

**Local Government Pensions Committee
Technical Group**

**Minutes of the meeting held on 18 March 2016 at
the offices of Mercer, 1 Tower Place East, London
EC3R 5BU**

LGPC Technical Group

18 March 2016

Present

M Hopwood (Chairman)	North East
G Chapman	North East
K Gerrard	South Wales
L Miller	South Wales
L Savage	South East
J Smith	South East
G McLellan	East Midlands
I Howe	East Midlands
Z Kee	Northern Ireland
E Savage	Scotland
A Hyde	Shrewsbury
N Mason	London
R Smyth	London
R Abbey	South West
C Dix	South West
D Goodwin	Secretary
K Scotford	Secretary

In Attendance

P Kateley	Heywood
D Friend	Civica
J Davies	PriceWaterhouseCoopers
C Carruthers	Capita
A Allen	Barnett Waddingham
J Pereira	Mercer
K Linge	SPPA
P Reidel	Hymans

LGA

T Edwards
J Wiberg

DCLG

R Ellis

1. Apologies

Janet Caiazzo	Shrewsbury
Craig Martin	Environment Agency
Dan Kanaris	AON Hewitt Limited
Ian Colvin	Hymans Robertson

2. LGPC Update

See attached update – Appendix A

Request regulation change on asking employer for DBs into payment (post 2008) to remove the need for employers discretion – Unanimously agreed to refer to SAB

3. GMP Indexation and Treasury Guidance

Meeting of MOCOP on 24/3/16 – LGA will provide guidance following the outcome Covered in Appendix A

Must still hold the GMP figures for people on the pension payroll regardless of when they reach state pension age

For those people who reach SPA between 6/4/2016 and 5/12/2018 treat as AP < GMP for life. Section 109 is not being dis applied.

Once all of the areas have been clarified with DWP and HMT, the LGA will put some examples, including GMPs with increments who fit this criteria, into a bulletin.

4. GMP Reconciliation – How to treat benefits that have been over or under paid?

HMT sent letter (dated 2 February 2016) setting out the recommendations of the working group concerning GMP reconciliation;

- Where benefits are underpaid - correct the payment and pay any arrears to the member.
- Where benefits are overpaid- correct the payment and hold the overpayment for a decision by HMT.
- HMT want to write a report showing the value of the overpayments for a decision to be made nationally across the Public Sector.
- Technical group determined that regardless of a national recommendation by HMT, it was recommended that the SAB make a national decision on behalf of the LGPS and that all LGPS Funds apply consistently. It is likely that SAB will need to know the aggregate value of the overpayments prior to making a recommendation.

5. Transfers

Change in Discount Rate on 16 March 2016

- Further guidance needed from Secretary of State on relevant date from 16/3 to 5/4
- Initial thoughts seem to suggest that where the relevant date is prior to 16/3/16 use the current tables and where the relevant date is after 15/3/16 suspend calculations for CETVs and Divorce.
- **Where a fund must issue a quote, this should be issued with a health warning that the quote may need to be revised upon receipt of the new factors.**
- Once clarification received from DCLG - Email will be sent to all funds with dos and don'ts

Club Transfers

- Letters from PCSPS regarding any perceived miss-application of the Club memorandum should be copied to LGA (Jayne)
- With regards to the transfers in where there are CARE benefits on Club transfers, use the Club memorandum

6. Sharing orders on early retirement and the £95K cap

No answer on this at the moment. The group felt that the cost will only be calculated on the benefits that the member was entitled to rather than the full benefits.

A consistent actuarial approach is required for all public sector funds.

7. Increases on GMP in 2017 for those reaching SPA after 6/4/2016

Covered in LGPC update

8. Terms of Reference

Deferred to next meeting

9. Minutes from last meeting

Everyone agreed that the minutes were accurate.

10. Matters arising

None

11. AOB

- a) Frozen refund just come to light in one fund, where the member has already had benefits in payment in another. An interfund should be paid across to new fund and benefits recalculated
- b) Increased costs of paying increases on GMP as a result of the impending revised Ministerial Direction under S59A of the SSPA 1975- confirmation is that HMT will not be reimbursing any authority for paying the increases
- c) Paying compensation due to maladministration, TPAS and PO asking if compensation will be considered to be paid to the member prior to any outcome / complaint being made through the proper channels. TPAS have changed their compensation levels to £500+. There is no right to award compensation from the Pension Fund. Consensus was that funds should continue to fight every case but to make sure that the member goes through the proper channels (IDRP)
- d) Member has a deferred refund leaver prior to 31/3/14 re-joined after 1/4/14 member needs to be make an election to retain final salary link. Use the guidance on aggregation provided by LGA, this has been written in line with the Pensions Act.
- e) Death grants over 2 years advice is to pay the money to somewhere to be held so that there are no unauthorised payments
- f) Questions for the Technical Group to consider should be referred to the appropriate regional Pensions Officers Group first as it is likely that they will be answered there. They should only be referred to the Technical Group *after* they have been considered by the POG and the POG feel it is appropriate to refer on to the Technical Group

Any questions that are referred to the Technical Group should be forwarded to the secretary at least 5 working days before the technical group meeting. This is ensure that Technical Group members have sufficient time to consider the question prior to the meeting. This is extremely important because questions referred to the group are usually complex matters that cannot be answered without careful consideration.

- g) Dee has retired from the Technical Group. Thanks an appreciation were to Dee by the whole group in recognition of the invaluable and often thankless effort she has given to the group over many years. The expressed their best wishes for the future – she will be sorely missed.

12. Date and Venue of next meeting

10th June at the offices of Barnett Waddingham