

PENSIONERS NEWSLETTER

Issue number 40

April 2013

PENSIONS INCREASE

This year's annual rate of pension increase (PI) is 2.2%, payable on and from 8 April 2013. 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 2013 – 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).

So, September 2012 CPI has been used for up-rating for April 2013.

Why haven't you paid me the full 2.2%?

There are several reasons why your payslip doesn't show a full 2.2% 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:

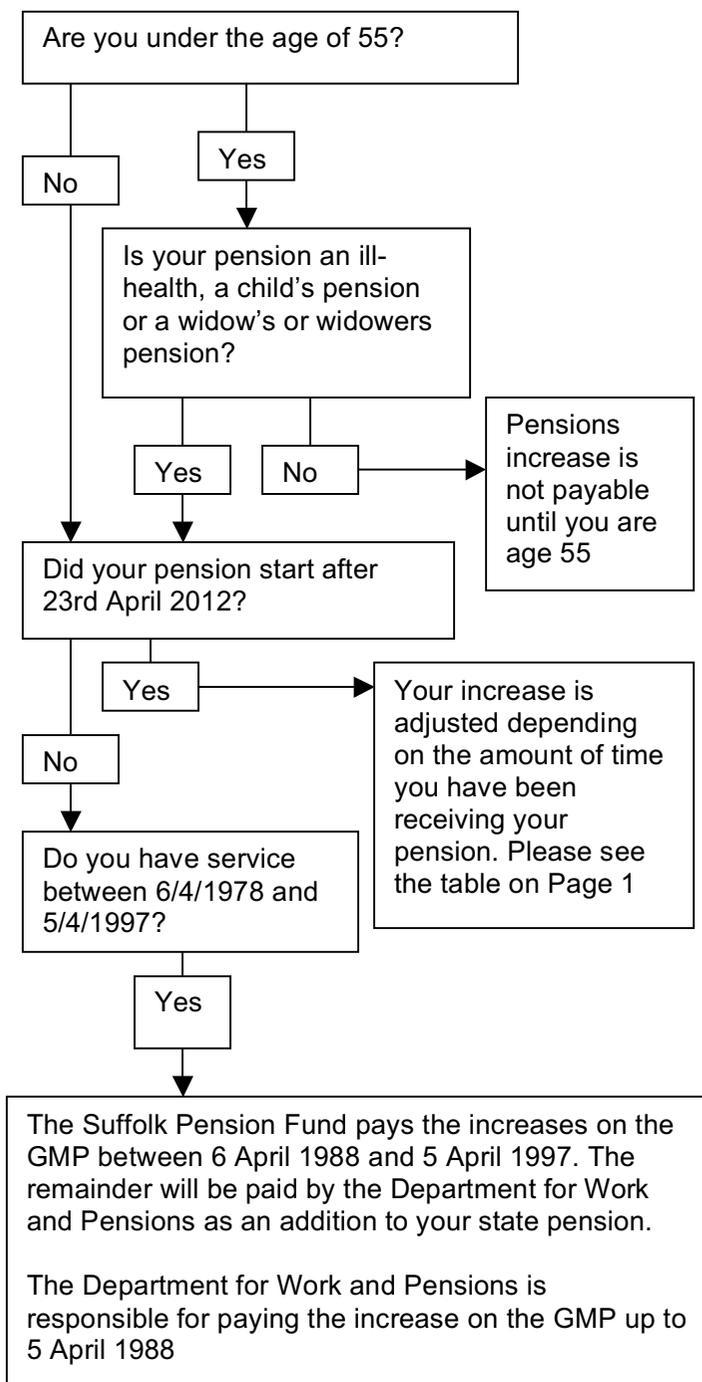
Pension start date	Increase
Before 24 Apr 2012	2.20%
Between 24 Apr 2012 and 23 May 2012	2.02%
Between 24 May 2012 and 23 Jun 2012	1.83%
Between 24 Jun 2012 and 23 Jul 2012	1.65%
Between 24 Jul 2012 and 23 Aug 2012	1.47%
Between 24 Aug 2012 and 23 Sept 2012	1.28%
Between 24 Sep 2012 and 23 Oct 2012	1.10%
Between 24 Oct 2012 and 23 Nov 2012	0.92%
Between 24 Nov 2012 and 23 Dec 2012	0.73%
Between 24 Dec 2012 and 23 Jan 2013	0.55%
Between 24 Jan 2013 and 23 Feb 2013	0.37%
Between 24 Feb 2013 and 23 Mar 2013	0.18%
24 Mar 2013 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 8 April 2013.

So, the old rate of pension is still payable up to 7 April and your pension will be paid at the new rate from 8 April 2013 only.

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



PENSIONER TAX SIMPLIFICATION PROPOSALS PUT FORWARD

On 23 January 2013, recommendations on how to make tax simpler for Britain's pensioners were announced by the Office of Tax Simplification (OTS).

The independent body has looked at the elements of tax that cause the most complications for pensioners, including tax on savings, the Married Couple's Allowance and administrative aspects.

The OTS's recommendations stem from extensive discussions with pensioners, representative groups, charities, tax agents and the tax authorities, and answer calls for a simpler, fairer tax system.

Building on the work already in hand following last year's report, the key recommendations are a mix of technical and administrative points:

Technical points

- Simplify the Married Couple's Allowance (MCA) – the OTS recommends simplifying the MCA to remove the current income abatement system and streamlining administrative aspects, replacing it with a flat-rate payment for those still eligible.
- Refocus savings incentives – the OTS found the current 10% savings rate to be a great source of complexity and ineffective, with both low awareness and low take up levels. The OTS believes it would be much simpler and more effective to abolish the 10% savings rate and use the money saved to increase Individual Savings Accounts (ISA) limits.
- Revise the Blind Person's Allowance (BPA) – this is currently poorly targeted, as those with no income tax liability do not benefit. Ideally, the OTS thinks that the BPA should be revised to provide direct grants and support for all those registered blind. In any event, it needs to be simpler to claim.

Administrative points

- Better tax information for pensioners – the OTS recommends that the Department for Work and Pensions (DWP) issues an annual statement setting out the amount of taxable income received from the state pension and social security benefits in the tax year. This form – a 'DWP60' – would parallel the P60 that employers and other pension providers have to give recipients and would ensure pensioners know what taxable income they are receiving.
- Simplify tax coding notice process – to address the confusion faced by many when they receive multiple PAYE coding notices from HM Revenue and Customs (HMRC), the OTS recommends HMRC issues consolidated coding notices ('form P2C') setting out all of a pensioner's tax codes and showing how the personal allowance is used.
- Administrative improvements – amongst several admin improvements, OTS recommends banks and building societies ask annually if the tax status of a savings account is correct, ensure account holders have correct guidance on tax on interest, and that HMRC create an online portal to submit form R40 which allows pensioners to claim back the tax they may have paid incorrectly on their savings.

John Whiting, Tax Director of the Office of Tax Simplification, said: "Pensioners have told us many times how the tax system gets more complex as they get older. We have to work within our brief to be revenue-neutral, but we think our recommendations could make a real difference in stripping away complexities and giving pensioners information that will help understanding and make it easier for them to deal with their obligations.

"One great source of complexity is the way the state pension is taxed. Bringing this into the PAYE system

would cause lots of problems and exempting it from tax, whilst attractive to recipients, would be unfair on other taxpayers and costly for the government. So we've focused on coming up with sensible solutions that could provide real help in making it easier for millions of pensioners to deal with their tax responsibilities."

The report builds on last year's interim report, which is already leading to improvements in HMRC service to pensioners.

Throughout the review the OTS gathered evidence from meetings, surveys and road shows throughout the UK, giving pensioners, professional advisers and representative bodies a chance to contribute to the review. A research project was also undertaken by an independent organisation on behalf of the OTS and HMRC.

This final report with recommendations has been published on the OTS homepage and has been put to the Chancellor of the Exchequer for consideration.

<http://www.hm-treasury.gov.uk/ots>

SHOWING ROGUE TRADERS THE DOOR

Suffolk Trading Standards officers are supporting the national campaign in an attempt to empower the most vulnerable consumers to say no to cold calling doorstep traders and stay safe in their homes.

Trading Standards launched a countywide crackdown on rogue traders and cold callers earlier this year to examine the huge range of scams that Suffolk people are continually exposed to, with doorstep sales as a main feature.

Suffolk Trading Standards are providing the following top 10 tips on how to deal with doorstep sellers:

1. Never sign on the spot.
2. Check the trader's identity. Always ask for an identity card and look up the organisation to check the salesperson's identity is genuine.
3. Be wary of special offers or warnings about your home.
4. Always shop around for the best price.
5. Read the small print. Always read documents carefully before you sign them and make sure you fully understand your rights.
6. Double check the facts. Make sure you fully understand the total costs of the transaction – including estimates, delivery and installation and the arrangements for after-sales servicing.
7. Talk to someone you trust for a second opinion.

8. Don't hand over a cash deposit. Avoid handing over money before work is started. A reliable trader will never ask you to do this.

9. Think very carefully before you agree to a trader starting any work straight away. If you agree to have any work done or goods delivered within the seven day cooling-off period, you may have to pay if you later change your mind and cancel the contract.

10. Trust your instincts. If it sounds too good to be true, it probably is.

'No Cold Calling Zones' feature across Suffolk in a bid to protect vulnerable members of the community from rogue traders and distraction burglaries.

The zones are designed to discourage unscrupulous traders and empower vulnerable consumers to say 'no' to uninvited doorstep sellers. They are marked with signs in the street explaining that the area is a 'No Cold Calling Zone' with residents displaying stickers in their windows to show they do not wish people to call at their door.

A full list of where the zones are can be found on the Trading Standards web pages:-

<http://www.suffolk.gov.uk/emergency-and-safety/community-safety/suffolk-trading-standards/no-cold-calling-zones/>

For more information visit www.adviceguide.org.uk or call the Citizens Advice consumer helpline on 08454 04 05 06

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.

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

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

GRANSNET

Gransnet is the social networking site for Britain's 14 million grandparents. It was launched in May 2011 and its forums cover news, culture, health, relationships, learning, food, gardening, memories and more.

Discussions range from ageism in the NHS to coping with daughters-in-law; from childhood sweets and games to recovering from betrayal; from what the government should do about social care to the joys of winter.

What does it offer?

The Gransnet forums are a place to meet like-minded people, exchange views and swap experiences and stories.

You'll need to register as a Gransnet member to post messages on the forums, but after that you can talk about whatever you like.

Gransnet creates opportunities to chat to like-minded souls online.

So if you want to swap stories, share knowledge or just have a chinwag, Gransnet is a great place to start.

What if I'm not a grandmother?

They have a shed for grandads (though they don't insist they stay in there) and lots of topics that are of interest to a wide range of people.

So, while the overwhelming majority of members are grandmothers, they pride themselves on their inclusiveness.

How do I find out more?

Visit the Gransnet website www.gransnet.com and get clicking and chatting.

TAX CODE CHANGE?

You may have received a letter from the tax office notifying you of your new tax code for the tax year 2013/14 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 (your personal number will begin with **S51**) you are paid in advance.

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

S50	S51
31 May 2013	31 May 2013
28 June 2013	1 July 2013
31 July 2013	1 August 2013
30 August 2013	30 August 2013
30 September 2013	1 October 2013
31 October 2013	1 November 2013

A POEM

In January we received a letter from one of pensioners, Ron Redfern, which included a poem and he would like to share this with you. Ron joined East Suffolk County Council on 1 October 1964 as an Education Welfare Officer. Ron retired on 4 October 1980.

A Precious Gift (a Smile)

It cannot be bought or borrowed
It cannot be stolen or sold
But this precious gift
When freely given
Is a pleasure to behold!

For it reassures the frightened,
It soothes those who are sad,
And comforts the dejected
And makes the mournful glad!

It brightens up this weary world,
And lightens up our life,
And brings sunshine to the shadows
At a time of pain or strife

From the book by Gervase Phinn "Out of the woods, but not over the hill".

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