

bee tune



FANCY A

bigger lump sum or a bigger pension?

Most people look forward to the tax free lump sum when they retire but surprisingly few people take advantage of the opportunity to convert some of their pension into extra lump sum.

The lump sum is usually three times bigger than the rate of annual pension but for members who joined the scheme before 17th March 1987, they have the option of reducing their pension in favour of a bigger lump sum.

Granted, not everyone might want to do this especially with interest rates being so low at the moment.

Instead, members, and not just those who joined the scheme prior to 17th March 1987 but any member, may prefer to convert lump sum to pension in the knowledge that it will be fully index linked for the rest of their lives.

It's worth remembering that any decision to reduce or increase pension will have a knock on affect to spouse's and children's pensions.

Whatever your preference, we recommend that no-one retires without first getting an estimate from your employer of what your retirement benefits are going to be. The conversion options are shown on each estimate giving both the maximum and minimum after conversion of pension and lump sum, and the appropriate conversion rates which will be specific to you depending on your age, sex and whether you are married.

Gather as much information as possible well before you retire.

You should get an estimate at least three months beforehand so that you have plenty of time to discuss your financial options with an independent financial adviser.

Have you been on strike?

If you are one of the million plus Local Government employees who have recently taken part in the national day of action you may be wondering how this would affect your pension.

In short, by very little. However, if you are within a year of retirement, any days lost through strike

action will affect the pay on which your pension is calculated. A total of 365 'paid' days is used to determine final pay. Any strike days would be ignored and earlier days used instead when rates of pay were lower.

If you earn £13,000 per year and went on strike for three days the

cost of buying back would be £17.10. Not buying back would reduce your pension by £1.34 per year and your lump sum by £4.01.

If you wish to purchase a period of strike action, you have 30 days from the date the dispute is resolved to apply in writing to your personnel officer.

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WE ALL
FELT THE TIME
HAD COME
FOR A NEW
IMAGE FOR
OUR PENSION
FUND.

Peter Mawdsley
Principal Pension Officer
Merseyside Pension Fund

a new look for your pension fund

For many years Merseyside Pension Fund has produced booklets, leaflets and newsletters for its membership and for the most part the appearance has remained almost completely unchanged—until now. This issue of your new look, renamed newsletter, marks the launch of the Fund's new image.

The content will be just as informative as it has always been, but the new logo, designs and the use of colour, will feature in all our letters and literature. We hope reading our information will be a more pleasurable experience for you and will promote the Fund to its rightful place as one of the largest local authority pension scheme providers in the country.

We've moved

...but not far.

From the ground floor at Castle Chambers, Cook Street, Liverpool we have gone up in the world and can now be found on the 7th Floor of the same building.

There is no change to our postal address or telephone numbers, however the entrance is now at 43 Castle Street rather than 4/6 Cook Street.



literature *for the blind*

The Fund currently produces audiotape and large print versions of its literature for partially sighted and blind active members, deferred members and pensioners.

In response to a number of enquiries requesting a wider variety of formats, the Fund has now arranged for its booklets and newsletters to also be produced, on demand, on computer disk or braille.

If you would prefer, or you know of any member who would find one of these formats useful, please contact **Margaret Inman** at the **Pension Information Office on 0151-242 1362.**

future pension
pay days

9th August 2002

10th September 2002

10th October 2002

8th November 2002

10th December 2002

OVERALL
RESULTS OF
THE 2001 VAL-
UATION
ARE VERY SAT-
ISFACTORY.

Stephen Jacquest,
Mercer Human Resource
Consulting Ltd



The Pension Fund is responsible for paying guaranteed benefits to a large number of members, both those currently receiving pensions and those who will benefit in the future. It is important to ensure that contributions are paid at the right level in order to build up the assets needed to provide these benefits. This means that the finances of the Fund have to be closely monitored on a regular basis. The Fund relies on the help of specialists, in particular the Fund Actuary, Mercer Human Resource Consulting Ltd (formerly William M. Mercer Ltd) to check the financial health of the Fund.

Every three years the Actuary carries out an Actuarial Valuation to compare the assets of the Fund with its liabilities for future benefit payments. The ratio of assets to liabilities is known as the funding level. As part of the valuation, the Actuary will also determine the level of future contributions required from employers.

The most recent valuation of the Fund was undertaken as at 31st March 2001 and the results are shown opposite.

The 2001 Actuarial Valuation

The performance of the Fund's investments was good when compared with other local authority funds. However, the investment markets, particularly in company shares, have generally given lower returns than in previous years.

At the previous valuation, a cautious approach was followed and the results did not take full account of the high value of share markets at the time. This means that the Fund has been able to maintain its funding level, despite the lower recent investment returns.

People are living longer and this trend is expected to continue. Some allowance for this trend has been made, which increases the cost of providing the Fund's benefits (as pensions will need to be paid for longer).

Employer contribution rates depend on each employer's circumstances. For most large employers, an increase is needed and higher contributions have been paid since 1st April 2002.

Following the 1998 valuation, steps were taken to address the costs of the high levels of early and ill health retirement. As a result, these retirements have had a much reduced impact on employer contribution rates at this valuation.

As at the 1998 valuation, the employer contribution rates have been set including an allowance, where appropriate, for the additional costs of early retirements over the next three years. Actual levels of early retirement from each employer will be monitored and, if necessary, additional employer contributions will be requested.

Overall, the results of the 2001 valuation are very satisfactory.

Competition 24

Last issue's winner
was

Mr Albert Davies

one of our pensioners,
who worked for
Liverpool City Council
and now lives
in Woolton.



Prize wordsearch

To coincide with the Commonwealth Games here is a prize wordsearch. All you need to do is find and highlight 14 sports or events performed at the games and send your entry to:

Competition 24
Merseyside Pension Fund
PO Box 120
7th Floor Castle Chambers
43 Castle Street
Liverpool, L69 2NW

The first winning entry drawn on 1st October 2002 will win £25 of high street gift vouchers. Please note the competition is restricted to members, pensioners and deferred pensioners of the Scheme.

Employees of Merseyside Pension Fund and their relatives may NOT enter.

The CLOSING DATE for ENTRIES is FRIDAY 28th SEPTEMBER 2002.

N	E	T	B	A	L	L	B	E	L	R	A
O	Y	P	S	M	E	H	O	C	K	E	Y
E	P	C	Q	O	R	X	X	I	O	N	B
R	O	E	U	S	M	D	I	V	I	N	G
M	A	R	A	T	H	O	N	R	J	O	W
A	U	O	S	Z	V	O	G	W	U	C	A
D	D	A	H	V	Y	B	O	W	L	S	L
J	U	D	O	R	H	T	U	T	P	E	K
S	H	R	U	G	B	Y	G	M	I	Y	I
C	B	A	D	M	I	N	T	O	N	N	N
U	M	C	R	S	W	I	M	M	I	N	G
S	E	E	L	C	Y	C	L	I	N	G	Y

Marathon

Boxing

Hockey

Judo

Rugby

Walking

Bowls

Netball

Shooting

Road Race

Diving

Badminton

Swimming

Cycling

NAME: _____

DAYTIME TEL. NO.: _____

PENSION NO./NATIONAL INSURANCE NO.: _____

Pensioners' page

Pensioners Helpline 0151 236 4208

Call this number quoting your pension number if you need to sort out problems with your pension



Margaret Lydiate

Since the last issue we have had another six centenarians in the Fund.

We had two very special ladies living in Ormskirk who were celebrating their 100th birthdays in January. The first was Margaret Lydiate who celebrated with family and friends at a party organised by the staff of the Brookside Nursing Home in Ormskirk on 10th January. She has 2 daughters, 4 grand children and 5 great grand children.



Annie Sigley

The second is Annie Sigley, who was 100 on the 17th January and was married to George who worked for Lancashire County Council until his retirement in 1974. Annie, a milliner for 25 years from the age of 13, celebrated her birthday with family and friends at Hillcroft Residential Home, in Ormskirk. Annie has 2 children, 5 grand children and 4 great grand children.



John Wilson

John Wilson enjoyed his 100th birthday on 5th December 2001 with his friends at Woolton Manor Nursing Home. He worked for Liverpool Corporation for 38 years as a shunter and a bus driver until he retired in December 1966. John is a very independent gentleman and lived on his own until he moved into Woolton Manor Nursing Home on 14.12.2000 where he enjoys regular visits from his friend Charlie.



Marther Mary Henley

The Fund sent greetings and a floral presentation to Martha Mary Henley who celebrated her 100th birthday on 18th January at East Croft Residential Home with her family and friends. She was married in 1922 to Jon, who later became a local authority chief executive. Visits from the Mayor of Workington and General Manager of Copeland Borough Council both added to her special day.



Evelyn Carroll

On her 100th birthday, congratulations also went to Evelyn Carroll who celebrated on the 9th February, at a tea party with her family and friends at Beech House in Halesworth where she has lived since 1999. Evelyn worked as a tax official at Bootle Town Hall and later moved to Suffolk to be near her son Jeffrey.



Annie Smith





Annie Smith, born 25th January 1902, married George in 1938. Both were members of the Halle and Philharmonic Orchestras. Annie, who used to be a secretary, continued teaching piano until she was 76. Annie is a remarkable woman and celebrated her coming of age party with her friends and family of 2 daughters, 4 grand children and 3 great grand children.

Combined personal benefit STATEMENTS

Last year the Fund took part in a pilot project with the Department for Work and Pensions (DWP) to produce combined personal benefit statements, to enable details of state retirement pension entitlement to be included with the benefits payable from the Local Government Scheme.

The reaction from Merseyside Probation Service contributing members involved was very positive and they welcomed the increase in information given about their total entitlement from state pension age.

It is hoped to extend this service to further groups of contributing members during this year. So that the Fund can send you an annual statement, which includes your state pension information, it will need to ask the DWP to pass it details of:

-  the state pension you have earned so far;
-  a forecast of what your state pension is going to be when you retire;
-  your date of birth;
-  the age at which you can get state retirement pension.



Merseyside Pension Fund will provide this service for contributing members to within 6 months of state retirement age. If you do not want this service, you should write to the Fund by 1st October 2002 at the address shown on the competition page. Members who have already written to opt out of the exercise will not need to write again.

The Fund believes that this project will provide employees with a fuller picture of their total pension entitlement at retirement and hopes that you will wish to participate.



Appointment of Assistant Director of Finance MPF

John Parry, Financial Controller to the Fund, has been appointed Assistant Director following the departure of Simon Edwards. John, who joined the Fund in October 1997 as Group Accountant, previously held a number of senior management positions, including Chief Accountant of Royal Life, within Royal Insurance Group.

Simon Edwards, Head of Pensions and

Investments, left the Fund in March to establish his own asset management company. During his six-year tenure of the Fund, he contributed significantly to its performance being ranked third best performing Local Authority Fund out of 92 over the three year period to March 2001. Our thanks go to Simon for managing such outstanding investment achievements.