority of members live at least 10 years into retirement with around 60% of all pensioners living at least 15 years into retirement.

45% of pensioner members are over the age of 70.



Information board

PURCHASING ADDITIONAL PENSION

If you are thinking of purchasing additional years for your pension, you have until 30 November 2017 to put in your application. Purchasing additional years and days will increase the amount of pension that you could receive at retirement and the pension that your survivors would get in the event of your death.

If you wish to enquire about what additional pensionable service you may purchase you will need to contact the Dedicated Pensions Unit.

Payment of Additional Voluntary Contributions can only start in January or July. To make sure your payments start in January 2018, you need to return a completed form to the Dedicated Pensions Unit no later than 30th November.

BENEFIT STATEMENTS

If you are eligible for benefits you will receive a statement showing the benefits that you have built up in the JTSF to date. The Statement will also provide you with an illustration of your potential benefits at your NRA based on your annual salary on the date of the Benefit Statement.

The Statement of Benefits is based on the information that we hold in the Pension Administration System. If you find any of the information incorrect, please contact us and we will be more than happy to correct the information that we hold.

TRANSFER IN

If you have a pension with a different pension provider you can use that pension to purchase additional service in the JTSF by transferring it in to the Fund. If you have previously worked in a UK Public Service Pension Scheme you can transfer your pension through the Public Sector Transfer Club subject to certain qualifying conditions.

If you are considering transferring your pension from the UK into the JTSF we highly recommend that you look at “Transferring your Pension” page on the www.gov.uk website. There have been changes in the UK legislation regarding transferring a UK pension to an overseas pension scheme which came in to force on 9th March 2017 which you need to be aware of before progressing your transfer.

Changes to the Pension Scheme

In 2016 amendments were made to the JTSF legislation in respect of certain member benefits and to remove certain restrictions. We have set out a brief overview of the changes below.

ALL MEMBERS

AVCS

There has been a change in the way you can purchase additional pension. We are in the process of producing documentation, with the assistance of the scheme actuary, to inform you how many additional days 1% of your annual pay would purchase each year.

Under the new arrangement you can enter into an open ended agreement to purchase additional service and you will be able to vary the percentage you are paying.

Conversion of benefits into lump sum not exceeding £18,000

The total value of deferred pension that you can convert into one off lump sum has been increased from £5,000 to £18,000.

FOR MEMBERS WHO WERE FIRST EMPLOYED ON OR AFTER 1ST APRIL 2007

Eligibility and membership

There are now no age restrictions on joining the scheme, you can join no matter how young or old you are as long as you are a qualified teacher.

Deferred Pension

The 2 year qualifying period required for deferring your benefits has been removed. You can now defer your benefits on leaving no matter how long you have been in the scheme.

Refund of contributions

The maximum service allowed in order to request a refund of your contribution on leaving teaching has increased to 5 years.

Conversion of pension to lump sum (“commutation”)

The percentage of a pension you can convert into a lump sum on retirement has increased from 25% to 30%.

Frequently asked questions

1. What is my Normal Retirement age?

If you were first became a member before 1st April 2007 your Normal Retiring Age is assumed to be age 60.
If you first became a member on or after 1st April 2007 your Normal Retiring Age is age 65.

2. If I were to die in service what would my Death in Service Lump sum be?

The death in service lump sum depends on how long you have been a member of the Scheme. For the first 4 years of scheme membership your death in service lump sum will be 2/5ths of your annual salary for each year you have been a member of the Scheme. If you have been in the scheme for 5 or more years your death in service lump sum will be twice your annual salary.

3. Who can I nominate to receive a Death in Service Lump Sum?

You can nominate whoever you wish to receive your death in service lump sum, family members, friends or a charity of your choice.
Be advised that the Management Board retain a discretion with regard to the payment of a lump sum in the event of your death. For this reason the JTSF Management Board will have the greatest regard for your wishes but it is not bound by them.

4. If I leave employment what are my pension options?

If you leave service before you are eligible to receive a pension from the scheme you have the following options

- (a) a refund of contributions, subject to a maximum of 5 years reckonable service;
- (b) a transfer out of the scheme; or
- (c) a deferred pension payable from Normal Retiring Age (or possibly earlier with an actuarial reduction) or a transfer out of the Scheme.

5. When will I receive my annual Benefit Statement?

You will receive an annual benefit statement once you have been in the scheme for a minimum of 2 years. The benefit statement is generally sent out to all active members around the end of October each year.

The accounts explained

| | 2015 £MILLION | 2016 £MILLION | |
|--|------------------|------------------|--|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | </ | | |

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- <http://www.gov.je/teacherspensions> under Forms and Publications

The investments explained

SCHEME PERFORMANCE

The Fund's assets are invested to generate returns to pay Fund benefits over the long term. Over the 10 years from 2007 to 2016 the Fund's investments achieved a return of 8.9% per annum against a benchmark of 7.9% per annum. Jersey RPI over the same period was 2.6% per annum meaning that the Fund's investments have achieved a real rate of return above Jersey RPI of 6.3% per annum.

ASSETS UNDER MANAGEMENT

As at 31 December 2016 the Fund's assets under management, split between 25 investment managers, had a market value of £484.6 million (2015: £429.8 million). These were invested in the following asset categories as shown in the diagrams below.

INVESTMENT STRATEGY

The Management Board works with its Investment Consultant, Aon Hewitt, to set the strategic asset allocation for the Fund. Operational control and day to day management of the assets remains with the Treasurer and the Treasury Advisory Panel (TAP). Oversight of this arrangement is carried out by members of the Management Board attending TAP meetings throughout the year.

As a result of the overall strategic monitoring of the Fund's asset allocation and the day to day management of the investments the following changes occurred during the year.

- The CIF combined a number of separate accounts into pools focusing on different asset classes, for example the five global active equity manager are now combined in the global active equity pool;
- Appointed Walter Scott and Lansdowne as additional global equity managers;
- Finished the process to fund the Absolute Return Pool by investing with the final 5 hedge fund managers being added (totalling approximately £61 million) across 11 separate managers;
- Agreed to invest an initial 5% of the Fund in the CIF opportunities pool which aims to take advantage of the illiquidity premium in investment in illiquid assets such as property debt and infrastructure.

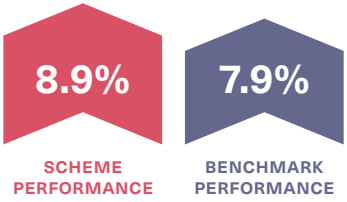
These changes were made to provide further diversification and maintain the high standards expected from our investment managers.

For more detailed information on investments please see our Annual Report for the year ending 31 December 2016 available from the DPU and at www.gov.je/teacherspensions.

Increase in value of investments by over £54 million

2015
£429.8 million

2016
£484.6 million



Keeping in touch

PLEASE REMEMBER TO KEEP IN CONTACT WITH US IF YOU MOVE HOUSE OR HAVE ANY PERSONAL DETAIL CHANGES.

This enables us to keep you updated about changes that may impact on your benefits.

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

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 after you've died knows you have membership of the JTSP and have our contact details.

They can contact us by phone on 01534 440227. 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 or any death in service lump sum.

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 jtsf@gov.je or completing the change of communication form available on our website www.gov.je/teacherspensions

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 fund by picking up cases of fraudulent claims, this also helps ensure that beneficiaries themselves receive the money they are entitled to in the event of your death.

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

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

You may wish to email us at jtsf@gov.je

Alternatively, call us on (01534) 440227

Jersey Teachers Superannuation Fund
The Dedicated Pensions Unit
Treasury and Resources Department
Cyril Le Marquand House
P.O. Box 353
St. Helier
Jersey, JE4 8UL

The Scheme 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.

