

National LGPS Technical Group minutes

The National Local Government Pension Scheme (LGPS) Technical Group is a member of the Local Government Pensions Committee (LGPC).

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1) Date and time of meeting

The meeting started at 11.00 am on 12 June 2020.

2) Venue

The meeting was held virtually by way of MS Teams. Going forward, unless members are notified otherwise, all meetings will be held virtually.

3) Attendees and apologies for absence

Attendees

- Kevin Gerard – Welsh Pension Officer Group (WPOG) - Chair
- Joanne Griffiths – Welsh Pension Officer Group (WPOG)
- Ian Howe – East Midlands Pension Officer Group (EMPOG) - Vice Chair
- Gary McClellan – East Midlands Pension Officer Group (EMPOG)
- Karen Gibson – South West Area Pension Officer Group (SWAPOG)
- Katherine Shore – South West Area Pension Officer Group (SWAPOG)
- Heather Currie – North East Pension Officer Forum (NEPOF)
- Heather Chambers – North East Pension Officer Forum (NEPOF)
- Debbie Sharp – Shrewsbury Pension Officer Group (SPOG)
- Paul Hill – Shrewsbury Pension Officer Group (SPOG)
- Sandy Armstrong – Southern Area Pension Officer Group (SAPOG)
- Clair Lewis Smith – Southern Area Pension Officer Group (SAPOG)
- Richard Smythe – London Pension Officer Group (LPOG)
- John Smith – London Pension Officer Group (LPOG)
- Joel Ellner – South East Counties Superannuation Officer Group (SECSOG)

- Zena Kee – Northern Ireland Local Government Officers Superannuation Committee (NILGOSC)
- Erin Savage – Scottish Pensions Liaison Group (SPLG)
- Jeremy Hughes – Ministry of Housing Communities and Local Government (MHCLG)
- Jayne Wiberg – Local Government Association (LGA)
- Lorraine Bennett - Local Government Association (LGA)
- Paul Kateley – Aquila Heywood
- Jon Slater – Equiniti
- Julie Potter – Civica
- Catherine Carruthers - Capita
- Annemarie van Bochove Allen – Barnet Waddingham
- Catherine Pearce – AON
- Ian Colvin – Hymans
- Justine Davies – Price Waterhouse Coopers
- Jonathon Perera – Mercer
- Kelly Scotford - Secretary

Apologies for absence

- Louise Savage – South East Counties Superannuation Officer Group (SECSOG)
- Kimberley Linge – Scottish Public Pensions Agency (SPPA)
- Amanda Jupp – Southern Area Pension Officer Group (SAPOG) - no longer a representative
- Neil Mason – London Pension Officer Group (LPOG)

No response:

- Siobhan McKelvey – Department of Communities - Northern Ireland (DoC)

4) Presentation from MaPS on the Pensions Dashboards

George Currie seconded from the Pensions and Lifetime Savings Association (PLSA) and Chris Connelly seconded from Equiniti to the Money and Pensions Service (MaPS) attended the meeting. Before, [delivering a thirty-minute presentation on the documents published by MaPS in April 2020](#) George formally thanked Jayne Wiberg from the LGA [for her informal response on the data definitions working paper](#). These are:

- [pensions dashboards progress update report](#)
- [pensions dashboards data scope working paper](#)

- [pensions dashboards data definitions working paper](#)

Prior to the meeting [MaPS circulated a discussion paper](#) which the group discussed following the presentation. The group raised several questions that George and Chris did their best to answer:

- **Who is looking at the architecture?**

MaPS is looking at the pensions dashboards architecture.

- **Why will there be multiple pensions dashboards?**

This is so schemes can direct their members to their own dashboards which will provide additional information to that provided by the dashboard supported by MaPS.

- **How will a national pensions dashboard encourage individuals to review their pensions when there is a low take up on viewing on -line benefits?**

Only time will tell.

- **How are LGPS pensions software providers interacting with the pensions dashboards project?**

Aquila Heywood confirmed they are fully engaged with this exercise. Although, it's simply a technical exercise of passing data to the infrastructure.

- **Will the pensions dashboards be multilingual?**

This needs to be looked at in more detail, though there will be a welsh version.

- **Why is accrued retirement income (level 2b) less important than estimated retirement income (level 2a)?**

The consultation response confirms that the pensions dashboards will not physically calculate benefits. Consumer research shows that individuals do not understand pensions and that they can only compare like for like data. In other words, data at a consistent date in the future, normal pension age.

- **Where is the data held?**

The key principle is that the data does not sit anywhere in the architecture of the pensions dashboards. It might be that interval service providers may step in to hold the data that would be periodically updated.

- **Will the onboarding process include data validation?**

Although there will be an onboarding process, the governance of this process has not been entirely fleshed out. Ultimately, if the raw data is incorrect, this will need to come under the remit of the Financial Conduct Authority.

5) Minutes of the last meeting

On 10 March 2020 [the minutes of the meeting held on 6 March 2020](#) were published.

Group agreement

Members agreed the minutes.

6) Matters arising from previous minutes

The following matters arise from previous meetings.

a) National Insurance database

The [paper](#) supplied by Lorraine Bennett at the meeting of 10 December 2019 confirmed that several administering authorities had not signed the new data sharing agreement, and of those who had signed had not uploaded data to the NI database. For the NI database to successfully work, all administering authorities need to upload data on a regular basis.

Update from Lorraine Bennett

Lorraine confirmed that the London Boroughs of Brent and Southwark had still not signed up to the NI Database. Although, the London Borough of Tower Hamlets of signed up to the NI Database they have not uploaded any data due to data issues.

At the meeting of 10 December 2019, it was agreed that section 151 officers, Chair of Pension Committees and Local Pension Boards of the administering authorities that had not fully responded would be contacted to inform them of their authority's noncompliance. The question was raised as to whether it was appropriate to contact these parties, given the pressures of the pandemic. The group felt that this issue has been outstanding long before COVID-19 and that it was appropriate to raise.

Group agreement

Members agreed that Lorraine Bennett should contact the Chair of Pension Committees and Local Pension Boards of the administering authorities that had not fully responded to inform them of their authority's noncompliance.

b) Statutory guidance for survivor benefits

The LGPS (Miscellaneous Amendment) Regulations 2018 were effective from 10 January 2019 and affected the payment of survivor benefits. At the meeting of 8 March 2019 MHCLG confirmed that statutory guidance will be issued containing information on how to approach revised benefit calculations, cash equivalent transfer values, and trivial commutation. Further updates were provided by MHCLG at the meetings held on 14 June 2019, 10 December 2019 and 6 March 2019. On 6 March

2020 the group agreed that the draft statutory guidance consultation should be published in full rather than in part.

Update from MHCLG

Rumours that the government is conceding the case of Goodwin (in TPS) are premature. This is a new case where the claimant is a male survivor of a female scheme member and are alleging direct sexual orientation discrimination. This challenge follows on from the Walker case and alleges that the changes made as a result of the Walker case are discriminatory. HMT Ministers have not yet decided on legal strategy and it isn't necessarily imminent either. If there is a concession, it is expected to wash across all public sector schemes and there will be advice on how to account for any change in benefits.

As at the last meeting, the statutory guidance that has been drafted is currently paused until the position is clearer on how retrospection of benefits affects the finality of transfers out or trivial commutation. Interestingly, the position advanced by the Government (Department for Work and Pensions) in the further Lloyds hearing in May 2020 was that transfers would need to be revisited, although the court may of course take a different view.

c) Pensions tax

At the meeting on 10 December 2019 Jayne Wiberg produced a [paper](#) on pensions tax for the group to discuss. The group were asked to consider whether they wish to pursue making recommendations to the LGPS England and Wales Scheme Advisory Board for a more flexible approach to pension's taxation in the LGPS England and Wales. This item was deferred to the meeting of 6 March 2020 and then again to the meeting of 12 June 2020, due to political changes and the March 2020 budget.

At the March 2020 budget the Government announced that it would be publishing a call for evidence concerning pensions tax. This is in respect of those individuals earning around or below the level of the personal allowance and saving into a pension so that they may benefit from a top-up on their pension savings equivalent to the basic rate of tax, even if they pay no tax. Whether they receive this top-up depends on how their pension scheme administers tax relief. The government has committed to reviewing options for addressing these differences and will shortly publish a call for evidence on pensions tax relief administration.

Group agreement

Members agreed to defer this agenda item until the call for evidence is published.

d) Payment date of Additional Voluntary Contributions

Robert Stormonth (Prudential) issued a [paper](#) for the group to consider. Following a discussion at the meeting of 6 March 2020 the group wished to understand how much a problem this nationally. The group agreed that each member would consult their pension officer group, to determine how often the cases occur and how the administering authority has resolved the case. [Feedback from members has been collated into a single document.](#)

Group agreement

Members discussed the feedback and agreed not take any further action.

e) Additional Voluntary Contribution providers

At the meeting of 6 March 2020 Catherine Pearce provided a [paper](#) setting out concerns about the lack of variety of available AVC providers. The group discussed the paper and agreed that the issue raised might be valid. The group agreed that each member would consult their pension officer group to determine the scale of the problem. [Feedback from members has been collated into a single document.](#)

Group agreement

Members discussed the feedback and agreed not take any further action.

7) LGPC update

[Jayne Wiberg provided an update on behalf of the LGPC.](#) Members discussed the update.

8) MHCLG update

[Jeremy Hughes provided an update on behalf of MHCLG.](#)

The update covered McCloud, Cost Control, Exit Payments Cap, GMP, Local Valuation Cycle and the Management of Employer Risk, SF3 Data Collection, Survivor Benefits, Forfeiture and Fair Deal.

Members discussed the update and extracts from the update have been inserted into these minutes under the appropriate sections.

9) CIPFA annual report guidance

At the last meeting in March 2020 Richard Lloyd-Bithell from the Chartered Institute of Public Finance and Accountancy (CIPFA) discussed with the group how the key performance indicators (KPIs) within the CIPFA annual report guidance were determined. The group made various agreements with Richard ([these are noted in the minutes of the March 2020 meeting](#)). They also agreed to set up a sub-group to work with CIPFA.

The individuals noted below volunteered to form the sub-group. They represent each of the regional pension officer groups in England, Wales and Scotland:

- Kevin Gerard (Dyfed Pension Fund)
- Jon Clewes (Nottinghamshire County Council Pension Fund)
- Mark Anderson (Wiltshire Pension Fund)
- Clare Chambers (Surrey County Council Pension Fund)
- Joel Ellner (Essex County Council Pension Fund)
- John Smith (Surrey County Council Pension Fund)
- Heidi Catherall (Cheshire County Council Pension Fund)
- Heather Chambers (Tyne and Wear Pension Fund)
- Andrew Crawford (Lothian Pension Fund)
- Jayne Wiberg (Local Government Association)

Group agreement

So as not to add pressures to those already faced by administering authorities due to COVID-19, members agreed to delay implementation of the CIPFA sub-group until later in 2020.

10)GAD 2020 valuation data collection

Brian Allan from the Government's Actuary's Department (GAD) attended the meeting on 6 March 2020 to explain the context and areas of data quality they are looking at. [GAD provided a set of slides to support this explanation.](#)

Update and closed

On 9 June 2020 [GAD published a letter to administering authorities](#) providing a timetable of when the data will be collected. The letter also clarified some of the anomalies that had surfaced during initial investigations.

11) COVID-19

Since the group last met on 6 March 2020 the COVID-19 pandemic has hit our landscape. This agenda item is an opportunity to discuss:

- any issues members of the group may have in administering the scheme, and
- any queries members of the group may have with any of the guidance that has been published.

Group discussion

England & Wales Scheme Advisory Board:

- [have established a new COVID-19 section of their website](#)
- have established a COVID-19 practitioners group
- Undertake weekly meetings with MHCLG, SPPA and DoC
- have undertaken scheme surveys on resilience, cash flow and governance

The Local Government Association has produced:

- a dedicated COVID-19 webpage
- COVID-19 FAQs for administering authorities, employers and scheme members
- COVID-19 employer webinars

Members confirmed the following:

- Kevin Gerard thanked the LGA for their support during COVID-19. He confirmed that business continued for the Welsh administering authorities, though not as normal due to the abnormal working environments. Pensioners and death grants continue to be paid.
- Heather Chambers confirmed that the key tasks were being completed. However, other day to day business such as training and collaboration were at a standstill.
- Richard Smythe confirmed that in London there were a range of different approaches depending upon IT infrastructure with some authorities only focussing on key areas. Some councils are looking at getting back into their offices.
- Debbie Sharpe confirmed that colleagues are going into the office to check for post and to issue post. Debbie requested that where possible can communications be sent by email (such as interfund documentation). Lorraine Bennett confirmed that the LGA are looking at a central system so that administering authorities can download a file of all the interfund documentation.

- Debbie Sharpe also requested online training. Lorraine Bennett confirmed that the LGA had already undertaken webinars for employers, survivor benefits and the employer role. There is a long waiting list for on-line training because the face to face training had been cancelled. However, if there are any specific topics that administering authorities require training upon, then they should email Karl.White@local.gov.uk. In addition, the LGA are in the process of creating online bitesize training for employers.

12) COVID-19 Data Collection

England and Wales SAB have requested that members of the National LGPS Technical Group assist with the collection of death data to help understand the impact of the COVID-19 on the LGPS.

The data needed is the total number of deaths on pension tasks / cases started each calendar month, going back to February 2020. Going forward the data is to be collected on a monthly basis.

Data back to February 2020 should be submitted by 26 June 2020.

Going forward data should be submitted by the seventh of each month, based on the previous month.

Group agreement

Members agreed that the chair (or technical group representative) of each pension officer group will collate data from administering authorities in their region and send to the LGA. The Chair will send an email to that effect including a template spreadsheet for completion.

13) Standing items

The following items are standing items.

a) McCloud

The case concerns the transitional protections provided to members of the judges and firefighter pension schemes when the schemes were reformed in 2015, as part of the public sector pension scheme reforms. On 20 December 2018, the Court of Appeal found that these protections were unlawful on the grounds of age discrimination and could not be justified. The [McCloud](#) of the English and Welsh SAB [website](#) contains background information on the case together with the latest

position, including a [Q&A](#) which has been updated to take into account the Supreme Court ruling.

Update from MHCLG

Work is continuing removing the unlawful discrimination found in the McCloud and Sargeant cases from the LGPS. MHCLG hope to commence a consultation on their proposals in July. The consultation will include and seek views on draft regulations designed to implement the proposed changes.

Technical discussions were held in February with the scheme advisory board on their lead working proposal – principally, to remove the discrimination by extending underpin protection to the group of younger workers who the Courts have found the Government discriminated against.

They are very grateful to the LGA pensions team for all their input as we have refined the details of our proposals in recent months.

b) MHCLG consultation: Fair deal

The MHCLG consultation on ‘Fair deal – strengthening pension protection’ in the LGPS closed on 4 April 2019. The consultation documents and the response submitted by the LGPC can be viewed on the Scheme consultations page of www.lgpsregs.org. The Chair of National LGPS Technical Group [responded](#) on 13 March 2019.

Update from MHCLG

MHCLG are aware that a formal response to their consultation in early 2019 remains outstanding. Their ambition is to publish their response in 2020.

c) MHCLG Consultation: Local valuation cycle / management of employer risk

On 8 May 2019 MHCLG issued a 12 week [policy consultation](#) called ‘LGPS: Changes to the local valuation cycle and the management of employer risk’. The consultation closed on 31 July 2019. The consultation documents and the response submitted by the LGPC can be viewed on the [Scheme consultations](#) page of www.lgpsregs.org. The Chair of National LGPS Technical Group [responded](#) on 15 July 2019. On 27 February 2020, MHCLG published a [partial response](#) to the consultation covering changes to the local valuation cycle and the management of employer risk. The response covers the proposals on exit credits only. It confirms that most respondents supported the proposal to allow administering authorities to take account of an employer’s exposure to risk when calculating an exit credit. As a

result [The Local Government Pension Scheme \(Amendment\) Regulations 2020](#) giving effect to the proposals were laid in Parliament on 27 February 2020. They come into force on 20 March 2020 but have effect from 14 May 2018.

Update from MHCLG

The Government provided a response to the reform of exit credits on 27 February 2020 and amended the 2018 regulations so that administering authorities may determine, at their absolute discretion, the exit credit payment due, having regard to any relevant considerations.

The Government have undertaken further discussions with stakeholders on the proposals consulted on in May 2019 (quadrennial fund valuations, interim valuations, review of employer contributions and exit payments) and have been working on the Government response and possible regulations amendments for these proposals, and aim to make an announcement in the coming months.

The HE/FE proposals were highly controversial and have been in discussions with DfE on steps which the Government will take next.

d) HMT Consultation: Exit payments cap

In April 2019, HM Treasury launched a consultation called ‘Restricting exit payments in the public sector: consultation on implementation of the regulations’. The consultation documents and the response submitted by the LGA can be viewed on the [non-scheme consultations](#) page of www.lgpsregs.org. The Chair of National LGPS Technical Group [responded](#) on 1 July 2019. MHCLG confirmed at the meeting on 6 March 2020 that the Government intend to implement the 95k cap across the public sector and implement the claw back. The Government response is expected spring / summer 2020.

Update from MHCLG

The announcement of the outcome of the consultation will only be made “after the crisis”. MHCLG are looking to clarify how that might be defined, even if the precise date is inevitably uncertain. The proposals that emerge are likely to be very similar to those consulted on. A consultation on claw back should follow, as the government is starting to turn its attention back to implementing its manifesto commitments.

MHCLG verbally confirmed that Ministers need to consider what the Exit Cap will mean for the LGPS and redundancy and efficiency dismissals for members who are age 55 and over. MHCLG expect to have discussions with SAB and the trade unions around September 2020.

e) LGA technical queries with MHCLG

All [LGA technical queries](#) with MHCLG can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org. The latest version is dated 11 March 2020.

f) Historical list of decisions made by the group

All [recommendations / agreements / outcome of decisions](#) made by the National LGPS Technical Group from 1 April 2014 to date can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org.

g) List of recommendations made to the SAB England and Wales

[Recommendations](#) made to the SAB England and Wales from November 2018 to date can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org.

h) Group membership

The current list of [group membership](#) can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org.

Group Agreement

The LGA appointed Steven Moseley as a pension's adviser leading on the Scottish LGPS. Members agreed for Steven to join the National LGPS Technical Group as a representative member on behalf of the Scottish LGPS.

14) Any other business

Karen Gibson

- Do administering authorities investigate at their own expense to find a deceased member next of kin or simply pay to the crown?
Heather Chambers confirmed that it is a TPR requirement to use tracing bureaus to identify next of kin. Different levels of tracing can be undertaken depending upon the initial search results. Also, the crown will not always accept the monies if there is any possibility that a dependent may be present.
Heather Currie mentioned that it may be worthwhile to speak to the Council's social services department. This is because they have experts who trace dependents. Also maybe buy the death certificate to see who has registered the death.

Lorraine Bennett

- Lorraine confirmed that the LGA are working on a bulk search facility for the national insurance database. This will enable administering authorities to search on bulk national insurance numbers and download the results.

15) Date of next meetings

a) 1 October 2020 (date changed from 25 September 2020)

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 1 October 2020 to be supplied to

Kelly.Scotford@royalgreenwich.gov.uk the Secretary and jayne.wiberg@local.gov.uk LGA by no later than 5.00 pm on 9 September 2020 using the [blank template for agenda items](#).

b) 10 December 2020 (date changed from 11 December 2020)

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 10 December 2019 to be supplied to

Kelly.Scotford@royalgreenwich.gov.uk the Secretary and jayne.wiberg@local.gov.uk LGA by no later than 5.00 pm on 27 November 2020 using the [blank template for agenda items](#).

c) 5 March 2021

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 5 March 2021 to be supplied to

Kelly.Scotford@royalgreenwich.gov.uk the Secretary and jayne.wiberg@local.gov.uk LGA by no later than 5.00 pm on 19 February 2021 using the [blank template for agenda items](#).

d) 18 June 2021

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 18 June 2021 to be supplied to

Kelly.Scotford@royalgreenwich.gov.uk the Secretary and jayne.wiberg@local.gov.uk LGA, by no later than 5.00 pm on 4 June 2021 using the [blank template for agenda items](#).

e) 1 October 2021

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 1 October 2021 to be supplied to

Kelly.Scotford@royalgreenwich.gov.uk the Secretary and jayne.wiberg@local.gov.uk

LGA by no later than 5.00 pm on 9 September 2021 using the [blank template for agenda items](#).

f) 7 December 2021

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 7 December 2021 to be supplied to

Kelly.Scotford@royalgreenwich.gov.uk the Secretary and jayne.wiberg@local.gov.uk

LGA by no later than 5.00 pm on 23 November 2021 using the [blank template for agenda items](#).