

The Local Government Pensions Committee
Secretary: Jeff Houston

CIRCULAR

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No. 256 – JANUARY 2012

LGPS PRACTITIONER AND EMPLOYER TRAINING EVENTS

(1) ONE-DAY “UNDERSTANDING” WORKSHOPS (2) “INSIGHT” RESIDENTIAL TRAINING COURSE

Purpose of this circular:

1. This Circular has been issued to advise administering authorities and employers participating in the Local Government Pension Scheme of a number of workshops and residential training courses to be run at various locations across Great Britain. These events have been organised by the Local Government Pension Committee (LGPC).

(1) ONE-DAY “UNDERSTANDING” WORKSHOPS

Background

2. For a number of years the LGPC has held numerous one-day topic-specific Understanding workshops covering various aspects of the Local Government Pension Scheme and associated Compensation provisions. The majority of these workshops are cycled to run every 18-24 months.
3. As many of these workshops are hands-on and contain practical exercises, the “class” size is usually kept to a maximum of 12/15 people to ensure that delegates get the most out of the learning experience.

Details of workshops

5. The next topic-specific Understanding workshops are to be run between March and July 2012 and cover the subjects 'Employer Discretions and Policies', 'Final Pay' and 'Retirement Benefits'.
6. All of these workshops have been run previously, some several times between 2003 and January 2011, but they will be updated for 2012 in line with changes in legislation and/or guidance issued since the workshops were last run. For example, all three workshops will now have reference to personal tax implications due to changes in HMRC annual and lifetime allowances. In addition, all practical exercises are being revisited, refreshed and updated where necessary.
7. In order to continue the LGPC's plan to deliver training as locally as practicable, the forthcoming workshops are to be held in a number of locations across the country. In putting together the entire schedule, the Secretariat has attempted to be as 'geographically' fair as possible, including the use of one or two venues that were discontinued from 2010 because of poor attendance at that time.
8. With reference to events for Scottish administering authorities and employers, it was agreed at Scottish Pensions Liaison Group in December 2010 that demand should be canvassed in advance of any bespoke workshops in Scotland being organised. Any such events will be arranged separately and announced directly to Scottish administering authorities and via them to employers where necessary.
9. At the Understanding workshops, delegates have the benefit of an experienced tutor and a detailed workbook they can take away for future reference. Each workshop will involve several practical exercises and all necessary delegate material, including calculators, will be provided. The workshops will start at 10:00 a.m. and finish no later than 4:00 p.m., with lunch and refreshment breaks included as well as coffee/tea on arrival from 9:30 a.m. As the workshops are delivered "locally" this should avoid the time and expense of overnight stays for many delegates.
10. Further details on course content, locations and dates can be found in **Appendix A** attached to this Circular.

Intended Audience for 'Employer Discretions and Policies'

11. These workshops are particularly aimed at Employing Authority staff who have responsibility for exercising the many discretions open to employers under the Local Government Pension Scheme (LGPS) and associated Compensation provisions. It is assumed that delegates will have some working knowledge of the basics of the LGPS and compensation. There are no mathematical exercises but, instead, a series of discussion items for

delegates to participate in. The course might be best described as more strategic than operational.

Intended Audience for 'Final Pay'

12. These workshops are aimed at both Administering and Employing Authority staff who have operational responsibility under the Local Government Pension Scheme (LGPS). Delegates do not necessarily need any working knowledge of the LGPS but should note that pay is covered in the context of the regulations that govern the LGPS. Whilst some of the theory is generic and applies to a whole raft of final salary schemes, the illustrations, examples and exercises certainly do not.

Intended Audience for 'Retirement Benefits'

13. These workshops are aimed at both Administering Authority and Employing Authority staff in England and Wales but are unsuitable for delegates with no experience of the LGPS. The LGPS is a final salary scheme which has evolved over a long period of time and operates under rules that are quite complex and that are subject to old provision protections (Rule of 85 for example). It is therefore beneficial for delegates to already have some knowledge of the terms of the scheme, although the course material does cover the basics as well.

Cost and booking

14. The delegate rate for each workshop, inclusive of lunch, refreshments and all delegate materials is £200 plus VAT at the standard rate.
15. Early booking is highly recommended as places are limited. Bookings are made via the on-line events booking facility which is part of the Local Government Group website at www.lge.gov.uk. Please be sure to note our cancellation policy contained in our Terms and Conditions which you will be asked to confirm you have read when completing your booking details on the booking events page. You will also need full delegate details to hand including the address to which the invoice for payment is to be sent. Purchase order numbers must also be provided if required by your organisation to pay invoices.
16. If the session at your preferred location is full and you do not wish to book on one at an alternative location, you are advised to enter your name on the reserves' list at your preferred location. It is important to do so as, not only will you have a priority warning should any cancellations occur, but it also enables the LGPC to judge demand for future events or, on occasion, organise overflow events.

17. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English, LGPS Executive Officer, by email elaine.english@local.gov.uk

(2) “INSIGHT” RESIDENTIAL TRAINING COURSE

Background

18. The LGPC has been running residential courses aimed at practitioners at both administering and employing authority level since 2004. The course is named “Insight” and it covers most aspects of the Local Government Pension Scheme (LGPS) at a foundation level. The presentation and delegate material is constantly updated in line with changes in regulations and developments, giving attendees the very latest information on the LGPS and associated matters.
19. The way in which the pensions function is divided between administering and employing authorities varies significantly nationwide. Also, where the administering authority and employing authority are one and the same, which offices or individual officers within that authority have responsibility for what part of the pensions function, appears to vary too. Some employing authority staff (either Human Resources or Finance/Payroll) occupy posts that are mainly or wholly pension scheme related.
20. Although it was originally envisaged that there might be a need to devise separate training events for employing authority staff and staff in administering authority Pension Sections, we concluded that a foundation course for practitioners that was equally attractive to administering and employing authority staff could well meet the training needs of both sides whilst having the added advantage of fostering good working relationships and facilitating networking. Experience over the past seven years has proved this to be the case.

Course Details

21. Two courses have been organised in 2012 as follows:
- | | |
|---------------------------------|------------------------|
| The Royal Hotel, Scarborough | 14 - 17 May 2012 |
| The Cavendish Hotel, Eastbourne | 24 - 27 September 2012 |
22. A full programme is attached as **Appendix B**, but highlights of the course are:
- A history of the Scheme and current developments
 - A look at the alternatives and possible futures for the LGPS
 - Contributions payable
 - How membership counts in the calculation of benefits

- How final pay is assessed
- Good quality communications
- Minimising and resolving disputes
- The benefits the scheme provides and how they are calculated, including:
 - Refunds of Contributions
 - Preserved Benefits
 - Retirement Benefits
 - Death Grants and Survivors' Benefits
 - Transfer Values

23. The LGPS is a complex scheme to fully understand and one of the intended outcomes of the course is to get delegates to appreciate all aspects of being involved in administering a pension scheme.
24. There are a number of practical exercises, many of which involve the calculation of benefits. There is ample time built in to allow for discussion of the various aspects of the scheme and delegates are actively encouraged to participate in this way. The course is designed to be both challenging and thought provoking.
25. A training event spanning four days solely about the topic of local government pensions may not sound particularly interesting. Of course, training is necessary to maintain performance objectives and standards but there are few people who enjoy the boredom it can entail. A lot of effort has been put into the 'Insight' training event to make the learning experience interesting and even fun at times. This enhances the overall experience and knowledge of those who attend and hopefully leads to people retaining what they have been taught.
26. The session handouts build up into a substantial guide to the LGPS and its administration, which is intended not just as an aide memoir but also as future reference material.

Intended Audience

27. The residential courses are intended for all those involved in LGPS administration. It is suitable for Pensions Office staff and also HR/Finance/Payroll staff for whom the pensions function plays a significant part in their day-to-day and employing authority role.
28. Being a foundation course, the course is aimed at staff who are either relatively new to the pensions scene, or have some experience but want to better understand their own and others' responsibilities under the terms of the scheme. The material is quite detailed though as this is unavoidable due to the design of the scheme.

Cost and Booking

29. The cost of each residential course is £749 (plus VAT at the standard rate) per delegate. This includes full board accommodation throughout the course, all delegate material, refreshments throughout the day and a course certificate.
30. Early booking is highly recommended as places are normally limited to 15 at each event. Bookings are made via the on-line events booking facility which is part of the Local Government Group website at www.lge.gov.uk. Please be sure to note our cancellation policy contained in our Terms and Conditions which you will be asked to confirm you have read when completing your booking details on the booking events page. You will also need full delegate details to hand including the address to which the invoice for payment is to be sent. Purchase order numbers must also be provided if required by your organisation to pay invoices.
31. If the course at your preferred location is full and you do not wish to book on the course at the other location, you are advised to enter your name on the reserves' list at your preferred location. It is important to do so as, not only will you have a priority warning should any cancellations occur, but it also enables the LGPC to consider increasing delegate places where possible.
32. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English, LGPC Executive Officer, by email elaine.english@local.gov.uk

ACTIONS FOR ADMINISTERING AUTHORITIES

33. All Administering Authorities are urged to copy this Circular to all employers in their Fund or bring the Circular to the attention of employers by directing them to it on the LGG website.

Tim Hazlewood
Pensions Training and Development Manager
30 January 2012

UNDERSTANDING...EMPLOYER DISCRETIONS AND POLICIES

Course content covers:

- 1) Background to Discretions
 - Why are there any discretions in a Statutory Scheme?
 - How many there are
 - Which ones are subject to a written policy

- 2) Writing Policies
 - Why “Follow the Leader” isn’t necessarily sensible*
 - Things for Employers to consider whilst setting/amending policies (cost, personal tax liability, anti-discrimination laws etc) in respect of:
 - Augmentation
 - Additional Pension
 - Full or Partial Flexible Retirement
 - Requests to retire pre-60
 - Release of Deferred Benefits early
 - Compensation (Discretionary Payments)

- 3) The other areas subject to written policies
 - Under the new-look LGPS
 - Retained ones under the old-look LGPS
 - And some you probably thought dead and buried!

- 4) Other Discretions
 - Not subject to a policy doesn’t infer “no-cost”
 - LGPS - A look at some of the many discretions available
 - LGPS - Maybe why you should / maybe why you shouldn’t
 - Compensation – Injury Awards / Gratuities

* The LGA/LGPC do not (and will not at these workshops) issue policy templates for employers to use but rather give suggestions as to matters to consider together with some suggested wording.

Workshop dates, locations & venues:

20 March	London	Westminster Thistle Hotel
22 March	Cardiff	Marriott Hotel
27 March	Liverpool	Marriott Hotel
29 March	Peterborough	Marriott Hotel
03 April	Leeds	Marriott Hotel
05 April	London	Westminster Thistle Hotel
12 April	Exeter	Rougemont [Thistle] Hotel
19 April	Birmingham	Jurys Hotel

UNDERSTANDING... FINAL PAY

COURSE CONTENT COVERS:

Pensionable Pay

- What constitutes pensionable pay?
- The dangers of distorting the pensionable pay 'curve'
- Impact of the new annual allowance regime

Final Pay

- The Regulations
- The Commentary
- Theory and Practice
- Whole-time Members
- Part-time Members
- Hours/Pay Proportionality
- Term-time Members
- Fee-based employees
- Certificates of Protection / "New" Best Three in 13
- Coping with:
 - Leave of Absence
 - Part-years
 - Breaks in employment
 - Changes of employer
 - Flexible retirees
- Career Average – what's on the horizon?

Workshop dates, locations & venues:

01 May	Leeds	Marriott Hotel
03 May	Birmingham	Jurys Hotel
10 May	Exeter	Rougemont [Thistle] Hotel
22 May	London	Westminster Thistle Hotel
24 May	Cardiff	Marriott Hotel
31 May	Lincoln	The Lincoln Hotel
01 June	Liverpool	Marriott Hotel
07 June	London	Westminster Thistle Hotel

UNDERSTANDING...RETIREMENT BENEFITS

Course content covers:

- 1) Final Pay Calculations**
 - The basics of final pay calculations
 - Old 'Certificate of Protection' and its replacement

- 2) Types of Retirement**
 - What is Normal Retirement Date?
 - Age/Normal Retirement
 - Late Retirement
 - Ill-Health Retirement
 - Early Retirement and Actuarial Reductions
 - Flexible Retirement
 - Re-employment of a pensioner

- 3) Redundancy and Efficiency Retirements**
 - Pension Fund Benefits
 - Augmentation
 - Re-employment

- 4) Early leavers**
 - Preserved Benefits
 - Requests for preserved benefits to be paid early

- 5) Other areas for consideration**
 - Notifying the leaver of their benefit options
 - Standard Benefits? - converting pension into extra lump sum
 - HMRC's annual and lifetime allowances
 - Pensions Increase
 - The Internal Dispute Resolution Procedure (IDRP)

Workshop locations & dates:

21 June	London	Westminster Thistle Hotel
26 June	Leeds	Marriott Hotel
28 June	Liverpool	Marriott Hotel
03 July	Exeter	Rougemonth [Thistle] Hotel
05 July	London	Westminster Thistle Hotel
10 July	Eastbourne	Cavendish Hotel
12 July	Cardiff	Marriott Hotel
17 July	Birmingham	Jurys Hotel

“INSIGHT” Course Programme

Day One

6:00 p.m. **Introduction to the Course / Icebreaker**
An opportunity for the delegates to introduce themselves, this short session includes a non-physical team-building exercise that attempts to prove that co-operation and team-work do produce better results.

Followed by evening meal at 7:00 p.m.

Day Two

9:15 a.m. **Perspective**
A look at the history of state and private pension provision in the UK, with an emphasis on the LGPS and how it has changed over the decades and is still changing. The session concludes with an exploration of the relative roles of employing and administering authorities.

10:15 a.m. **To join or not to join (that is the question)**
With membership being voluntary and take-up in some local authorities reportedly as low as 50 to 60% of those eligible to join the scheme, we take a look at the choices facing each and every employee. We look at the effects not only on the employee but the impact on the employing authority and the Pension Fund itself.

11:00 a.m. Refreshment Break

11:30 a.m. **A Great British Scheme?**
An overview of the current scheme, a look at how it is funded (employee and employer contributions and the concept of “cap and share”) and a look at the valuation process. We will look at the discretions available to employing authorities and administering authorities, how the exercise of those discretions can impact on both workloads and employers’ contribution rates. This session includes a discussion on the importance of accurate and timely information.

12:30 p.m. Lunch

- 2:00 p.m. **How membership counts**
A look at the way in which membership counts in the calculation of benefits, including an examination of the differences between whole-time, part-time and term-time scheme members, together with casual employees. With mandatory annual benefit statements being issued, we will take a close look at the need for up-to-date and accurate records for scheme members.
- 3:30 p.m. Refreshment Break
- 4:00 p.m. **Improving the benefits**
A look at the options available to the employee and a weigh-up of the relative merits of paying Additional Regular Contributions, paying in-house or free-standing AVCs and using alternative tax-efficient saving vehicles. The employer options are explored too.
- 5:00 p.m. Session closes
- 7:00 p.m. Evening Meal

Day Three

- 9:15 a.m. **Early Leavers' benefits**
A look at the range of options available including refunds, preserved benefits, and "inter-fund" transfers. This will be supplemented by a close look at what needs to be done, and when, as required by the pension scheme regulations and other, overriding legislation.
- 10:30 a.m. Refreshment Break
- 11:00 a.m. **Transfer Values**
We take a look at transferring into and out of the LGPS and give an explanation of the methodology, both club and non-club, and what scheme members should take into account when making their decision whether to transfer or not. We also look at the potential effect transfers may have on employers' funding levels and contribution rates.
- 12:30 p.m. Lunch
- 2:00 p.m. **Retirement Benefits – Part 1**
A look at all the various retirement benefits available including ill-health retirement, flexible retirement and an explanation of actuarial reductions.
- 3:30 p.m. Refreshment Break.

- 4:00 p.m. **Retirement Benefits – Part 2**
A continuation of the types of retirement benefits, including redundancy and efficiency retirement, together with a look at the member's option to convert retirement pension into extra tax-free lump sum.
- 5:00 p.m. Close
- 7:00 p.m. Evening Meal

Day Four

- 9:15 a.m. **Survivors' benefits**
A look at widow's, widower's, civil partners', nominated cohabiting partners' and children's pension provision in the LGPS. We also look at death grants and how they are calculated and hear of the absolute discretion the administering authority has in making the payment.
- 10:45 a.m. Refreshment Break
- 11:15 a.m. **It'll be alright on the night**
A look at the dispute resolution procedures contained in the LGPS, what can go wrong and how all parties in the pensions function can work effectively, both individually and collectively, in order that mistakes can be minimised. This session includes an important look at effective communication.
- 12:15 p.m. **What's happening now – and what happens next?**
An insight into current developments and an exploration of possible futures for the LGPS.
- 12:55 p.m. **Course Certificates**
The award of course certificates.
- 13:00 p.m. **Course ends with Lunch**

PLEASE NOTE:

1. All timings are approximate
2. There are no significant dress codes imposed by either hotel

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