



Local Government Pensions Committee
Secretary, Jeff Houston

LGPC Bulletin 114S – April 2014

This month's Bulletin contains a number of general items of information.

Please contact Mary Lambe with any comments on the contents of this Bulletin or with suggestions for other items that might be included in future Bulletins. [LGPC contacts](#) can be found at the end of this Bulletin.

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Update to article on Pensions for Councillors

In [Bulletin 113](#) an update on pensions for Councillors in England was included. Since its publication the LGPC secretariat received a query which has resulted in a change to the answer supplied in the second question of this article. The amendment to question 2 is detailed below and the amended text is highlighted in red. All other items in the original article in [Bulletin 113](#) remain the same.

2. When does a councillor's term of office end?

*Section 7 of the Local Government Act 1972 provides that the term of office shall end on the fourth day after the ordinary day of election of councillors. **New terms of office commence on the same day as the old terms end.***

Secretary of State Guidance

In addition to the Secretary of State Guidance issued in March 2014 (see [Bulletin 113](#) for details) two further items of guidance in respect of 'Pension Debits' and 'Early Retirements' were issued in April 2014. All Secretary of State Guidance is available from the [LGPS regulations website](#).

Administration and Employer Guides

Following the recent release of Secretary of State Guidance a number of updates have been made to papers and guides produced by the LGPC secretariat. In April updates have been made to the following administration papers:

- 85 year rule paper (now version 1.3)
- underpin paper (now version 1.2)
- revaluation paper (now version 1.2)
- discretion policies paper (now version 1.2)

In addition a new paper on the topic of additional pension contributions (APC) guidance was released in April. All administration papers can be found on the [LGPS regulations website](#).

The [HR Guide](#) and [Payroll Guide](#) (now both version 3) were also updated in April as well as updates to the HR and Payroll frequently asked questions section of the [LGPS regulations website](#).

In addition the LGPC secretariat issued a copy of a correction list (as well as updated versions) which has been issued to the Department for Communities and Local Government (DCLG) to Pension Managers and Client Managers in England and Wales. This contains a list of the items which, in the view of the Secretariat, are worthy of further consideration and possible amendment to the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014. Should DCLG consider any worthy of a possible amendment to the LGPS Regulations 2013 and / or the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 a full consultation on draft amendment regulations would follow in due course. As and when this list is updated a further copy will be shared with Pension Managers and Client Managers.

Employee Communications

In April a promotional leaflet designed to be used for new joiners to the scheme post April 2014 has been issued, this is available on the [LGPS regulations website](#).

The Communication Plan for LGPS 2014 has been updated to reflect the various communications released over recent months as well as updated visitor numbers to the [LGPS 2014 website](#). To view a tracked changes version and the updated version 6 please visit the [LGA's website](#).

Shadow Scheme Advisory Board

Communications Update

The Shadow Scheme Advisory Board in England and Wales issued the first of its regular communication updates to administering authorities in April. To read this update in full, visit the [Shadow Board's website](#).

Queen's Counsel Advice - Fiduciary Duty with regard to investment of LGPS funds

The Shadow Board released details of Queen's Counsels (QC) advice in respect of fiduciary duty and investments of LGPS funds. The advice sought by the Local Government Association (LGA) on behalf of the Shadow Board was provided by Nigel Giffin QC. The questions posed included:

- Does an LGPS administering authority owe a fiduciary duty and if so to whom it is owed?
- How should the wider functions, aims or objectives of the administering authority influence the discharge of its LGPS investment duties?

To read the advice in full visit the [Shadow Board's website](#).

Other News Items

LGPC Training update

[Circular 279](#) was released in April containing information on forthcoming LGPC 'Understanding Workshops' including 'Death and Survivor Benefits', 'Retirement Benefits' and 'Automatic Enrolment and the LGPS'. Both 'Death and Survivor Benefits' and 'Retirement Benefits' have been well subscribed so far with limited availability remaining. The 'Automatic Enrolment and the LGPS' workshops are running from 12 June to 17 July across various locations in England and Wales. The LGPC secretariat was asked in 2012 to provide a training course on this subject and even though the topic is not specific to the LGPS, we have provided training sessions on this subject over the last two years to meet the demand of those employers approaching their staging dates. Now with medium to smaller employers reaching their staging dates from 2014 many more employers will be embarking on the automatic enrolment experience and given the resources such employers have to allocate to topics such as automatic enrolment we hope the ongoing provision of this course is supported by funds and employers. If you've not already done so the LGPC Secretariat would be grateful if funds could inform their employers due to stage over the coming year that the 'Automatic Enrolment and the LGPS' workshops are taking place and make them aware of the information in [Circular 279](#).

LGPC Trustees' Conference

[Circular 280](#) released this month details the forthcoming 11th annual LGPS Trustees' Conference taking place on the 19th and 20th June 2014 in Bournemouth. The conference

theme is 'Winning the Game' and delegates can expect to see a strong focus on governance issues, a topic high on the agenda for all funds in advance of changing governance arrangements from April 2015. Details of the speakers and timing of events can be found in the ['Conference Flyer'](#). Places are still available but bookings must be secured via the LGPC's secure online booking system on the [LGA's website](#).

Scottish Employee Guides and Member Website

This month updates were made to the full (both booklet version and all leaflets), brief and promotional guides for employees in Scotland. The updates reflect the recent SSI 2014/23, the addendum to early retirement reduction factors in Scotland and various annual updates. These updated versions as well as tracked changed version are available on the [LGA's website](#).

In addition these updates have also been made to the content on the member website www.lgps.org.uk.

Automatic Enrolment - First section 89 report

In April the first section 89 report from the Pensions Regulator (tPR) was issued in respect of non-compliance relating to automatic enrolment. The report details the problems experienced by Dunelm Soft Furnishing Ltd where action was taken by the regulator regarding non-compliance relating to their duties under the Pensions Act 2008. It also details how the regulator assisted the organisation to get back on the right track for automatic enrolment and highlights key lessons which can help other employers avoid non-compliance. To read the report in full visit [tPR's website](#).

The Pensions Regulator - Thematic review of record-keeping

TPR published the findings of their review of recording keeping at the end of March. The report details that the regulator found good practice in the industry across schemes of various types and sizes as well as areas which caused them concern. They go on to confirm that tPR have opened seven cases where they are investigating the findings from this review. Readers will be aware that part of the remit of tPR for public service schemes from April 2015 includes recording keeping (as part of code of practice number 14) and this initial review gives an insight into the work of the regulator in this area. To read the report in full, visit [tPR's website](#).

State Pension top-up

The Minister for Pensions, Steve Webb MP provided further details in a [Written Ministerial Statement](#) on the new class of voluntary National Insurance contributions - Class 3A - announced in last month's Budget 2014. This new class of National Insurance contributions is designed to allow some current pensioners and those soon to reach State Pension Age to boost their retirement incomes. In addition to this announcement the Department for Work and Pensions (DWP) has issued guidance on this topic entitled 'How to increase your State Pension if you reach State Pension Age between 6 April 2010 and 5 April 2015'. This guidance can be found on the [Government's website](#).

Useful Links

[LGA Pensions page](#)

[LGPS members' website](#)

[LGPS 2014 members' website](#)

[LGPS Advisory Board website](#)

[LGPS 2014 Regulations and Guidance website](#)

[LGPS Discretions](#) lists all the potential discretions available within the LGPS in England and Wales.

[LGPS Discretions](#) lists all the potential discretions available within the LGPS in Scotland.

[Qualifying Recognised Overseas Pension Schemes](#) approved by HMRC and who agreed to have their details published.

[The Timeline Regulations](#)

Pensions Section Contact Details

Jeff Houston (Head of Pensions)

Telephone: 0207 187 7346

Email: jeff.houston@local.gov.uk

Terry Edwards (Senior Pensions Adviser)

Telephone: 01954 232 834

Email: terry.edwards@local.gov.uk

Tim Hazlewood (Pensions Training & Development Manager)

Telephone: 01455 824 850

Email: tim.hazlewood@local.gov.uk

Con Hargrave (Pensions Adviser)

Telephone: 0207 664 3176

Email: cornelius.hargrave@local.gov.uk

Mary Lambe (Pensions Adviser)

Telephone: 0207 187 7374

Email: mary.lambe@local.gov.uk

Liam Robson (Pensions Analyst)

Telephone: 0207 664 3328

Email: liam.robson@local.gov.uk

Elaine English (LGPS Executive Officer)

Telephone: 0207 187 7344

Email: elaine.english@local.gov.uk

Alison Hazlewood (Part-time Administration Assistant - Training & Development)

Email: alison.hazlewood@local.gov.uk

Distribution sheet

Pension managers (internal) of administering authorities
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LGPC
Local Government Group
Local Government House
Smith Square
London, SW1P 3HZ

or email: [Mary Lambe](mailto:Mary.Lambe@lgpc.org.uk)
tel: 0207 187 7374