

Local Government Pensions Committee
Secretary, Jeff Houston

LGPC Bulletin 131 – June 2015

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

Please contact Con Hargrave 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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LGPS England and Wales

Updated documents

In June, updates were made to the following LGPC documents for the LGPS in England and Wales, available in tracked and clean versions on the LGPS Regulations website:

- Additional Pension Contributions Guide – [version 1.7](#)
- Transfers in Guide – [version 1.3](#)

In addition, the LGPC trivial commutations guide for the LGPS in England, Wales and Scotland was also updated and was issued as [version 1.4](#).

The lost pension terms and conditions for the LGPS England and Wales APC calculator have also been updated, and a tracked changes version of the updated terms and conditions may be found on the [Code for Modellers](#) page.

New Minister for LGPS in England and Wales

It has been confirmed that following the General Election held in May 2015, the DCLG Minister with responsibility for the LGPS in England & Wales is Marcus Jones, Conservative MP for Nuneaton. The Minister's [DCLG profile page](#) contains further information on his background and prior roles in Government.

LGPS Scotland

Updated documents

In June, updates were made to the following LGPC documents for the LGPS in Scotland, available in tracked and clean versions on the LGPS Regulations website:

- Sample election form for members seeking to join the main section of the Scheme from the 50/50 section of the Scheme – [version 1.1](#)
- HR Guide – [version 1.5](#)
- Payroll Guide – [version 1.6](#)
- Additional Pension Contributions Guide – [version 1.1](#)
- Transfers in Guide – [version 1.2](#)

In addition, the LGPC trivial commutations guide for the LGPS in England, Wales and Scotland was also updated and was issued as [version 1.4](#).

The lost pension terms and conditions for the LGPS Scotland APC calculator have also been updated, and a tracked changes version of the updated terms and conditions may be found on the [APC Calculator Code](#) page.

Bulletin 130

[Bulletin 130](#) was issued on 17th June for the benefit of LGPS administering authorities in Scotland. The bulletin provides a commentary on the changes to the LGPS introduced by the Local Government Pension Scheme (Scotland) Amendment Regulations 2015 (Scottish Statutory Instrument 2015 No. 87).

LGPS Scotland and the Pensions Regulator

TPR have confirmed that as the reformed LGPS in Scotland is a 'new' Scheme, with each pension fund requiring a new HMRC registration number, that Scottish LGPS administering authorities will need to re-register with TPR. This applies regardless of the

fact that HMRC will continue to treat the LGPS in Scotland as a single scheme for tax purposes.

Registration spreadsheets have been sent to each LGPS administering authority in Scotland to complete and return to TPR.

Scheme Advisory Board (SAB) England and Wales SAB June 2015 Update

The latest update from the SAB for the LGPS in England and Wales was issued during June and is available on the [Advisory Board website](#).

Please note that this includes an update on the establishment of the SAB proper. Whilst the Chair and other members of the full SAB have yet to be appointed, as the SAB was legally established under Scheme Regulations in April 2015, the former shadow SAB is now in operation as an 'interim' version of the statutory SAB and will continue to meet until such time as the SAB proper is appointed to and in a position to meet for the first time.

The Pensions Regulator (TPR) TPR publishes compliance and enforcement policy for public service pension schemes

Following the expansion of its statutory duties in respect of public service pension schemes in April 2015, TPR has now published its compliance and enforcement policy for such schemes, available both on the [Regulator's website](#) and the [LGPS Regulations website](#).

The policy sets out TPR's regulatory strategy for public service schemes in light of their statutory objectives. It states their primary focus will be on educating and enabling schemes to improve standards of governance and administration and to comply with legal requirements. However, it further states that they will also be developing their own systems and processes to enable them to better monitor standards, assess where schemes are falling short and best direct their resources to enable public service pension schemes to improve standards and become compliant.

The publication of the Regulator's compliance and enforcement policy follows the consultation on the policy undertaken earlier this year and TPR have also now released [their response](#) to that consultation.

TPR publishes automatic enrolment declaration of compliance report

TPR have published their monthly automatic enrolment declaration of compliance report, which shows that by the end of May 2015, 47,757 employers had completed their declaration of compliance report and that 5,247,000 individuals had been automatically enrolled since automatic enrolment was introduced in July 2012. The findings are available on the [Regulator's website](#).

Other News and Updates

PASA announces GMP working group and issues call to action

On 10th June 2015, the Pensions Administration Standards Association (PASA) issued a [press release](#) announcing the members of the working group that it has established to assist administrators in the task of reconciling GMPs. Terry Edwards sits on the working group from the LGPC Secretariat.

Alongside the press release, PASA also released a call to action (Appendix 1) advising Schemes to commence the process of reconciliation as soon as possible, drawing attention to the likelihood of intense pressure on HMRC's resources in the period to the end of 2018. Schemes were advised that they must allow adequate time for the necessary reconciliation work to be undertaken.

The call to action also set out:

- ten reasons why Schemes (or, in the cases of the LGPS, funds) should reconcile their membership and GMP data with HMRC (page 2), and
- what administrators should do next in order to take this forward (page 3).

The press release announced that the working group will now look to identify, agree and implement a set of industry standards and guidance that will allow HMRC and scheme administrators to effectively complete GMP and Scheme Reconciliation Service (SRS) reconciliations in consequence of the cessation of contracting out in 2016.

LGPS NI Database

During the recent testing process, a number of LGPS funds provided invaluable assistance and feedback on a development version of the NI Database and, following that process, the LGPS Secretariat have made a number of updates that will hopefully aid the usability of the final version of the Database when launched.

The Secretariat are now working with South Yorkshire Pensions Authority (the Database's host) to arrange penetration testing of the Database so that we can be assured that the data held within the system is secure to the necessary standards.

Prior to the Database's launch, each LGPS administering authority using the system will be required to sign a data sharing agreement, which will outline the terms of the data sharing and the reasons why the data sharing is being undertaken. The LGA and SYPA will also be party to this agreement. A draft of this data sharing agreement is currently in development and will be circulated to the funds involved in the systems testing for the input of their data protection officers. The data sharing agreement will be based on the standards set out in the Information Commissioner's [Code of Practice on Data Sharing](#).

Additionally, all administering authorities using the NI Database will be required to sign up to a Participation Agreement with LGA setting out the standards expected of those funds using the Database. The purpose of this is to ensure that the data held within the Database is sufficiently up-to-date as to be useful for the purposes of both Tell Us Once and identifying potential duplicate death grants.

Both documents, when finalised, will be circulated to all LGPS administering authorities for their review and signature.

Tell Us Once

The proposal to extend the Tell Us Once service to include public service pension schemes has now been confirmed, with DWP getting the approval from the cross Government Commercial Assurance Group to sign a contract with their systems developer in order that this work may commence on 17th June 2015. The contractor commenced the development work on 22nd June 2015.

The commencement of this work follows the exercise undertaken by the LGPC Secretariat in the two weeks to 10th June 2015 to establish the number of LGPS administering authorities in England, Wales and Scotland who would be interested in being part of the service on the basis of the business case circulated to LGPS funds on 26th May 2015. In all, out of the 99 administering authorities surveyed the Secretariat has received 92 affirmative responses. Although 6 administering authorities have so far failed to respond and only 1 has provided a negative response, the Secretariat is hopeful that a positive response will be received from these prior to the service's launch. On the basis of a clear majority being in favour of the LGPS joining Tell Us Once, the LGPC signed and returned a letter of intent to DWP to confirm that the LGPS would wish to participate.

The extension of Tell Us Once to include public service pension schemes is expected to take place in Autumn 2015 and more detail will be provided on the practical detail of the service, and how LGPS administering authorities will receive Tell Us Once notifications from DWP when the service is up and running, as and when available in the coming months.

The development costs for the extension of the service to the LGPS will in the first instance be met by out of LGPC reserves, with an additional one-off amount being added into LGPC subscriptions for the 2016/17 year to cover the per fund development costs outlined in the business case of roughly £1,209.33 (+VAT).

DWP contracting-out communications for public service pension scheme members

The LGPC Secretariat understand that the DWP are developing a public sector end of contracting-out factsheet for Scheme members as part of their plans to increase the amount of member communications on the introduction of the New State Pension and the ending of contracting in April 2016. Once issued, the Secretariat will circulate details and the factsheet will be made available on Gov.uk for public service pension schemes to direct their members towards.

HMRC contracting-out bulletin issue 8

The June 2015 HMRC [contracting-out bulletin](#) has now been issued and this includes sections on:

- DWP's state pension toolkit – containing guidance, video, fact sheets, infographics and photo case studies to help employers communicate the April 2016 changes to the State Pension.
- the GMP micro service – a facility, which is planned to go live in April 2016, which will allow schemes to request GMP calculations on a self-service basis as well as requesting Contracted-out contributions and earnings information to confirm the GMP amount .

In addition, the bulletin provides a number of responses to questions on Scheme Reconciliation that were raised at the DWP and HMRC joint conferences held in Newcastle and London during May (as covered in [Bulletin 129](#)).

HMRC Pension Schemes Newsletter no. 69 and Overseas transfers

The HMRC [Pension Schemes Newsletter no. 69](#) was issued on 15th June 2015 and included within the newsletter was a notice advising pension schemes that:

“From 17 June 2015 the list of ROPS [Registered Overseas Pension Schemes] notifications will be temporarily suspended for a short period to allow the list to be

reformatted. The ROPS notifications list will be available again from 1 July 2015. Please note that the reformatted list will look significantly different.”

The LGPC Secretariat sent an email to pensions and client managers on 17th June 2015 advising them that the temporary suspension means that administering authorities may wish to consider temporarily halting transfers to QROPS whilst the ROPS list is suspended given that, if payments are made between 17th June 2015 and 30th June 2015, administering authorities will not be able to evidence that the scheme was on the list at the date of the transfer.

New Chair of Work and Pensions Committee

Frank Field MP has been elected the new Chair of the Work and Pensions Committee for the 2015-2020 Parliament. The Labour MP for Birkenhead was elected via secret ballot of Members of the House of Commons.

Changes to the LGPC Secretariat

As from 1st September 2015 Terry Edwards and Tim Hazlewood will be taking flexible retirement but will continue to work half-time. As a result, Jayne Wiberg, who is currently the Pensions Compliance Technical Lead at the NHS Business Services Authority but who has a number of years LGPS experience, will be joining the Secretariat on 14th September 2015.

Training events

Places are still available on the Understanding Pension Sharing on Divorce training courses being held on the following dates:

[02 July Exeter Rougemont \[Thistle\] Hotel](#)
[07 July Liverpool Marriott Hotel](#)
[09 July London Local Government House](#)
[14 July Cardiff Marriott Hotel](#)
[16 July Birmingham Jurys Inn Hotel](#)
[21 July York Marriott Hotel](#)
[23 July Peterborough Marriott Hotel](#)

Details are included in [Circular 290](#).

Useful Links

[LGA Pensions page](#)

[LGPS members' website](#)

[LGPS 2014 members' website](#)

[LGPS 2015 members' website](#)

[LGPS Advisory Board website](#)

[LGPS 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.

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

[The Timeline Regulations](#) for Final Salary Scheme

[The Timeline Regulations](#) for Career Average in England and Wales

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Distribution sheet

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