

Local Government Pensions Committee
Secretary, Mike Walker

LGPC BULLETIN NO. 45 – AUGUST 2006

UNDERSTANDING SCHEME & REVENUE CHANGES WORKSHOPS

Purpose of the Bulletin

1. This Bulletin has been issued to provide administering authorities with details of forthcoming workshops in October 2006.

Background

2. LGPC Circular 179 in December 2005 advertised a number of regional workshops that were held from 28 March 2006 to 4 May 2006. These workshops were to coincide with the issue of new regulations and to complement the "HMRC Simplification" practical guide. The workshops followed the format of the successful Understanding series and included practical examples and exercises. The workshops covered (not an exhaustive list):
 - HMRC "annual" and "lifetime" limits
 - Taking the maximum 25% tax-free cash
 - Removal of 15% Contribution limit
 - Removal of the "40 year" membership limit
 - Working past age 65
 - Flexible Retirement
 - Removal of the Rule of 85 (subject to protections)
3. When these workshops were advertised it was fully expected that regulations would have been made in respect of all the changes before the workshops began. In respect of the HMRC changes it was also hoped that many outstanding points would by then have been clarified. The thirst for knowledge was evident from the number of delegates booking places and the volume of requests for in-house events. However,

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two weeks prior to the first workshop the actual regulations and associated GAD guidance had not appeared and there was much uncertainty surrounding the new HMRC rules. This prompted the LGPC Training and Development Manager to contact all Pensions Managers on 16 March 2006 giving the opportunity for authorities to defer places at the "April" round of workshops and wait until later in the Spring/Summer when it was hoped to hold another workshop when the regulatory/guidance picture was complete. A small number of delegate places were cancelled as a result and, regrettably, shortly thereafter the Edinburgh event was cancelled due to the absence of any draft Scottish regulations to base the training material on.

Current Position (England and Wales)

4. The LGPS Amendment No.2 Regulations (making changes to the first set of amendment regulations and notably extending the protections covering the removal of the 85-Year Rule) were laid before Parliament on 25 July 2006 and in the covering letter it was stated that the associated GAD guidance on new reduction factors would be "available as early as possible in September". It is also hoped that other outstanding GAD guidance will be made available prior to 1 October 2006.

Current Position (Scotland)

5. The Draft LGPS Scotland Amendment No.2 Regulations consultation period ended on 31 July 2006. The SPPA have stated that it is their intention to have these regulations in force on 1 October 2006. It is hoped that the associated GAD guidance will be made available prior to the 1 October 2006.

Current Position regarding the Tax Simplification Guide

6. Work on the Tax Simplification Guide is ongoing. Many of the queries with HMRC have now been resolved and letters have been sent to, and meetings have been held with, the relevant Government department to help clarify what further changes to the LGPS Regulations are needed. By the time of the October workshops the LGPC will be in a position to better explain the implications of the HMRC changes.

Details of Workshops

7. As a result of the progress being made with the Tax Simplification Guide and the changes to the LGPS Regulations outlined in paragraphs 4 and 5 above, the LGPC Secretariat believes that October is the optimum time to hold updated Scheme and Revenue workshops before the focus inevitably moves to the consultation on a New Look LGPS for 2008.

8. Workshops based on the English and Welsh Regulations will be held as follows:

- LONDON Monday 9th October 2006
- LEEDS Wednesday 18th October 2006

9. A workshop based on the Scottish Regulations will be held as follows:

- EDINBURGH Thursday 12th October 2006

10. The delegate rate for each Understanding workshop, inclusive of lunch, refreshments and all delegate materials is £130 plus VAT at the standard rate. Early booking is recommended as places are limited. Bookings are made via the events booking facility on the Local Government Employers' website at www.lge.gov.uk/events

11. When booking, you will need full delegate details to hand including the address to which the invoice for payment is to be sent. In the event that the workshop you wish to attend is full, you are advised to enter your name on the reserves' list as this will ensure you are given priority on any cancellation or overflow places that may arise.

12. If you experience any difficulties in using the website booking facility or do not have access to the internet, please contact Elaine English, LGPC Executive Officer, on 020 7 187 7344 or email Elaine.English@lg-employers.gov.uk

General

13. Recipients of this bulletin should note that it is being issued by e-mail only (i.e. there will be no subsequent hard copy posted). Administering Authorities may wish to consider forwarding this Bulletin to employers within their Fund.

Tim Hazlewood, Training and Development Manager
4 August 2006