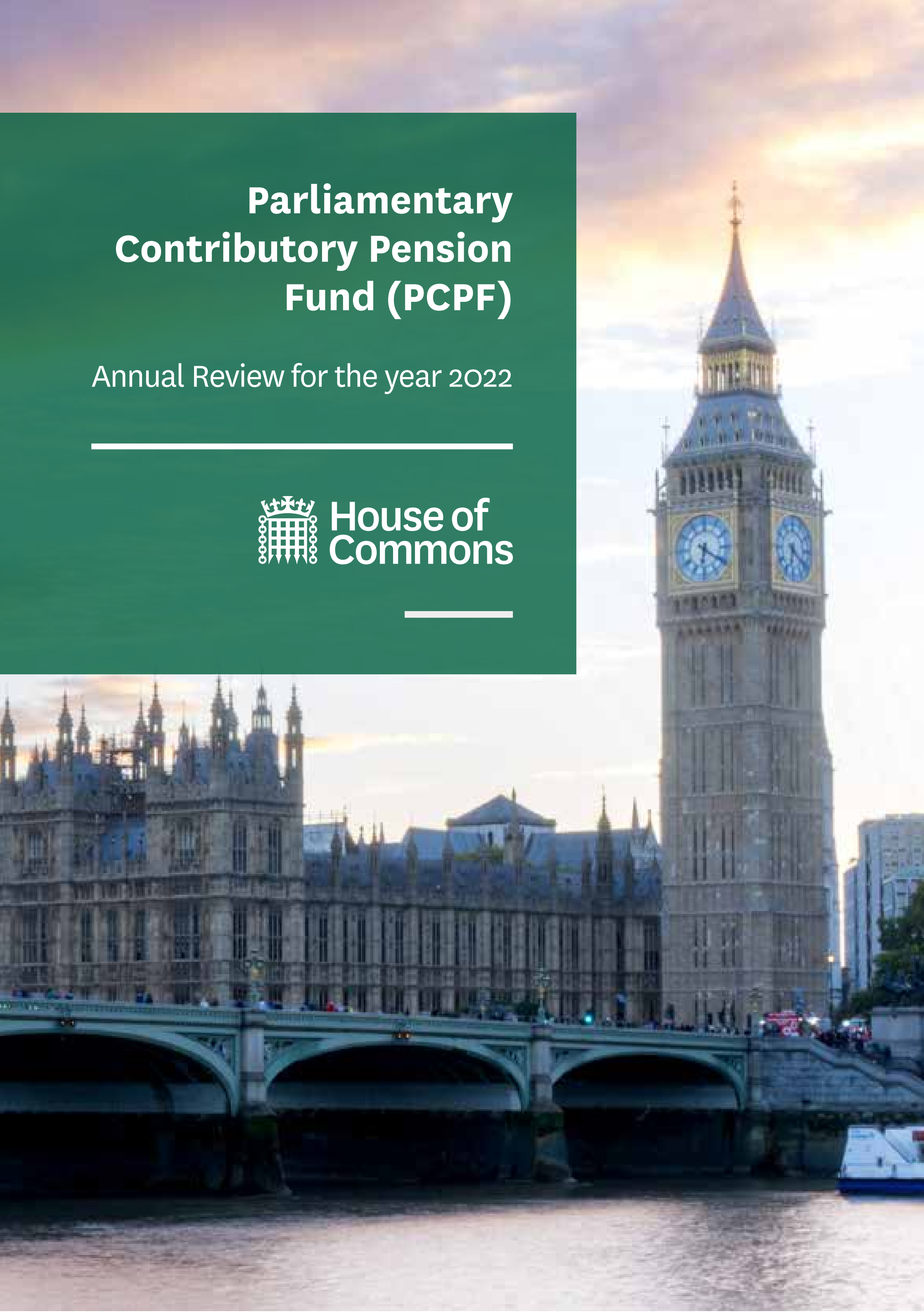
Parliamentary Contributory Pension Fund (PCPF)

Annual Review for the year 2022

House of Commons



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Key highlights

Investment

10% commitment
across two renewable energy infrastructure funds with a strong environmental, social and governance focus **(see page 13)**

The fund accepted
for the second year as a signatory to the UK Stewardship Code **(see page 14)**

The carbon intensity
of bonds and equities was less than **50%** against their benchmark **(see page 10)**

Zero exposure to Liability-Driven Investments
which caused problems for some pension funds in September 2022 (see page 3)

McCloud

Closure of the Final Salary Section
on **31/03/23**
(see page 18)

All serving participating members
to move to the CARE section from **01/04/23**
(see page 19)

McCloud response member options exercise
due from **Spring 2023** through to **2024**
(see pages 16 and 17)

Fund Update (as at 31/03/2022)

Investment returns of:	Total Assets:	Scheme membership:
10.4%	**£832.6M**	**2,075**
(see page 8)	(see page 5)	(see page 6)

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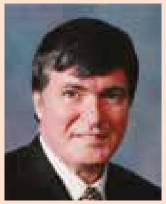
Welcome



As we move into 2023 and leave 2022 behind, it is once again time to welcome you to the Parliamentary Contributory Pension Fund Annual Review, the Trustees' annual report for members of the pension scheme for the calendar year 2022. The following pages contain the latest news and information about the Scheme, alongside a summary of the accounts for the year ending 31 March 2022.

As the Parliamentary Estate continues to return to normalcy, as a Trustee Board we turned our attention to the biggest challenge of 2022, the McCloud project. Working with IPSA to understand and implement the PCPF's response to McCloud has been a significant task for my fellow Trustees and I. We have been well supported by our in house Secretariat team who have been tirelessly working in the background, alongside IPSA and the Trustees' advisers, to ensure that IPSA's decisions in relation to McCloud are implemented efficiently, effectively and with the proper engagement of those impacted. Read more about the PCPF McCloud response on pages 16 and 17.

It has been encouraging to meet with serving members over the course of this year, not only at our Member Surgery in May, but also at our pensions stall in the Portcullis House atrium in October. Many of you raised questions and concerns surrounding the McCloud response, and as such I am glad to see our members engaging with this matter. McCloud is a difficult and complex matter and member engagement has been key. In total, approximately a quarter of our total membership is impacted by the McCloud response, and you should have all received communications about the way the McCloud response will impact you.

Our ongoing focus on responsible investment, including environmental, social and governance (ESG) matters, continued throughout 2022. With four investment focussed trustee meetings, we are more able to give due regard to our stewardship of the Fund's assets.

This year we are pleased to report that once again we have been accepted as signatories to the UK stewardship code. We received training on achieving ESG aims within credit markets, and appointed Barings to manage an allocation to a private lending fund. The Barings fund will have a particular focus on responsible investment and this is integrated throughout the investment process. Finally, in November we reviewed the results of our second annual carbon footprinting exercise to ensure we are on track to meet our aim for the Fund to be carbon neutral by 2050, at the latest.

We now have a total of 10% of the Fund's total assets committed to infrastructure funds with an ESG focus. Over the course of the year we have injected more and more capital into projects which work to provide renewable energy to the UK and globally. For example, through the appointment of Foresight as one of our fund managers, the Fund has invested in the UK's largest solar power farm. Please read more about this in our Responsible Investments - in the Spotlight section on page 14.

Despite the challenges faced across global markets over the year, and specifically in September 2022, thanks to the stewardship of the Board and our advisors, the Fund's position remains strong. I would like to take this opportunity to reassure our members that the Fund has absolutely no exposure to Liability-Driven Investments (LDI) which have caused extreme volatility for many other pension schemes over the last couple of months, and which members may have read about in the press at the time.

As a board we reviewed a scheme funding update in November. The Board was pleased to note that the PCPF's funding level had grown from 104.3% as at April 2020, to 130% as at April 2022. The main reason for this improvement in the funding position is that investment returns over the period were higher than expected. The Fund will be subject to a full triennial review in 2023, which we will cover in further detail in next year's Annual Review.

I am also pleased to report strong investment growth over the year to 31 March 2022, in which the Fund returned 10.7%, outperforming our benchmark by 0.3%. Performance over this 12 month period was driven by strong absolute performance in equity and property markets. Information on the investments held by the Fund, together with a summary of the investment strategy and details of past performance is set out on page 8.

I would like to thank my fellow Trustees for their dedicated service to the Fund and the Secretariat staff who provide expert support and assistance behind the scenes. I would also like to take this opportunity to thank Prof. Geoffrey Woods who assists the Trustees and the Secretary with a useful alternative view on our investment portfolio, which helps aid our discussions and ultimately our decision making.

I hope that you enjoy reading this year's Annual Review and that you find it both interesting and informative. If you have any comments or questions about anything you have read in this year's review, or your pension in general, the Trustees would be pleased to hear from you via the Pensions Secretariat — whose contact details are on the back page. Please also take the time to visit the Scheme's website at **myPCPFpension.co.uk** which provides more information about the Scheme and your pension benefits.

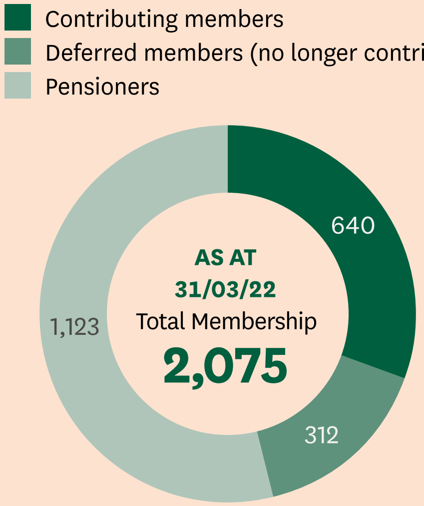
With best wishes
Sir Brian H Donohoe

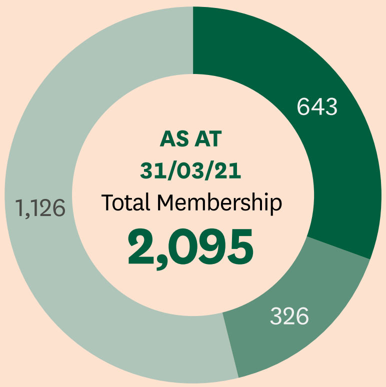
Financial highlights

This information is taken from the full Trustees' Accounts for the year ended 31/03/22, which are published by the National Audit Office as a House of Commons paper. A copy of the full report is available on the Scheme's website **myPCPFpension.co.uk**

	As at 31/03/2022 (£'000s)	As at 31/03/2021 (£'000s)
Money in		
Contributions from Exchequer	7,388	7,196
Contributions from members	6,238	6,286
Investment income	8,775	7,302
Total income	22,401	20,784
Money out		
Benefits paid	29,300	29,600
Transfers out	539	2,563
Investment management expenses	1,973	1,172
Administration expenses	879	984
Total expenditure	32,691	34,319
Total assets at end of the year	835,700	772,600
Pension liability at end of the year	1,040,100	1,016,200

Membership





Investment perspectives

Market update (over 12 months to 30 September 2023)

Economic momentum slowed over the year, with initial physical disruptions and sanctions brought on by Russia's invasion of Ukraine serving to exacerbate existing inflationary pressures; increasing input costs and weighing on consumer's real incomes. With the conflict showing no sign of abating, current and forecast inflation is continuing to move higher, leading to expectations of further interest rate rises. This has given rise to fears of global recession, with recessions forecast in several key European economies and the US economy also expected to slow substantially.

Year-on-year headline CPI inflation is running at 10.1%, 8.2%, and 9.9%, in the UK, US, and eurozone, respectively. Of more concern to central bankers, core inflation, which excludes food and energy prices, is also well above target, at 6.5%, 6.6%, and 4.8% in the UK, US, and eurozone, respectively.

Central banks have become increasingly focussed on combatting high inflation over the year; shifting to the view that recent pressures are likely to persist, and adjusting policy accordingly.

The Bank of England raised rates by a total of 2.15% p.a. in the twelve months to end-September, while the Fed and ECB raised rates by a total of 3.0% p.a. and 1.25% p.a. respectively.

Global sovereign bond yields moved higher against a backdrop of high inflation and rising interest rate expectations. UK government bond yields rose 3.1% p.a. over the year, reaching 4.1% p.a. at end-September, having accelerated following the government's unveiling of a substantial unfunded fiscal package in late September. Equivalent US and German yields each rose 2.3% p.a. over the same period, to 3.8% p.a. and 2.1% p.a., respectively. UK implied inflation, as measured by the difference between conventional and inflation-linked bonds of the same maturity, rose initially before falling in the latter half of the year to remain slightly above levels seen 12 months ago, at 4.0% p.a.

Global investment-grade credit spreads rose 0.9% p.a., to 1.8% p.a., as both inflation and growth concerns weighed on credit markets. Spreads on both UK and European investment-grade debt rose 1.4% p.a. over the period, to 2.4% p.a. and 2.2% p.a., respectively. As expected in a risk-off environment, spreads in speculative grade credit markets widened by a greater extent, with US and European high yield spreads rising by 2.3% p.a. and 3.2% p.a., to 5.4% p.a. and 6.3% p.a., respectively.

Global equities fell 15.7% in local currency terms against a backdrop of ongoing geopolitical concerns, slowing earnings momentum, persistent inflationary pressures, and subsequent higher interest rate expectations. For UK investors, the strengthening dollar, relative to the pound, cushioned losses, with the global market declining 3.6% in sterling terms. The technology sector, which is more sensitive to rising rates, notably underperformed over the period. More cyclical sectors also underperformed for the most part, with the consumer discretionary and industrials sectors lagging the more defensive consumer staples, utilities and telecommunications sectors. The energy sector was the best performing sector; boosted by surging oil and gas prices.

Emerging Market equities were the worst performing region over the year, pulled lower by weak performance from China, where large-scale lockdowns, tighter regulations and ongoing debt woes for property developers weighed on returns. Above average exposure to energy, metals, and miners saw UK equities lead the regional performance rankings over the year, while the technology-heavy US equities market underperformed.

UK Property, as measured by the MSCI UK Monthly Property Index, returned 13.5% in the 12 months to the end of September, although monthly returns entered negative territory in the third quarter. Capital value declines have been observed across the three main commercial sectors since July but have been more pronounced in the industrial sector.

Fund performance

Over the year to 31 March 2022, The Fund's assets returned 10.7%, outperforming the benchmark return by 0.3%. Strong absolute returns were driven by the Fund's equity and property mandates.

Financial markets have been very volatile since the Fund's year-end in March 2022, amidst high inflation and rising interest rates. The most significant period for pension schemes was September/October 2022, following the government's September 'mini-budget' announcement which caused gilt yields to increase at a historically fast rate. This caused a crisis for UK pension schemes that use leveraged government bond positions to try to match liabilities. The Fund does not invest in this way and therefore was not directly impacted by the crisis.

Strategy update

In recent years the Trustees have made changes to the investment strategy to reduce the carbon emissions intensity of the equity portfolio, reflecting the Fund's objectives, beliefs and Responsible Investment policy. These changes included the transition of the Fund's index tracking regional equity portfolio to a sustainable multi-factor and low carbon index approach. This was achieved by investing in the Schroders Sustainable Multi-Factor Equity and BlackRock World Low Carbon funds, with the transition completed during Q2 2021. This change reduced the weighted average carbon emissions intensity from the equity holdings by 51% relative to the previous position.

The Trustees have agreed to invest 10% of Fund assets in renewable energy infrastructure. These investments continued to ramp up over the year as suitable projects were sourced by the underlying investment managers.

The M&G Illiquid Credit Opportunities Fund reached the end of its fund life and started repaying capital to investors in September 2022. The Trustees have agreed to replace this investment with an allocation to a private lending fund managed by Barings.

Fund managers

The manager proportions and mandates at the year-end (31 March 2022) are shown in the table below:

Manager	Mandate	Holding as at 31.03.22 %	Target allocation %
BlackRock Advisors (UK) Ltd	Low Carbon Global equities — passive	26.4	25.0
MFS International (UK) Ltd	Global equities — active	16.2	16.0
Schroders Pension Management Ltd	Sustainable Global equities – multi factor	18.9	17.0
BlackRock Advisers (UK) Ltd	Renewable Power Infrastructure	0.4	1.0
Foresight Group LLP	Energy Transition	0.7	1.0
M&G	European Loans	9.7	10.0
M&G	Illiquid credit	4.1	5.0
Multi-managers	Property	10.0	10.0
PIMCO Europe Ltd	UK bonds	6.7	7.5
BlackRock Advisers (UK) Ltd	UK Gilts	6.3	7.5
Transition cash*	Cash	0.6	0.0
Total		100.0	100.0

* Cash balances include balances held by Fund's custodian, Northern Trust, and the balance of the Trustees' bank account.

The Trustees set target asset allocations, in line with their investment objectives, having taken advice from their investment consultants. However, investment performance alters the underlying value of these investments and as a result the Trustees take action to rebalance their holdings, if the investments breach the Trustees' agreed rebalancing ranges.

Responsible Investment update

The Fund's Responsible Investment Policy

The Trustees' Responsible Investment Policy continues to be a primary consideration when forming the Fund's forward-looking business plan. One of the main commitments is that the Trustees' Annual Review will include an update on the Fund's stewardship and governance activities. The table below highlights some of the key commitments from the Responsible Investment Policy and the Trustee activity undertaken to bring the policy to life.

Policy Commitment	Opportunities arising from a greater understanding of ESG factors (e.g. renewable infrastructure) will be considered when setting investment structure.
Trustee Activity	The Trustees have now committed 10% of Fund assets to infrastructure funds with an ESG focus: • 5% to the BlackRock Renewable Power Infrastructure Fund. • 5% to Foresight Energy Infrastructure fund, which has an explicitly stated objective to make a positive environmental impact. These investments have been growing steadily as fund managers continue to call capital to fund pipeline projects. Further ESG impact investment opportunities have been considered over the year.

Policy Commitment	Analysis of the Fund's carbon exposure and intensity will be considered on a regular basis.
Trustee Activity	The Trustees commissioned a carbon footprint exercise of the Fund's assets during 2021. The results of this exercise were examined late in 2021 and into 2022. In summary, the equity portfolio transition completed in April 2021 has reduced the Fund's Weighted Average Carbon Intensity (WACI) by c.51% and reduced the total carbon emissions by c.77%. The Trustees have also agreed to monitor exposure to climate related risks within the equity portfolio on an annual basis and an updated Climate Risk Report was discussed at the Trustee meeting held in November 2022.

Policy Commitment	Monitor investment managers' compliance with the United Nation's Principles of Responsible Investment reporting requirements, the UK Stewardship Code, and the Trustees' voting and engagement Policy.
Trustee Activity	The Trustees had noted in late 2021 that two of their asset managers were no longer listed as signatories to the new UK Stewardship Code. When meeting with these managers, the Trustees expressed their concerns, and the managers re-affirmed their commitment to good investment stewardship practices. Having re-submitted their applications in the next round, both managers were accepted as signatories in March 2022. Information on compliance with the Trustees' voting and engagement policy is set out on page 14.

Policy Commitment	Plan for at least one formal training session to be directly focussed on Responsible Investment.
Trustee Activity	The Trustees held a Responsible Investment Training Day in July 2022. The training involved a roundtable discussion on Responsible Investment and climate related reporting at USS (Universities Superannuation Scheme), climate metrics in non-publicly listed assets, and sustainability within real estate.

Policy Commitment	The Responsible Investment Policy will be reviewed regularly.
Trustee Activity	A review of the Responsible Investment Policy has been scheduled for February 2023.

Climate risk

The Fund's Climate Risk Policy was finalised in November 2020 and contains additional commitments to those made in the Responsible Investment Policy, including:

- Aim for 100% of assets to be compatible with net zero-emissions by 2050 or earlier
- Reduce the carbon intensity of the Fund's equity portfolio by more than 50% [which was achieved through the equity portfolio transition completed in April 2021]
- Endeavour to consider climate-related risks in other asset classes where practicably possible
- Consider opportunities in the development of the Fund's strategy/ structure to make investments in assets that are expected to benefit from the transition to a low carbon economy
- Ensure that all active managers integrate the consideration of climate-related risks into their investment process and challenge managers to evidence their approach during regular meetings
- Encourage managers to support engagement with investee companies on climate-related issues, including an increase in the disclosure on climate-related risks by companies to investors
- Should the Trustees be dissatisfied with the engagement approach taken by an investment manager, further action will be taken to understand the rationale for a particular course of action
- Monitor exposure to climate related risks within the equity portfolio on an annual basis.

As documented in the policy, the Trustees previously made the commitment for all PCPF investments to be compatible with net zero emissions by 2050 or earlier. The Trustees re-examined this objective in May 2022. Having considered the range of possible paths and the speed with which to achieve the net-zero goal, the Trustees reaffirmed the current target of meeting net zero by 2050 or earlier, with a view to monitoring this position at regular intervals.

In addition, the Trustees discussed the potential risk of stranded assets due to the transition towards net zero and agreed to monitor this through their investment adviser. They also expressed the desire to continue to use voting and engagement as a tool to encourage a better rate of progress towards net zero. The preferred approach is to engage, rather than divest, in the first instance, as this generally leads to better outcomes as opposed to simply transferring ownership to a potentially less responsible investor.

The full policy is available on the PCPF website (**myPCPFpension.co.uk**).

Update on Responsible Investment developments

The Trustees have now committed a total of 10% of Fund assets to renewable energy infrastructure mandates. Half of this allocation is committed to a Global Renewable Infrastructure strategy managed by BlackRock. The first investment into the strategy was made in August 2020. The strategy specialises in building the infrastructure required to generate renewable energy, such as Solar and Wind farms, and offers investment characteristics compatible with the Fund's investment objectives. The Trustees have continued to invest further capital into this mandate over 2022.

The remaining 50% is committed to an infrastructure strategy with an explicitly stated objective to achieve a positive environmental or social impact, alongside generating a financial return. Following a manager selection process, Foresight Group were selected to manage a renewable infrastructure mandate, and the first investment was made in August 2021. The mandate has been growing steadily as the fund manager continues to call capital to fund pipeline projects. More on this investment can be found on pages 14 and 15 under Responsible Investments In the Spotlight.

In May 2022, the Trustees discussed various investment options to replace a private debt mandate that was maturing. In addition to private debt candidates, the Trustees also considered alternative asset classes with an emphasis on responsible investing, such as timberland and farmland. It is expected that further impact investment opportunities will be considered over the next few years.

Following the equity transition that was completed in Q2 2021, the Trustees commissioned a carbon footprint exercise of the Fund's assets. The results of this exercise were examined late in 2021 and into 2022. In summary the equity portfolio transition has reduced the Fund's Weighted Average Carbon Intensity (WACI) by c.51% and reduced the total carbon emissions by c.77%.

An updated climate risk report including results from the latest carbon footprint exercise was discussed at the Trustee meeting held in November 2022. The PCPF's equity and bond holdings have a Weighted Average Carbon Intensity (WACI) of 85.5 tCO2/$m Sales relative to an equivalent figure of 173.0 for the combined benchmark. The Trustees were content that based on numerous climate risk metrics, their managers are on the whole exposed to lower levels of climate risk than their market benchmarks. Where individual holdings appeared to contribute to the Fund's carbon intensity disproportionally, the Trustees engaged with their managers to understand the rationale for this during meetings held with their fund managers in November.

The Trustees continue to monitor the voting and engagement activities of the Fund's equity managers on a quarterly basis, with the review a standing item of Investment focussed Trustee meetings. When the Trustees identify concerns, relative to the Fund's policy, they will challenge the relevant manager and seek justification, for example on individual votes. Quarterly voting and engagement reports are published on the Trustees' website: **myPCPFpension.co.uk/investments**

In September 2021, the PCPF was successful in becoming a signatory to the new UK Stewardship Code in the first wave of applications. To remain a signatory, an updated report was submitted to the Financial Reporting Council (FRC) in April 2022. The report goes to great lengths to demonstrate the Fund's approach to stewardship, with metrics and examples from investment managers across all asset classes, including examples of managers' engagement with investee companies leading to positive changes. In September 2022, the Trustees received confirmation that the PCPF has been successful in remaining a signatory to the Code. The updated stewardship report can be found on the PCPF website as well as the FRC website.

Responsible Investments — In the Spotlight

As mentioned throughout the report, the PCPF has committed 5% of the Fund's capital to an impact infrastructure investment with the Foresight Group.

Foresight's infrastructure investments support the energy transition and global decarbonisation agenda, which requires significant investment in low carbon generation, along with supporting flexibility assets and grid infrastructure. From financing the UK's largest solar farm, to providing flexibility services in moments of blackout and investing in some of the largest onshore wind turbines in the Nordics, Foresight is working to create a sustainable legacy of clean power. To contribute to the transition to a sustainable planet, Foresight has invested more than £3bn into clean energy projects worldwide through a number of funds raised from both institutional and retail clients. The clean energy infrastructure portfolio comprises over 275 assets with a capacity of 2.7GW across the UK, Europe and Australia, including solar, onshore wind, bioenergy, hydro, battery storage, reserve power and energy efficiency projects.

Featured Project: Skaftåsen Vindkrtaft

- Located in Harjedalen municipality of Central Sweden, the Skaftåsen wind farm will be the first in the world to feature the most powerful onshore wind turbines developed to date — the Siemens Gamesa 5x platform utilising 35 x SG 5.8-155 turbines with flexible power rating and operating at 6.6MW.
- The fund has collaborated with other investors through a co-investment acquisition. The co-investor syndicate is comprised of BAE Systems Pension Funds Investment Management Ltd ("BAPFIM") acting on behalf of the BAE Systems Pension Funds, Polhem Infra KB ("Polhem"), Kommunal Landspensjonskasse Gjensidig Forsikringsselskap ("KLP"), and funds managed or advised by Arcano Partners ("Arcano").
- All 35 turbines have been erected and power is being generated.
- As at 30 September 2022, 39.3 GWh of electricity has been generated.
- Formal takeover is anticipated to take place during Q1 2023, following successful completion of reliability testing (12/35 passed) and retrofitting campaign.
- Picture to the right is from May 2022, where some of the turbines have been erected.

McCloud response

All those impacted should now be aware that in 2015, IPSA changed the MPs' pension scheme. IPSA later decided that these changes caused unfair treatment to members on the basis of their age. This unequal treatment across the public sector is widely referred to as McCloud. IPSA has now agreed the policy in response to McCloud and this includes:

- Closure of the final salary section to all members on 31 March 2023.
- Providing all impacted members an immediate choice window from April 2023.
- A choice of building up benefits in either the Final Salary or CARE sections of the PCPF between 8 May 2015 and 31 March 2023.

For more on the closure of the final salary section please see page 18.

While these changes have been initiated by IPSA, the Trustees are required to implement the PCPF McCloud response as the ones responsible for administering the scheme in line with the Rules. IPSA and the Trustees are working collaboratively on the project, which has been a major focus for the Trustees over the last couple of years, and will continue to be a priority as we move into 2023–24. The officials supporting the Trustees attend monthly joint working group meetings with IPSA to progress key decisions, as well as smaller weekly project update meetings to ensure that the project runs as smoothly as possible. The Trustees receive regular McCloud project updates to ensure they are fully involved in all key decisions.

In order to bring about these changes, IPSA has amended the MPs' Pension Scheme rules. The updated Rules are due to be laid before Parliament in early 2023, and the Trustees will continue to work with IPSA and Buck, the administrators of the PCPF, to bring into effect the McCloud response which ensures fair treatment of all members.

More than 400 PCPF members are impacted by the McCloud response, this includes some pensioners, serving Members and those who have ceased to serve as MPs but have not yet retired.

All impacted members should have received letters updating them as to the progress of the McCloud project. If you think you are impacted, but haven't received anything, please let us know.

As mentioned above, the next steps are that the final salary section will close on 31/03/2023. No action is needed, and this will happen automatically. We are then expecting to contact all 400 impacted members through a McCloud Member Choice Exercise, to offer them the choice of benefits. Members will need to review the information provided and make a choice, within the timelines provided (these will be set in due course). Sufficient time will be built into this period for decision making. Information on where to go for guidance or financial advice for those who need this, will be available at that time.

Closure of the Final Salary Section

The MPs' Pension Scheme is changing for serving members who have been an MP prior to the 2015 election.

On 31/03/2023, the final salary section of the Scheme will close to all remaining members and from 01/04/23, everyone who is a contributing member will start building up pension benefits in the career average revalued earnings (CARE) section of the scheme. As already mentioned, this is an IPSA policy decision.

This will happen automatically, so no one needs to take any action. The benefits you've built up in the final salary section up to 31/03/2023 are safe and will continue to be linked to your final salary when you cease to serve as an MP.

The CARE section contribution rate is 11.09% and in return you build up a 1/51st of your pensionable salary every year. The CARE section pension is payable unreduced from your state pension age.

This means that from 01/04/2023, all MPs will be building up pension benefits in the same section, resolving the unfairness on grounds of age caused in 2015.

For those members moving from the final salary section to the CARE pension scheme from 01/04/23, there are differences in benefits payable.

For more information about your CARE section benefits please refer to the CARE member guide available on the PCPF webpage: **myPCPFpension.co.uk**.

Increasing your pension benefits

From April 2023, all serving Members who are in the pension scheme will build up future benefits in the CARE section of the PCPF. There are ways you can increase the value of your CARE pension, and these are set out below:

Added pension

Buying added pension increases your overall future benefits. You can currently buy up to an additional £7,297 of annual pension (subject to the purchase of EPA contributions — see next paragraph). You can opt to buy added pension through a one off lump sum, or buy paying an additional amount from your salary, which can be expressed as a fixed amount or a percentage. Monthly instalments must start in April, so contact Buck for a quote before 31 March if this is something you want to consider.

Effective Pension Age (EPA)

The normal retirement age within the CARE section is linked to each individual's state pension age and may be higher than age 65 (the normal retirement age in the final salary section). If so, you can bring normal retirement age down by up to three years (but no lower than age 65) by paying additional scheme contributions. The new 'effective pension age' will only apply to pension built up in the years in which you pay the EPA contribution.

There is a joint limit to the total amount of added pension and value of EPA which can be purchased by any one person. The limit, set in the PCPF Rules in 2015, was originally £6,500. Each year the limit increases in line with CPI and the limit for the next financial year is £8,034.

Transferring in former pension benefits to the PCPF

If you have pensions built up prior to becoming an MP you can opt to transfer them into the PCPF. Any transfer brought into the Fund will buy you additional benefits within the scheme. You can only do this while you are a serving member of the PCPF.

PCPF staff cannot advise whether a transfer in would be in your best interest, but we can discuss some of the potential considerations of making this choice.

Financial support

There are some forms of financial support available for former MPs who are experiencing financial hardship.

Pension credit

This is a type of State benefit available to those over state pension age whose weekly income is less than £182.60 if single, or whose joint weekly income is less than £278.70 if they have a partner, excluding certain benefits. If your income is higher, you might still be eligible for Pension Credit if you have a disability, you care for someone, you have savings or you have housing costs.

If you think this applies to you, then you can apply to the Department for Work and Pensions for pension credit to bring your income up to at least the level mentioned above. If you are disabled, care for another adult or any children, or have housing costs, you could also get additional support. You can find out more and apply online at: **gov.uk/pension-credit**

Some organisations estimate that over 1.3 million people across the UK are eligible for pension credit but currently not claiming. If you think you are eligible, please visit the website above, speak to citizen's advice on **0800 144 8 444**, or call the pension service helpline on **0800 731 0469**.

The House of Commons Members' Fund (HCMF)

If you don't meet the threshold for claiming pension credit, or are already claiming, but feel that you are in need of financial support you could apply for assistance through the HCMF.

The HCMF is a benevolent fund that assists former MPs and their dependants who are in financial need. It was originally established in 1939, when there were no pension arrangements for Members, to provide former members with benefits in lieu of a pension. The current purpose of the Fund is to continue to make annual grant payments to existing claimants and to provide one-off payments to former MPs and/or their spouses, children and any other financial dependants who are experiencing financial hardship.

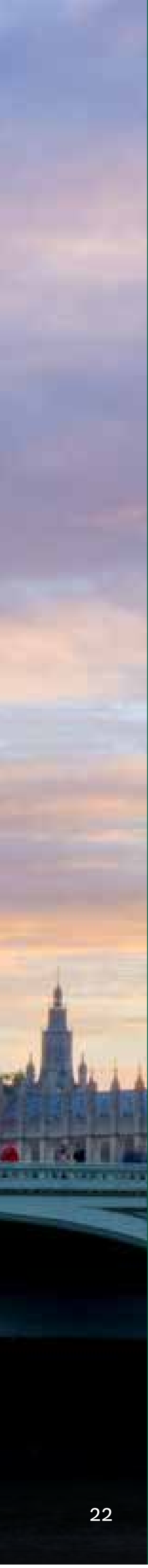
How do I apply for assistance?

If you would like to apply for financial assistance from the Members' Fund, please contact the HCMF Secretariat using the contact details below. You will be sent an application form requesting further information about your financial situation and reasons for applying and you will be required to provide documentary evidence of your finances.

The HCMF Trustees consider all applications for benefits and grant suitable awards after they have looked at all the circumstances of the applicant, particularly their financial circumstances. All matters related to the Fund are handled on the basis of utmost confidentiality. Once the Trustees have considered your case, you will be notified of their decision in due course.

Enquiries and further information

E: hcmf@parliament.uk
T: 020 7219 6481



Trustees / Contact information

The PCPF is managed by a board of ten Trustees, eight of whom are member nominated and are all either current or former Members of the House.

The remaining two Trustees are each nominated by either IPSA or the Minister for the Civil Service (MCS).

When a member nominated trustee vacancy becomes available, all members of the PCPF are notified of the position, and of the process for nomination and selection.

The current Trustees are listed on page 4.

Correspondence with the Trustees should be sent through the PCPF Secretariat:

E: PensionsMP@parliament.uk

T: 020 7219 6481

For information about your personal pension position contact Buck, the PCPF's third party administrator:

E: PCPF@Buck.com

T: 0330 123 0634

Considering retirement?

If you are considering retirement, Buck can provide you with an estimate of what your benefits might be at a date you request. Please contact Buck and ask them to provide you with a quote. Please note that estimated figures provided are only in relation to your current benefits and are based on current salary and expected service at the date requested, McCloud pension figures cannot be provided until the member options exercise has been undertaken.

Further information

If you would like to understand more about the management of the Fund, or if you have a question regarding your PCPF pension arrangements, the Secretariat team are happy to meet with members to discuss any queries or concerns they may have.
If you wish to set up a meeting, please contact the Secretariat on:

E: pensionsmp@parliament.uk **T:** 0207 219 6481