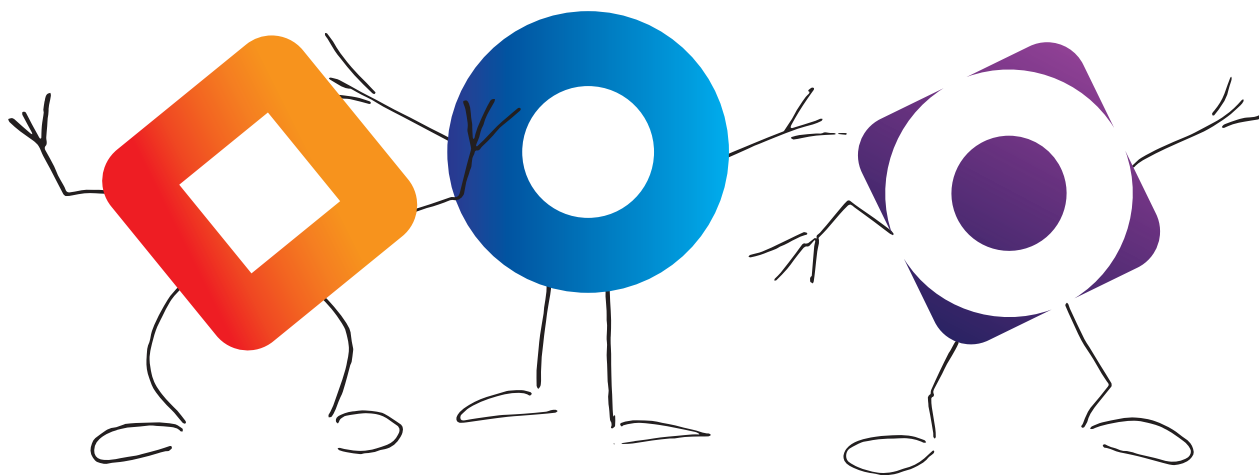


Your Pension

The Annual Newsletter for Deferred and Retired members of the Public Employees Pension Fund

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Your pension increase

3.1% paid in 2018

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 dependent on investment returns and there being enough funding in the scheme for an increase to be affordable.

Under the Scheme Regulations pension increases are based on the September Jersey All Items Retail Prices index (Jersey RPI) of the previous year. This meant that the pension increase for 2018 was based on the September 2017 Jersey RPI which was 3.1%.

The All Items Retail Prices Index is the main measure of inflation in Jersey. It measures the change from quarter to quarter in the price of the goods and services purchased by an average household in Jersey.

Pensions in deferment and payment will continue to increase by the full RPI until the next actuarial valuation is completed.

Final Salary Scheme is around 100% funded

The scheme actuary performs an actuarial valuation on the Public Employees Pension Fund (PEPF) every 3 years, the last Valuation was performed on 31 December 2016.

The valuation report determines whether there are sufficient assets to pay for the expected future pensions.

The 2016 valuation shows that at 31 December 2016 there was a funding level in the Final Salary Scheme of 97.0%. By the date of signing the valuation report in February 2018 the report shows that the funding level had recovered and the Scheme Actuary estimated that the Fund was around 100% funded. This means the PEPF can afford to continue to pay pension increases in line with the Jersey Retail Prices Index.

The next actuarial valuation will take place as at 31st December 2018 with the results expected in early 2020.

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

Changes to the Pension Scheme

In December 2017 we went through a rebranding exercise for the Pension Schemes, the Pension Fund and the Pension Team, who perform the administration of your pension.

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.

The Pension Fund is now called the Public Employees Pension Fund (PEPF), with the Public Employees Contributory Retirement Scheme (PECRS) known as the Final Salary Scheme of the PEPF and the Public Employees Pension Scheme (PEPS) known as the Career Average Scheme of the PEPF.

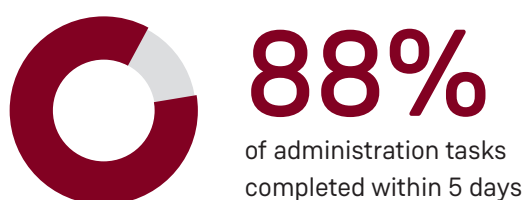
We have also created logos to help you distinguish between the two different schemes.



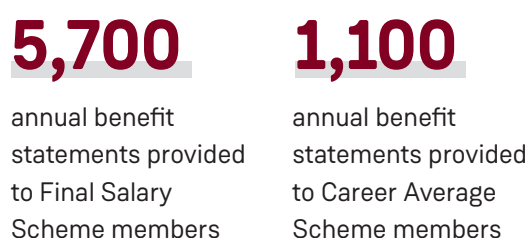
Your benefit administration

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

Scheme Administration



Benefit Statements



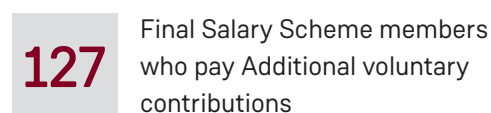
Pension Payments



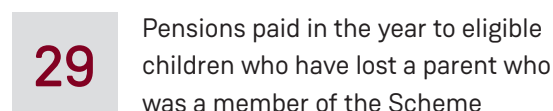
Pensions paid to pensioners living in **30 different countries**



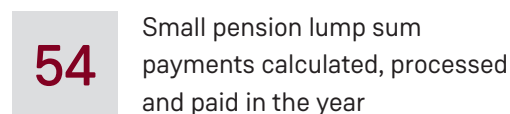
Additional Voluntary Contributions



Children's Pensions



Small Pension Lump Sums



Transfers

48 members transferring in

67 members transferring out.

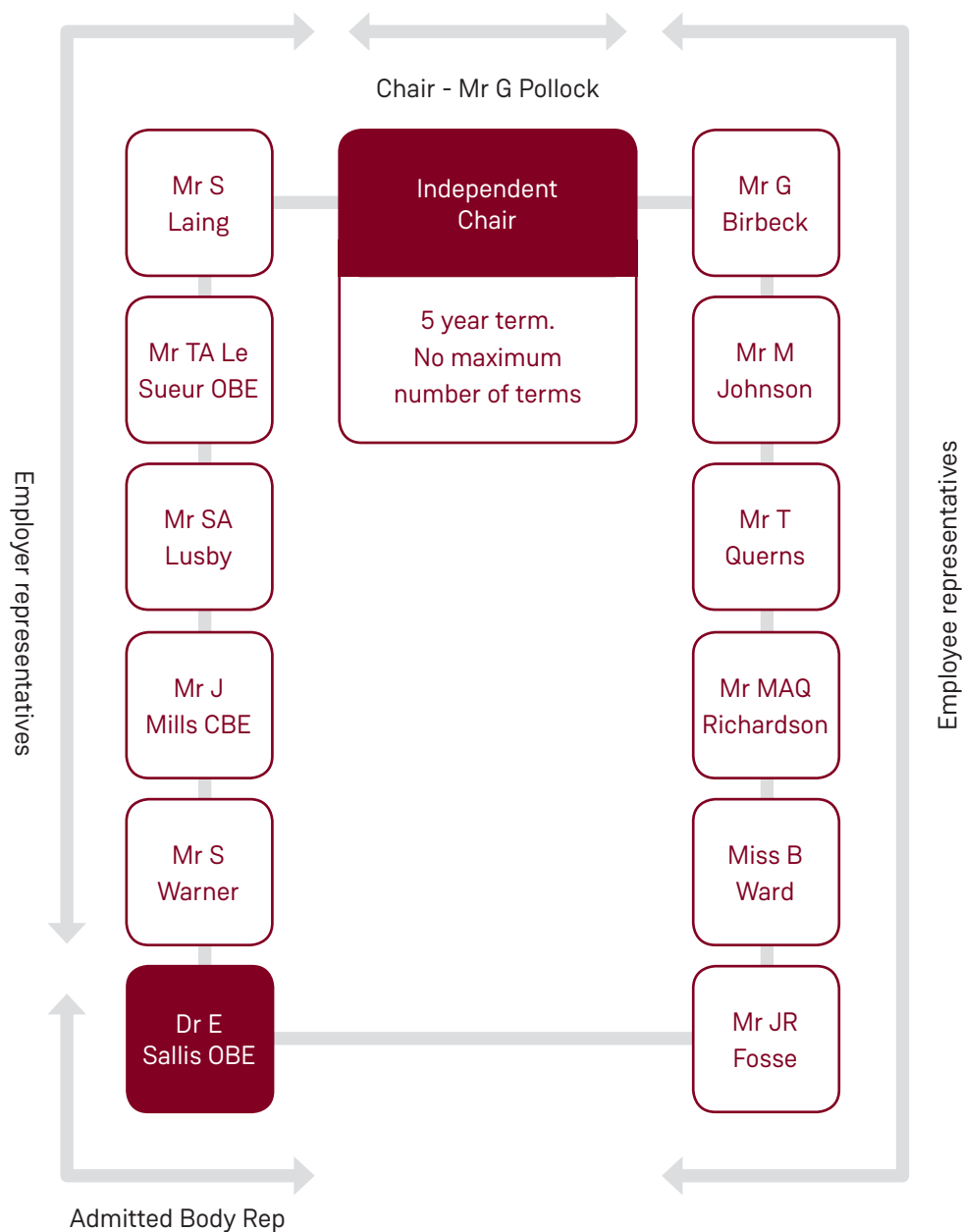
Admitted Bodies

Support provided to 26 Admitted Bodies, employing 1,070 scheme members



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

The Committee of Management



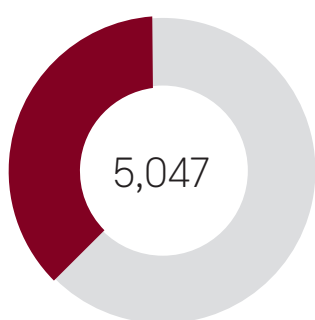
The employee representatives are nominated for appointment by the Joint Negotiating Group.
 The employer representatives appointments are advertised through the local media.
 The Admitted Body representative appointment is advertised through the Admitted Body Employers.

Pensioner representatives on the Committee of Management

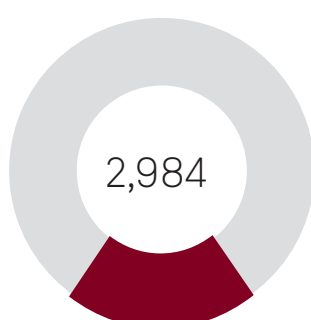
As pensioner members make up around 30% of the total membership of the scheme, it was felt important that their interests are represented accordingly.

The role of Pensioner Representative will be advertised in the summer of 2018. There will be 2 places on the Committee available for Pension representatives. The positions will be advertised in the local media. The role is voluntary and formal training will be provided in respect of the role and the legislation governing the scheme.

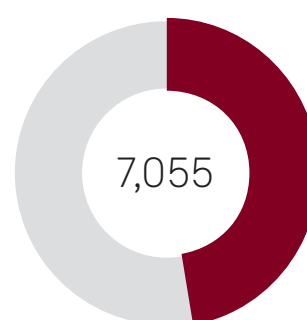
Scheme membership representation



33%
Pensioners



20%
Deferred



47%
Actives

2,899 Final Salary Scheme
85 Career Average Scheme

5,697 Final Salary Scheme
1,375 Career Average Scheme

15,086

total members
in the PEPF



Around 1/3 of the membership are currently pensioner members which is why it is important for the Committee of Management to have pensioner representatives to represent the increasing pensioner membership.

The accounts explained

	DEALINGS WITH MEMBERS	2017 (£,000)	2016 (£,000)
PAYMENTS IN	Employer Contributions (1)	45,283	44,448
	Employee Contributions	15,554	14,580
	Total Contributions	60,837	59,028
	Transfers In	1,583	3,675
	Other Income	459	561
	Total Payments In	62,879	63,264
PAYMENTS OUT	Benefits	(74,901)	(73,527)
	Payments to and on account of leavers	(228)	(296)
	Transfers Out	(17,585)	(8,672)
	Administrative Expenses (2)	(2,210)	(2,724)
	Total Payments Out	(94,924)	(85,219)
Net withdrawals from dealing with members	(32,045)	(21,955)	
	NET RETURNS ON INVESTMENTS	2017 (£,000)	2016 (£,000)
	Change in market value of investments	253,034	122,139
	Investment income (3)	15,707	13,799
	Investment administration expenses (4)	(12,796)	(11,861)
	Net returns on investments	255,945	124,077
	Net increase in the Fund's assets during the year	223,900	102,122
	Opening net assets	1,935,104	1,832,982
	Closing Net Assets	2,159,004	1,935,104



Notes

- (1) Employer contributions including the repayment of the Pre 1987 Debt.
- (2) The cost of administering the Scheme including legal, actuarial and audit Fees
- (3) Dividend income from company shares held and interest on cash balances
- (4) Investment management, investment advisory and custody costs for managing the schemes investments.

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

During the year the PEPF assets increased in value by £224 million to £2.159 billion. The Fund returned 9.9% over the year and outperformed its benchmark by 5.9%. The strong Fund performance was largely due to equity markets performing strongly throughout the year.

Due to market volatility the Committee of Management does not expect the Fund to achieve positive investment returns every year but through diversification of asset class, investment managers and investment approaches it aims to deliver the investment returns required to meet pension payments in the long term.

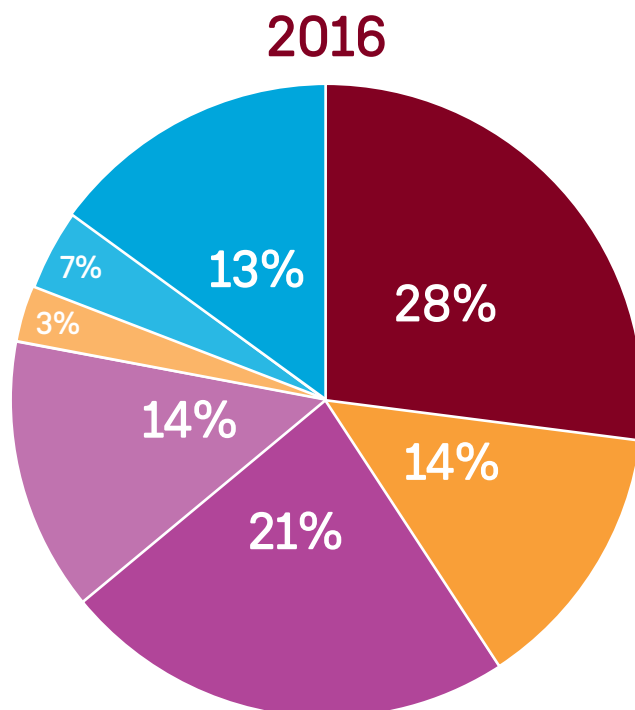
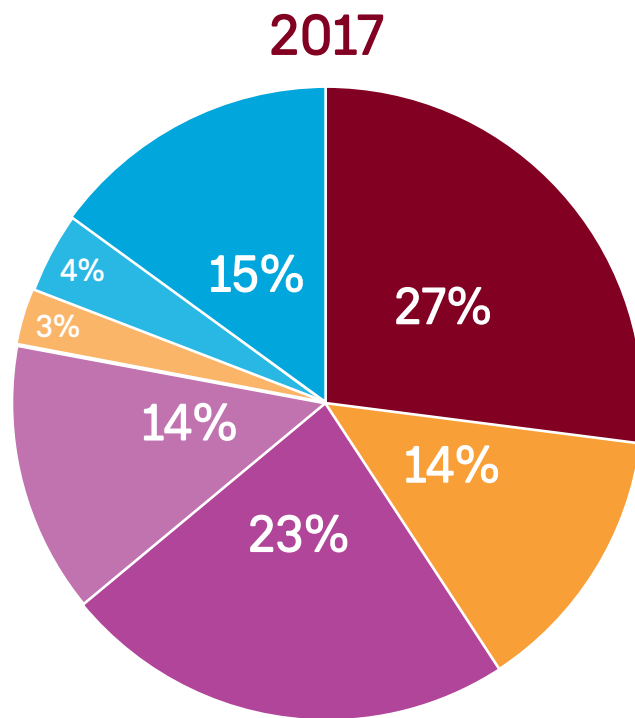
Even with a diverse portfolio there is a risk of the value of the Fund decreasing over a period. Pensions are a long term investment and it is important to monitor the long term investment performance.



Assets Under Management

As at 31 December 2017 the fund's assets under management had a market value of £2.159 billion (2016: £1.935 billion) which were invested in the asset categories as shown in the following diagrams.

- Active Equity
- Passive Equity
- Hedge Funds
- Bonds
- Cash
- Private Debt
- Ground Lease



Investment strategy

The 2016 actuarial valuation included a target investment return of Jersey RPI plus 2.15% and this remained throughout 2017. The investment strategy has been developed to achieve at least this target return over the long term. In targeting this return, the Investment Subcommittee considers the amount of risk that is necessary to take and with the support of the Investment Advisor has set an investment strategy that aims to deliver this long term return target. How the Fund's assets are monitored is set out in the Statement of Investment Principles that can be found on the Fund's website (www.gov.je/yourpension).

The table below sets out the Fund's investment strategy and the long term strategic allocation in place at the year end.

ASSET CATEGORY	Current Benchmark (PECRS Ex SLB & PEPS) %	Actual Assets %
Growth Investments	63.0	64.2
Equities	40.0	41.2
Alternatives	23.0	23.0
Bond-Like Investments	37.0	35.8
Property	14.2	14.8
Bonds	22.8	18.1
Cash	-	2.9
Total	100	100

Note: This allocation is stated excluding the Salary Linked Bond. Further details about the salary linked bond can be found in the Statement of Investment Principles at www.gov.je/yourpension.

In order to achieve the target level of investment return, an appropriate level and balance of risk needs to be taken, which may expose the Schemes to downside risk and the possibility that the return does not keep pace with what is required to meet the Schemes' liabilities. Risk can materialise in a number of different ways for example; equity risk, liability risk or operational risk.

Strategically, the Investment Subcommittee primarily manages such risks through diversification by both asset class and manager. Operational risks are addressed through both due diligence checks prior to investment and rigorous ongoing performance monitoring. However it must be accepted that the Fund could suffer in the short term from significant loss due to falls in global markets.

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 <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 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 Taxes 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 Public Employees Contributory Retirement 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

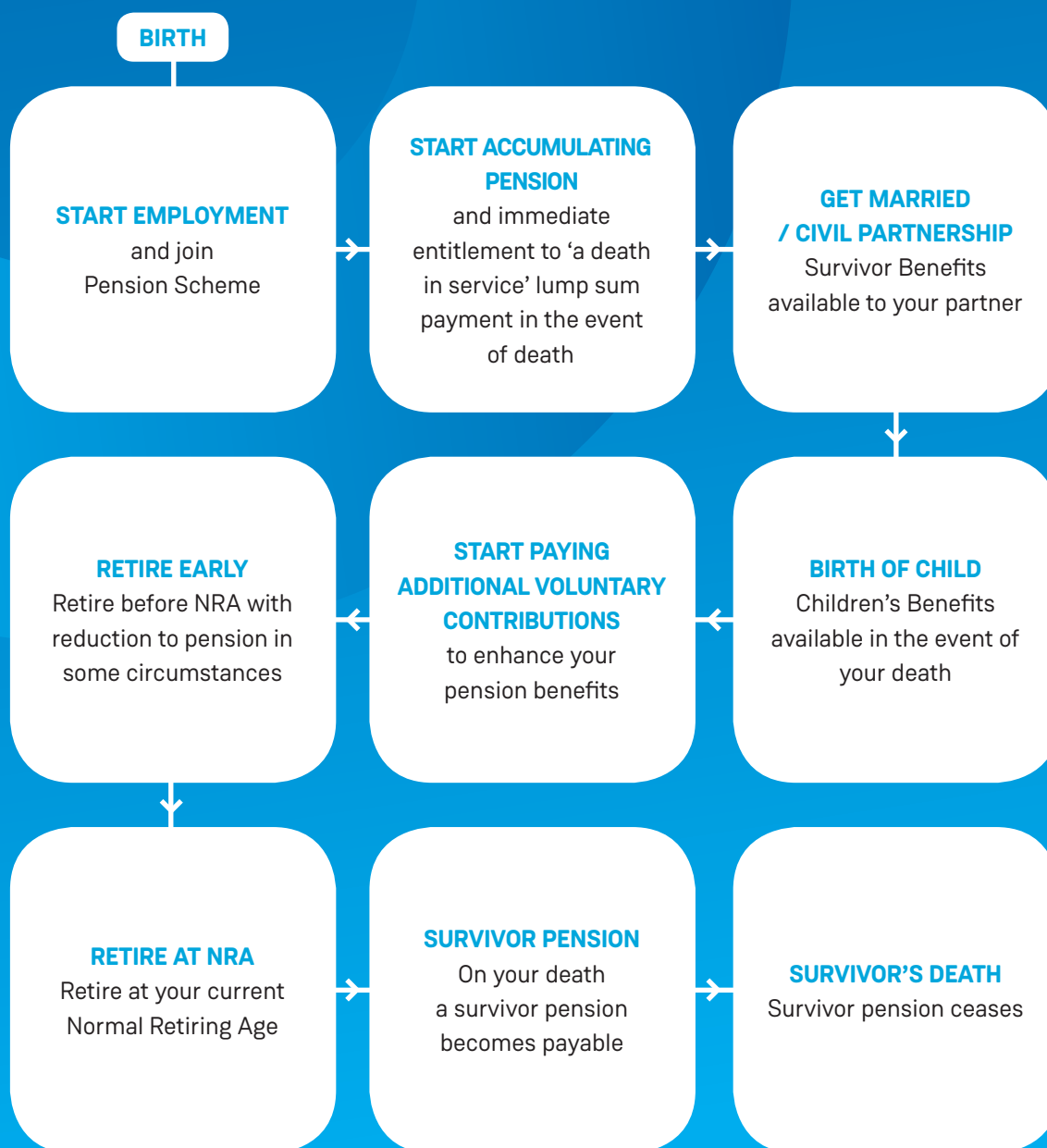
Find out more

Find out more Information on the how your Social Security pension works including the qualifying criteria can be found at: <http://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: <https://www.gov.uk/find-lost-pension>

Your pension life cycle



The benefits shown above are reliant on certain qualifying and eligibility criteria. In the event of any dispute over benefits, the appropriate legislation will prevail. This newsletter does not confer any contractual or statutory rights and is provided for information purposes only.

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 most members of the Final Salary Scheme, this will be age 60, but for members who joined the Final Salary Scheme on or after 1st January 2006 or if you are a member of the Career Average Scheme it 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 are a member of the Final Salary Scheme and 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.

If you are a member of the Career Average Scheme, there are no restrictions on when you marry or enter a civil partnership for your spouse or partner to receive a benefit in the event of your death.

7. I do not want to get married or enter a civil partnership with my partner, would they still be eligible for a benefit in the event of my death?

Only members of the Career Average Scheme can nominate a partner for benefits if you do not want to marry or enter a civil partnership. Before a benefit can be paid there are certain requirements that have to be met, these include having lived together as if you were married or in a civil partnership for at least 2 years prior to your date of 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 are a member of the Final Salary Scheme and 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. If you are a member of the Career Average Scheme there are no restrictions on receiving benefits irrespective of when you marry or enter a civil partnership in retirement.

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 September RPI of the previous year, in 2018 the pension increase was 3.1%.

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

If you die and you have not remarried or entered a civil partnership after reaching your normal retiring age, your spouse or partner will receive ½ of your pension disregarding 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 dependants pension?

A dependant is a person who has to satisfy the Committee of Management 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 Committee of Management 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.

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 Public Employees Pension 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.

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**

Contact details and further information

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.

For more information on any aspect of the Public Employees Pension 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



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
Cyril Le Marquand House
The Parade, St Helier, JE4 8UL

E: pept@gov.je

T: (01534) 440227

www.gov.je/yourpension