

pensions.
grapevine

APRIL 2005 - ISSUE 10

Pensions up by 3.1%



Hello there...

...and welcome to this latest issue of Pensions Grapevine – the official newsletter for everyone drawing a pension from Greater Manchester Pension Fund.

As usual you've been keeping us amused and fascinated with news of how you've been spending your time. On the right, you'll see the amazing story of marathon trekker Arthur Thorniley. But even if your exploits are a little more down to earth, we want to hear about them, so do keep writing in. Remember, every story featured will earn the writer a splendid limited edition pen.

Pensions, as always, have been in the news lately, and you may have heard about plans to change some aspects of the Local Government Pension Scheme from April 2005. These changes though only relate to current employees, and affect their retirement age. So these changes have absolutely no effect on your pension now that you are already drawing it.

Last year's Pensioners' Forum was the biggest ever, so if you want to apply for a ticket to this year's event, see the story on page 5.

I hope you enjoy this issue, and look forward to writing to you again next year.

All the best

Ged Dale

Head of Pensions Administration



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Greater Manchester Pension Fund is administered by
Tameside MBC and is part of the Local Government Pension Scheme

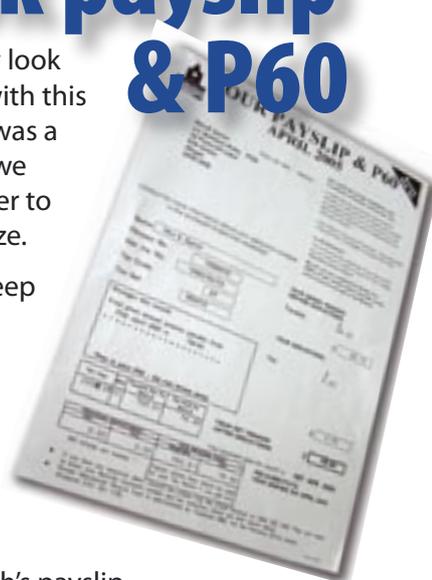


New look payslip & P60

We hope you like the new look payslip & P60 packaged with this issue. The folded version was a little restricted in size, so we thought it would be clearer to change it to this bigger size.

Please do remember to keep it, as it will normally be needed as proof of how much pension you draw if you come to claim benefits such as income support or housing benefit.

And remember, this month's payslip is also your P60 - your certificate of pay and tax for the last 12 months - so do please keep it safe.



Silver surfing

If you're the type of person who likes to book cinema tickets, check your bank balance and book holidays over the internet, you might fancy signing up for our free *gmpf online* pension service.

At the touch of a button you can see the details we hold about you, and even change certain details online, such as your address if you move house.

The service is totally secure, and you can only get into it with a unique PIN number we give you.

Here's how to sign up....



Simply write to us or email us, with the following message:
"I wish to register for *gmpf online*".

Please remember to also include your name and National Insurance number or GMPF pension number.

 payroll@gmpf.org.uk

We will then send you a handy guide to getting started, together with a unique PIN number (which you can easily change to a different one of your choice).

**Payroll section
Greater Manchester Pension Fund
Concord Suite
Manchester Road
Droylsden
M43 6SF** 

Tax at a glance

What have windows, beards and pensions got in common? Answer: they have all been affected by tax law over the years...

In Elizabethan times, can you believe there was a tax on beards? And in the 17th Century, householders were taxed on the number of windows they had. The rate was 4 shillings for 10-20 windows, rising to a pricey 8 shillings for more than 20 windows. This resulted in many people bricking up their windows.

And tax law impacts on your pension too - your lump sum was free of tax when you drew it, and you got tax relief on your contributions over the years if you were a tax payer.

But now you draw our pension, you do have to pay tax on it, if it goes over a certain amount. The main factor affecting how much you can earn free of tax is your personal allowance. The 'taxman' uses this and other factors - such as the amount of your State pension - to decide your tax code. This tax code then tells us how much tax to take.



We've shown this year's tax allowances below, to help you see where you stand. If you want to know more about tax, there is an area tax office for Fund members, and we have shown the number below...

Personal allowances 2005/6

Under 65: £4,895

65 - 74: £7,090

75 and over: £7,220

Inland Revenue Area Office:



0845 302 1463

Lines are open 8am to 8pm 7 days a week.

Please quote your National Insurance number and reference 582 M5010



Arthur puts his best foot forward

At a time of life when most people like nothing more than putting their feet into a cosy pair of slippers, Grapevine reader Arthur Thorniley can't wait to pull on his walking boots and head off up a mountain trail.

Since retiring from Manchester Airport in 1997, he has spent much of his time trekking all over the world for charity, and is well on his way to raising an incredible £20,000!

So far his charitable expeditions have included walking 65 kilometres along the Great Wall of China, climbing Mount Kenya (pictured), and trekking the Inca Trail in Peru. As Grapevine went to press, Arthur was out in Cuba so he couldn't speak to us himself. But his ears weren't burning as much as they will be later in the year, when he climbs Italy's active volcanoes including Etna and Stromboli!

What do YOU like to get up to? Drop us a line and let us know.

Focus on investments

Have you ever wondered how the Fund creates the 'pot of money' from which we pay out the benefits? The secret lies in its investments, and in this article we give you a quick introduction to what some of the terms mean, and recent examples of areas we've invested in. As you will see, some of them are very familiar faces...

He's a very nice man...

The main area we invest in is UK equities – in other words stocks & shares in UK companies.

One recent example of this is Centrica, a company which grew out of the demerger of British Gas in 1997, and which over the years has bought out various well known businesses such as One.Tel and the AA.

Centrica has since benefited by selling the AA for £1.75 billion to two leading European private equity firms, CVC and Permira.

Roadside assistance remains the core business of the AA, alongside other activities such as Service Centres, driving schools, personal loans, insurance and travel publishing. At the last count it had over 15 million members.



Don't forget your toothbrush!

Got your summer holidays planned yet? Apparently only one in seven holidays is actually booked through a traditional travel agent these days, as more and more of us go down the DIY route on the internet. If you too are making your own travel plans, you may well have come across Holiday Autos, an example of a private equity investment the Fund was involved in. We were one of the backers which helped the company expand to become one of the world's largest car rental companies. A measure of this is the fact that almost one million travellers each year arrange their car rental through them. And the Fund earned a healthy investment return when Holiday Autos became part of lastminute.com, the online leisure and travel group.

From shopping centres to warehouses

Whilst most of the Fund's investments are handled through specialist external investment houses, one area which is handled in-house is property. The Fund owns 83 properties directly, and earns income by letting these out to tenants. This row of shops in Leeds' busy Briggate is just one example, and this was newly purchased last year.

It all adds up

The overall picture as a result of all this investment activity is that the value of the Fund is now over £7.2 billion. If you want to know more, you can find a copy of last year's Annual Report on our website.

Come and join us

If you would like the run down on what's been happening here at the Fund, including it's investments, why not apply for a ticket to this year's Pensioners' Forum.

The date is set, the room is booked, now all we need is YOU! This ever popular day will follow the usual style - here's a quick run through in case you haven't been before...

Get those toes tapping

As you wander down Corporation Street, you might just catch the vibrant tones of Ged Hone's jazz band playing in the distance.

One lump or two?

Once inside you'll be welcomed with tea or coffee and biscuits, giving you chance to catch your breath, catch up with old pals, and hopefully make some new ones too.

Then it's a stroll round our various exhibition stands, where you can 'grill the experts' from places like the Inland Revenue, the Pensions

Service and others. New last year were Saga Holidays, whose stand was one of the most popular.

Down to business

After that it's down to business as we move into the main conference hall for presentations by Fund staff, and visiting speakers too. Our closing speaker last year was a senior police officer, whose talk on crime prevention was informative and very entertaining too.

After all that you might be feeling a bit peckish, so we serve a light buffet lunch in the same conference room.

Finally tea & coffee is served back in the exhibition area, giving you a last chance to visit stands you didn't have time to see in the morning.

How to apply

With 70,000 pensioners we can't invite all of you! But to be in with a good chance of a ticket, simply fill in the slip below and post it back to us. We will then draw names out of a hat later in the year, and write to you if you've been successful. To be fair to those who applied last year and weren't picked, they will be given priority.

And finally, please only apply for a ticket if you really want to go!

See you there!



At a glance

Date: Friday 7th October 2005

Venue: New Century House
Corporation Street
Manchester

Time: Welcome from 10:00
Finishes around 3:00

Please enter me in the draw for a ticket to this year's Pensioners' Forum

Your full name:

Your Pension Number:

See enclosed payslip if you don't know your pension number.

Signed:



Please place in an envelope and mail to:

**Communications Team, Greater Manchester Pension Fund,
Concord Suite, Manchester Road, Droylsden, M43 6SF.**



Pensions up by 3.1%

Here's a quick run down on how the annual increase in your pension will work...

The increase this time around is 3.1%, and will take effect from 11th April 2005. So on this month's payslip you are actually getting 10 days' pension at the old rate, and the remaining 20 days in April at the new rate. For example, suppose your pension before the increase was £300, this is how it will work...

April's payslip

10 days at old rate: £100.00

20 days at new rate: £206.20

Total for April: £306.20

May's payslip

All paid at full rate: **£309.30**

But if you retired before 55 for any other reason, you will normally have to wait until age 55 for your first increase. Then on your 55th birthday, we will bring your pension up to the level it would have been at, had it gone up year by year.

Did you retire on or after 27 April 2004?

If so, because you haven't been on pension a full year, you won't get a full year's pensions increase. The table below shows you how much increase you will get:

Date pension began	Increase
27 Apr '04 – 26 May '04	2.84%
27 May '04 – 26 Jun '04	2.58%
27 Jun '04 – 26 Jul '04	2.33%
27 July '04 – 26 Aug '04	2.07%
27 Aug '04 – 26 Sep '04	1.81%
27 Sep '04 – 26 Oct '04	1.55%
27 Oct '04 – 26 Nov '04	1.29%
27 Nov '04 – 26 Dec '04	1.03%
27 Dec '04 – 26 Jan '05	0.78%
27 Jan '05 – 26 Feb '05	0.52%
27 Feb '05 – 26 Mar '05	0.26%

How the increase is paid

If you were in the Local Government Pension Scheme before 6 April 1997 and have reached State pension age, your pension from us will normally include a GMP (guaranteed minimum pension). If so, the Department for Work & Pensions (DWP) may have to pay some or all of the increase on this part of your pension, together with your State pension. If this is the case, you are still getting the increase, it just isn't being paid by us, and isn't shown on your payslip. For example...

Mary gets £1500 a year pension from us. This includes a guaranteed minimum pension (GMP) of £500.

GMPF pension: £1500.00

Less guaranteed minimum pension: £500.00

GMPF pension we pay increase on: £1000.00

Increase paid by us: £31.00

The DWP will pay the rest of Mary's increase, together with her State pension.

Who gets the increase?

The increase is paid at any age if...

- You are drawing a widow's, widower's, or children's pension, or
- You are an ex employee who retired at 55 or over
- You are an ex employee who retired on ill health

Message board

Rochdale & District Citizens' Advice Bureau are looking for volunteer advisers for their offices in Middleton or Rochdale. If you can spare a full day, or two half days, and think you have the right skills, why not call the number below. Full training is given and travel expenses are paid.

Contact **Jenny Dughie on 01706 666676** for more information.



We were sorry to hear of the sad death of Jack Walley, who had written pieces for Grapevine a couple of times. Our thoughts go out to his family and everyone who knew him.

Oldham UNISON retired members branch is up and running again. The group meets at Bank Top Tavern in Oldham, on the first Wednesday in every month. Contact branch office on **0161 911 4008** or Glenys Butterworth on **0161 688 0537** to find out more.

Play by the rules

If you claim any type of State or local government benefit or allowance, for example housing benefit, you must tell whoever pays it about your pension from us.

Every year thousands of people across the country fail to do this, and the Audit Commission which polices such things reckons this type of fraud costs the taxpayer something like £40 million each year!

Organisations including this Fund, the Department for Work & Pensions, and your local Council all have to take part in the Audit Commission's data matching exercise to compare records to expose possible fraud.

Forgetting to mention your Fund pension in a claim may seem innocent enough, but the authorities really do view it as fraud. When caught out, you will be asked to pay the money back, plus a penalty charge, and may well be prosecuted.

New bank account?



If your bank details change, your bank or building society **won't** tell us. So please make sure you tell us, by dropping us a line or calling at our offices.

When the 1st isn't the 1st...

As you know, we pay your pension in advance on the first traditional working day of the month - and normally this is the 1st of the month too. The only time we can't do this is if the 1st falls on a weekend or bank holiday. There are three times in the next year this will happen, and we've shown them below...

May 2005:	paid Tuesday 3rd
October 2005:	paid Monday 3rd
January 2006:	paid Tuesday 3rd

Cut your Council Tax

As we explain on the left, you need to declare your pension when claiming various benefits. But don't fall into the trap of going the other way and not actually claiming what you're entitled to. For example with Council Tax, you can claim a rebate if you're on a low income. And if you get other benefits, they won't be affected. For more details and an application form, please contact your local council.

Back to work?

You only need to tell us if you get another job with an employer in Local Government. In most cases it won't affect your pension.

Can we help you?

To speak to one of our pension payroll team, please have your pension number handy then call us on the number below.

If you prefer to e mail us or visit our website, we have shown these details too...

 **0161 301 7100**

 **mail@gmpf.org.uk**

 **www.gmpf.org.uk**

 Please let us know if we don't have your correct address!

Cover and premiums are subject to individual assessment. Your details will be held by Zurich Insurance Company in accordance with the Data Protection Act 1998. In addition, we may share your data within the Zurich Financial Services Group and with other companies that we establish commercial links with, so we and they may contact you (by mail, e-mail, telephone or other appropriate means) in order to keep you informed about our new products services or offers that we believe will be of interest to you. If you do not wish us to do this please advise us when you call. Conditions apply. Average price saving from Zurich survey, December 2004.

The Council neither encourage nor discourage retired staff from taking out insurance with Zurich.

ZURICH CAR AND HOME INSURANCE

Try finding better value insurance

At Zurich we believe in providing real value for money car insurance. So if your car's in an accident we'll give you a courtesy car* – and even provide legal advice on motoring issues 24 hours a day. If you lose your keys we'll have your locks replaced. We even automatically provide 24 hour roadside assistance**. So if your car breaks down, you won't.

Extra cover included at no extra cost

When we say covered we mean it! As you can see from the table below, our Zurich Car Solutions insurance includes many valuable benefits as standard that some other insurers charge extra for – or simply don't offer.

Car Insurance	Zurich Solutions	Direct Line	More Than	Liverpool Victoria
Courtesy car if you have an accident*	✓	•	✓	•
Up to £100,000 legal expenses cover for uninsured losses	✓	X	X	X
Replacement locks (up to £350) if you lose your keys	✓	X	X	✓
24 hour roadside assistance automatically included**	✓	•	•	•

✓ Cover supplied as standard • Cover not available
 • Cover at additional cost

This data has been verified by Defaqto Ltd, an independent data provider, November 2004.

*Courtesy car - complimentary when your car is being repaired by an approved repairer following an accident. Also available for 4 days if your car is subsequently deemed to be a total loss. **Roadside assistance – up to 30 minutes roadside assistance, provided breakdown occurs more than a mile from your home.

£90
SAVING ON
AVERAGE

Call us now on our retired employees' hotline for a great value car or home insurance quote

0800 056 4323

QUOTING REFERENCE: W1157

Lines are open 8am–9pm weekdays, 9am–5pm Saturdays
 Or visit us online at: www.zurichinsurance.co.uk/zurichatwork



ZURICH

INSURANCE THAT WORKS FOR RETIRED MEMBERS OF GREATER MANCHESTER PENSION FUND