

PENSIONERS NEWSLETTER

Issue number 42

April 2014

PENSIONS INCREASE

This year's annual rate of pension increase (PI) is 2.7%, payable on and from 7 April 2014. You are eligible to receive pensions increase if you are aged 55 or over, or you are in receipt of an ill health, widows, widowers or child's pension.

In previous years you would receive a letter with this newsletter detailing your individual pensions increase. However, for future years, due to the savings that local government has to make and to fit the council's vision for a greener county, individual pensions increase letters are not being sent out.

The new annual rate of your pension is shown on the bottom left-hand corner of your payslip.

PENSIONS INCREASE 2014 – QUESTIONS & ANSWERS

How is the up-rating for my pension decided?

Public service pensions are increased under the provisions of the Pensions (Increase) Act 1971 and Section 59 of the Social Security Pensions Act 1975 and the increase is set by HM Treasury.

The Social Security Pensions Act 1975 provides for public service pensions to be up-rated at the same time and by the same percentage as the increase in the additional pension provided under the State Earnings Related Pension Scheme (SERPs), which is based on the September-to-September increase in the Consumer Price Index (CPI). Therefore September 2013 CPI has been used for up-rating for April 2014.

Why haven't you paid me the full 2.7%?

There are several reasons why your payslip doesn't show a full 2.7% increase.

If you have retired in the last year and are eligible to receive pensions increase for the first time this April,

you will receive a proportion of the full rate, please see the following table:

Pension start date	Increase
Before 23 Apr 2013	2.70%
23 April 2013 to 22 May 2013	2.48%
23 May 2013 to 22 Jun 2013	2.25%
23 Jun 2013 to 22 Jul 2013	2.03%
23 Jul 2013 to 22 Aug 2013	1.80%
23 Aug 2013 to 22 Sep 2013	1.58%
23 Sep 2013 to 22 Oct 2013	1.35%
23 Oct 2013 to 22 Nov 2013	1.13%
23 Nov 2013 to 22 Dec 2013	0.90%
23 Dec 2013 to 22 Jan 2014	0.68%
23 Jan 2014 to 22 Feb 2014	0.45%
23 Feb 2013 to 22 Mar 2014	0.23%
23 Mar 2014 onwards	Nil

The pension increase is payable from the first Monday following the beginning of the new tax year. This year the pension increase is payable from 7 April 2014.

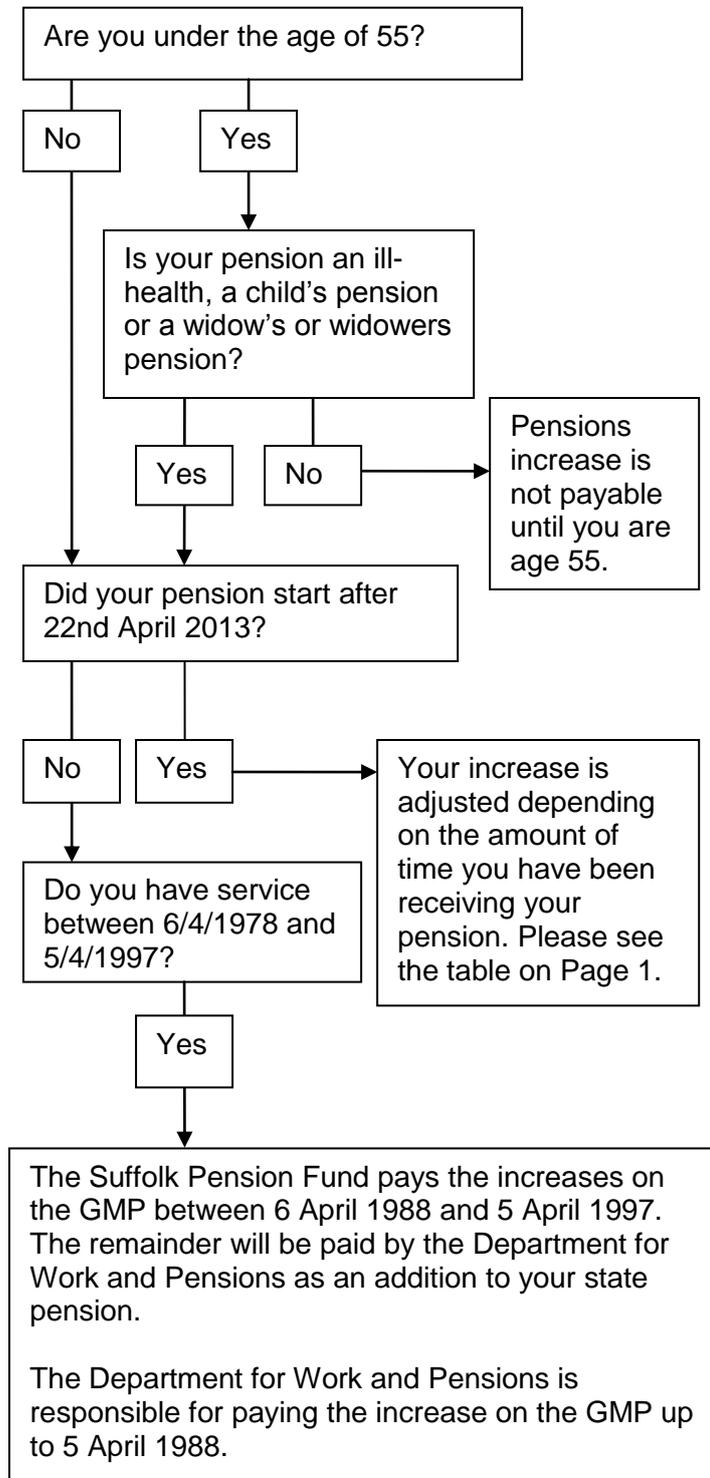
To clarify this, the old rate of pension is still payable up to 6 April and your pension will be paid at the new rate from 7 April 2014 only.

Your pension scheme was contracted out of the State Earnings Related Pension Scheme (SERPS) between 6 April 1978 and 5 April 1997.

If you were a member of the scheme between 6 April 1978 and 5 April 1997 we must pay you a Guaranteed Minimum Pension (GMP) based on the state entitlement you would have earned if you were in

SERPS at the time. In most cases your pension is higher than your GMP.

The Department for Work and Pensions is responsible for paying the full increase on the GMP up to 5 April 1988 as an addition to the state pension.



PENSION CREDIT

About 4 million people are entitled to Pension Credit, yet about 1 in 3 of those eligible are still not claiming it.

If you're one of them, you could be missing out on hundreds or even thousands of pounds a year.

There are two parts of Pension Credit - you may be eligible to receive one or both of them.

Guarantee Credit tops up your weekly income to a guaranteed minimum level set up the Government.

Savings Credit is extra money for people who have an income higher than the Basic State Pension or who have a small amount of savings.

Can I claim Pension Credit?

The minimum age to qualify for Guarantee Credit is gradually rising from age 60 to 65. The minimum age for Savings Credit is 65.

Pension Credit is means-tested so your income and savings are taken into account when it is worked out.

Pension Credit includes help towards mortgage payments and service charges for home owners, and extra money for people who receive Carers Allowance or disability benefits.

It's worth claiming Pension Credit even if you are only entitled to a small amount, as it can help you qualify for other benefits.

How to claim Pension Credit

Call the Pension Service on 0845 60 60 265. They will ask you questions over the phone and fill the form in for you.

Alternatively you can visit the Directgov website to download a claim form and calculate whether you are entitled.

<https://www.gov.uk/pension-credit>

YOUR LETTERS

We received a letter from one of our pensioners regarding Gift Aid, as follows.

Gift Aid and Higher Age Related Personal Allowance

"I recently received an unintelligible statement from the Tax Office about a recalculation of my tax liability stating that I had underpaid tax in 2012/2013.

I went on the Inland Revenue web site in an attempt to understand the recalculation and, in checking through Personal Allowances, discovered that my

donations to charities under the Gift Aid Scheme could be offset against my income and so reduce my tax liability.

Like most people, I was aware of the need to notify the Tax Office of such donations if you were a higher rate tax payer (something which has never applied to me) but I was unaware of this provision for those on the higher age related personal allowance.

I am sure that I will not be the only pensioner affected in this way and would be grateful if you could publicise this in the newsletter, particularly as many pensioners do not use the internet and it was not easy to find the information.

For those on the higher age related personal allowance, the allowance is reduced by £1 for every £2 total income exceeds the threshold which was £25,400 in 2012/13 and is £26,100 in the current tax year (2013/14). Income includes pensions, building society and bank interest, rents etc. However, gifts to charities under the Gift Aid scheme can be offset against total income.

So if in 2012/13:-

Income (Pensions, building society interest etc)	£26,400
Less Charitable gifts plus £250 (value of tax at base rate)	£1,250
Adjusted Income	<u>£25,150</u>

Personal Allowance is not reduced as income is now below the threshold of £25,400. The personal allowance cannot be reduced below that for a person not receiving the higher allowance.

For more information, see www.hmrc.gov.uk/incometax/personal-allow.htm and go to the example of Charles under Personal Allowance and Adjusted Net Income. Do not follow the link on Tax relief when giving to Charity through Gift Aid.

It is important, therefore to notify your tax office of donations under the Gift Aid Scheme and it is possible to claim back tax overpaid in previous years".

If you would like to contribute to future editions of the Pensioner's Newsletter, please contact us using the details at the bottom of the page overleaf and we will do our best to incorporate your article.

A-Z OF RECYCLING

As part of the 2014 'Waste Less and Save More' campaign, Suffolk Waste Partnership has launched an A-Z of recycling.

A searchable directory has been added to Suffolk Recycling website which allows the user to find out how to reduce, reuse and recycle everyday household items. The A-Z will also help residents identify the benefits of recycling that can be achieved, both personally and financially.

The A - Z of recycling allows you to browse or search for information on how to reduce, reuse, recycle or dispose of everyday household objects.

The A-Z can be found here:-

<http://www.greensuffolk.org/recycling/a-z-of-recycling/>

Suffolk Waste Partnership would value your feedback on the new A - Z of recycling and you can contact the Waste & Recycling Team as follows:

Waste Management
Suffolk County Council
Endeavour House
8 Russell Road
Ipswich
Suffolk
IP1 2BX

Phone: 0845 606 6067

Email waste.management@suffolk.gov.uk.

SHOPPING ON THE HIGH STREET – YOUR RIGHTS

For many of us, shopping on the high street is the main way we buy new items. But not all of us know or understand our consumer rights.

When it comes to returning goods that we're not happy with, it can be hard to know whether we're entitled to a refund, credit voucher, repair, replacement – or anything at all.

Fit for purpose

When you buy goods, they should be as described, fit for purpose, and of satisfactory quality.

For example, if you buy a dress that's labelled silk and it turns out to be cotton, it's not as described. Or if you buy a television and the picture is fuzzy, it's not of satisfactory quality.

Shops don't have to give you a refund just because you've changed your mind about an item, although some will if you have a receipt.

However, if you're returning faulty goods, you're entitled to have them mended or replaced or to get your money back, even on sale items.

This doesn't apply if you caused the fault, for example, by dropping a laptop so the screen breaks.

Timescales

In general, if you return goods:

- within 4 weeks: you can expect a full refund as you're not seen as having 'accepted' the goods.
- within 6 months: the shop has to prove they weren't faulty when you bought them. You can expect a repair, exchange or part-refund, even if you've had good use out of them.
- over 6 months since you bought them: you may have to prove you didn't cause the fault, such as by getting a second opinion from an independent expert.

Each situation is different, so speak to the shop as soon as possible. Goods should last for a 'reasonable' amount of time, which will vary depending on what you've bought. For example, if you bought a washing machine 7 months ago and it breaks down, the trader should repair it for you.

Proof of purchase

If you're returning a faulty item, find proof of purchase – preferably the receipt, but otherwise other documentation like a bank or credit card statement.

Explain calmly to shop staff what the problem is, when you bought the item, and what you'd like them to do – replace or repair it, or refund you. Shops will usually offer a refund if you have proof of purchase, or you haven't used the item yet or only used it a few times.

If a repair or replacement isn't practical – if it would take too long or it's too costly for the trader, for example – then you should get some money back as a partial refund or reduction.

However, the law is complex so you may need legal advice about whether you should get a repair, replacement or refund.

Not happy?

If you're not happy with what the shop offers, then make a complaint in writing to them.

If you're still not happy, contact Consumer Direct.

TAX CODE CHANGE?

You may have received a letter from the tax office notifying you of your new tax code for the tax year 2014/15 and telling you that you need to inform us.

The tax office sends us the details electronically so there is no need to inform us. If you have any queries about tax, please refer to the tax office in the first instance on 08453 000627.

PENSION PAY DAYS

If you are in receipt of a local government pension or a teachers compensatory pension (your personal number will begin with **S50**) you are paid monthly in arrears.

If you are a fire pensioner from the Old Fire Scheme (your personal number will begin with **S51**) you are paid in advance.

If you are a fire Pensioner from the New Fire Pension Scheme (your personal number will begin with **S52**) you are paid monthly in arrears.

Your payment dates for the next 6 months will be as follows:

S50	S51	S52
30/05/2014	30/05/2014	30/05/2014
30/06/2014	01/07/2014	30/06/2014
31/07/2014	01/08/2014	31/07/2014
29/08/2014	01/09/2014	29/08/2014
30/09/2014	01/10/2014	30/09/2014
31/10/2014	31/10/2014	31/10/2014

CONTACT DETAILS: - If you have any questions or concerns about the pension you receive from Suffolk County Council, please write to:-
The Pensions Team, Constantine House, 5
Constantine Road, IPSWICH, IP1 2DH.
Telephone 08456 053000.
Email: pensions@csduk.com.
Or visit our website: www.suffolkpensionfund.org