Local Government Pensions Committee
Secretary, Jeff Houston

LGPC Bulletin 100 – March 2013

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

Please contact Mary Lambe 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.

This month's Bits and Pieces includes LGPC Circulars, LGPC Communications, LGPC Training and Timeline Regulations.

Contents

Scheme Regulations and GAD Guidance

GAD Guidance: Revised Factors for pre 1 April 2012 ARC Contracts.

On 6 March the Department of Communities and Local Government (DCLG) issued Government Actuary's Department (GAD) guidance for England and Wales relating to Additional Regular Contribution (ARC) contracts which were taken out prior to 1 April 2012 (this replaces previous guidance issued on 14 December 2009). The guidance is available on the GAD guidance post 2008 page of the Timeline Regulations website.

The guidance outlines that due in the main to a change in the discount rate used, the rate of contributions for contracts taken out prior to 1 April 2012 will increase by between 15% and 115% compared to the contribution rate scheme members are currently paying for their ARC contracts. Administering authorities are required to contact those members currently paying ARC contracts taken out prior to 1 April 2012 to confirm that GAD and DCLG have issued new guidance which requires that their monthly contribution rate is updated from 1 April 2013 (as permitted under regulation 23(8) of the LGPS Administration Regulations) to reflect a change in the discount rate.

Following the release of this guidance the LGPS has been contacted by a number of funds regarding the indexation of these contracts. Our understanding (as outlined in paragraph 10.2.10 of Annex A of the Guidance) was that the additional pension bought under a pre 1 April 2012 ARC contract is increased by the Retail Prices Index (RPI) between the date of the first payment and the date of leaving, and thereafter (both during any period of deferment and when in payment) the additional pension is increased by the RPI (not the Consumer Prices Index (CPI)). However, the point has been made that once a member has ceased membership of the LGPS the Pensions (Increase) Act 1971 applies to deferred pensions and pensions in payment from the LGPS (and the ARC pension is a pension payable from the LGPS). The LGPC secretariat has raised this point with DCLG as to whether there is anything in the LGPS Regulations that, in respect of additional pension bought by payment of ARCs, overrides the provisions of the Pension (Increase) Act 1971 or, in the absence of anything in the LGPS Regulations, whether there is anything in general contract law that legally commits the administering authority to increase the additional pension after leaving by RPI (rather than CPI). At present we are aware that DCLG are seeking further advice on this issue and we await an official response to our enquiry. Once we receive a response we will include an update in a forthcoming Bulletin and also issue an email to Pension Managers (internal and outsourced) and Client Managers in England and Wales.

GAD Guidance: Application of a Pension Debit for a Divorced Member

On 4 March 2013 DCLG issued GAD guidance in respect of the application of a Pension Debit for divorced members as required by regulation 20A(2) of the LGPS Regulations 1997 and regulation 41 of the LGPS (Benefits, Membership and Contributions) Regulations 2007. This revised guidance adds clarification for divorced members with a pension debit and:

- tapered rule of 85 protection, or
- tier 3 ill health benefits

and incorporates the latest factors into the guidance.

This GAD guidance and DCLG's covering letter can be downloaded from the Timeline Regulations website.

Amendment to the LGPS (Management and Investment of Funds) Regulations 2009

The Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 2013 [SI 2013/410] come into force 1 April 2013.

These amendment regulations increase the maximum proportion of a local government pension fund which can be invested in contributions to partnerships from 15% to 30% in England and Wales.

The timeline regulations will be amended in due course to reflect SI 2013/410.

Annual Update

The Social Security Revaluation of Earnings Factors 2013

The Social Security Revaluation of Earnings Factors Order 2013 [SI 2013/527] comes into force on 6 April 2013 (i.e. the earnings factors used to calculate a scheme member's GMP). The percentage increase for the tax year 2012/13 is 1.8% and is based on the measure of the increase in the general level of earnings obtaining in Great Britain. The Statutory Instrument may be viewed at Timeline Regulations Section 148 Revaluation Orders page.

Pensions Increase (Review) Order 2013

The annual rate of pensions increase to be applied from 8 April 2013 to a qualifying pension which began (i.e. has a pensions increase date) before 9 April 2012 will be 2.2%. The percentage and part year percentages are detailed in the Pensions Increase (Review) Order 2012 [SI 2013/604] which, together with the appropriate multiplier tables, can be viewed at the Timeline Regulations Pensions Increase (Review) Orders page.

The GMP Increase Order 2013

The increase to be applied from 6 April 2013 to the post 5 April 1988 Guaranteed Minimum Pension element of a pension in payment is 2.2% (assuming the AP is not less than the GMP). This is set out in the Guaranteed Minimum Pensions Increase Order 2013 [SI 2013/573] which can be viewed at the Timeline GMP Increase Orders page.

Automatic Enrolment

Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2013

The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2013 (SI 2013/667) comes into force 6 April 2013 and details the annualised equivalent earnings for 2013/14 to assess entitled workers, non-eligible jobholders and eligible jobholder for Automatic Enrolment purposes. The annualised equivalent lower earnings threshold for 2013/14 is £5,668 and the earnings trigger for automatic enrolment is earnings over £9,440. The following table shows the values per pay reference period for 2013/14:

Pay reference period	Lower earnings threshold p.a.	Earnings trigger for automatic enrolment
Annual	£5,668.00	£9,440.00
6 months	£2,834.00	£4,720.00
3 months	£1,417.00	£2,360.00
1 Month	£473.00	£787.00
4 weeks	£436.00	£727.00
Fortnight	£218.00	£364.00
1 week	£109.00	£182.00

To view the Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2013 (SI 2013/667) please visit the Timeline Regulations website.

LGPC Automatic Enrolment Guide – Updated version

The LGPC have updated the Automatic Enrolment Guide and a tracked and clean version 5.2 is now available on our website. Please click here to view the updated guide.

Automatic Enrolment Brief Guide

The Local Government Association (LGA) has produced a brief guide to Automatic Enrolment for employers. This brief guide provides an outline of what employers who participate in the Local Government Pension Scheme (LGPS) and / or the Teachers' Pension Scheme (TPS) are required to do to comply with Automatic Enrolment. Please click here to view the brief guide on our website.

Calls to remove restrictions on NEST

The Work and Pensions Committee published a report asking the Government to introduce changes to the National Employment Savings Trust (NEST). They have called for the removal of the cap on annual contributions to NEST as well as the removal of the ban on members of NEST being able to make transfers in and out of the scheme. To read the report in full please visit Parliament's website.

Pensions Regulator Research into employers understanding of Automatic Enrolment

The Pensions Regulator has published the findings of recent research undertaken in autumn 2012 to identify the understanding across employers of the workplace pension reforms introduced through the Pensions Act 2008. The results showed higher understanding of automatic enrolment amongst employers of all sizes since its last survey, in spring 2012. To read the findings in full please visit the Pension Regulator's website.

LGPS 2014 Update

Draft regulations consultation

In Bulletin 99 reference was made to forthcoming consultations expected from the DCLG in early March. The LGPC secretariat now understands that an updated version of the draft regulations on Membership Contributions and Benefits for LGPS 2014 will be issued at the end of March. In addition it's expected that the draft regulations on Transitional Provisions and a consultation on Miscellaneous Provisions to amend the current LGPS regulations will also be issued at the end of March.

News and Updates

The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

Bulletin 99 mentioned the consultation on the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013. The LGPC will be responding to this consultation which is due to close 14 April 2013. For full details on the consultation please visit the DWP's website.

Contribution Banding Table for Scotland for 2013/14

The Scottish Public Pensions Agency (SPPA) released version 7 of their guidance for the Assessment of Member Contribution Rates in March 2013. Within this document the contribution banding rates for the LGPS in Scotland for 2013/14 were confirmed as:

Table 1 - Tiered Contribution Pay Rates)	
Full Time Equivalent (FTE) Pensionable Pay (2013/2014)	**Rate (%)**
On earnings up to and including £19,800	5.5%
On earnings above £19,800 and up to £24,200	7.25%
On earnings above £24,200 and up to £33,200	8.5%
On earnings above £33,200 and up to £44,200	9.5%
On earnings above £44,200	12%

To read this guidance visit the Timeline Regulations website.

Budget 2013

The Chancellor George Osborne delivered the 2013 Budget on 20 March and it included the following pension related items:

- Introduction of the new single-tier State Pension from April 2016 (see news item below on single-tier State Pension for further information)
- New objective for the Pensions Regulator to support scheme funding arrangements (the wording of this objective to be set out in legislation in spring 2013)
- Confirmation that the Government will consult on 'fixed protection' and 'individual protection' regimes in spring 2013 following the announcement in the 2012 autumn statement that the lifetime allowance will reduce from £1.5 million to £1.25 million from 2014/15

For further details on the 2013 Budget visit HM Treasury's website.

CETV calculation where a Pension Debit exists

Following an enquiry from a Pension Fund the LGPC secretariat has recently sought guidance from GAD on the principle of whether, when calculating a CETV out for a member with a Pension Debit, the conversion factors for CRA membership apply to both the "gross" CETV (ignoring the Pension Debit) and to the CETV in respect of the Pension Debit, with the net CETV being the "gross" CETV less the CETV in respect of the Pension Debit..

The response received from GAD included the following comments:

- The same principle should be used to calculate club and non-club transfer values for members with pension debits (as shown in paragraph 7.16 of the Public Sector Transfer Club memorandum).
- Having separately calculated the total CETV (ignoring the debit) and the CETV for the debit, only the net amount needs to be quoted for a non-club CETV. (An alternative approach for non-Club CETVs which leads to the same answer would be to calculate the member's benefits as at the guarantee date, revalue the pension debit to the guarantee date and deduct them from the member's benefits, and then calculate the transfer value based on the benefits after subtraction of the debit.)
- The appropriate conversion factors for CRA membership should be applied when calculating the CETV for the debit in respect of that membership.
- It is important that the CETV for the pension debit reflects the correct P.I and GMP revaluations; these will almost certainly be different to those for the main CETV if the pension debit was initially applied when the member was still in service.

Refund of contributions paid after age 75

The LGPC Secretariat received an enquiry from an administering authority recently regarding the treatment of a refund of contributions paid after age 75, its status under the Finance Act 2004 and what relevant tax charges it would generate. The Secretariat's view, which has been checked with HMRC, is set out below.

General
A refund of contributions paid **before** age 75 is a short service refund lump sum and is, therefore, an authorised payment. However, a refund paid **after** age 75 would not be a short service refund lump sum by reason of paragraph 5(1)(e) of Schedule 29 to the Finance Act 2004. Therefore, **subject to the exception shown in the section below**, a refund paid after age 75 would be an unauthorised member payment and would generate up to three tax charges.

- The **unauthorised payments charge** (see RPSM04104500): An income tax charge at a rate of 40%, based on the value of the unauthorised payment
- The **unauthorised payments surcharge** (see RPSM04104600): Where unauthorised payments go above a set amount in a set period an additional income tax charge at a rate of 15% will be due, based on the value of the unauthorised payment, and
- The **scheme sanction charge** (see RPSM04104800): An income tax charge on the scheme administrator in respect of certain unauthorised payments in addition to the other two tax charges. The tax is due at a rate of 40%, based on the value of the payment. However, the rate may be reduced to as low as 15% where the

unauthorised payments charge has been paid. Note, however, that no scheme sanction charge is applied to any part of the refund relating to membership prior to 6 April 2006 (see the article below on subsisting rights).

Interest on a short service refund lump sum paid **before** age 75 is not an unauthorised payment as it is a scheme administration member payment under section 171 of the Finance Act 2004. That is because paragraph 5(2) of Schedule 29 to the Finance Act 2004 says that if an amount is paid that "exceeds an amount equal to the aggregate of the member's contributions under the pension scheme, the excess is not a short service refund lump sum". However, where a refund paid **after** age 75 is an unauthorised payment, then any interest paid is also an unauthorised payment.

Additionally, where a refund paid **after** age 75 is an unauthorised payment the normal **20% tax** on the refund is **not** due to be paid. Section 205 of the Finance Act 2004 requires that a charge to income tax, to be known as the short service refund lump sum charge, arises where a short service refund lump sum is paid by a registered pension scheme and that the tax charge is:

(a) 20% in respect of so much of the lump sum as does not exceed £20,000, and
(b) 50% in respect of so much (if any) of it as exceeds that limit.

However, an unauthorised refund paid **after** age 75 is not a short service refund lump sum and thus the 20% tax charge would not apply to the refund or interest.

<u>The exception</u>
There is, however, an alternative method of paying the 'refund' that would mean the administering authority would not make an unauthorised payment.

The administering authority could treat the payment as a payment under regulation 11 or regulation 12 of the Registered Pension Schemes (Authorised Payments) Regulations 2009 [SI 2009/1171], **but** only once regulation 39(1)(c) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and of the LGPS (Benefits, Membership and Contributions) (Scotland) Regulations 2008 have been amended to cross refer to regulations 11 and 12 of SI 2009/1171. These state:

11. De minimis rule for pension schemes

(1) A payment by a public service pension scheme or an occupational pension scheme if-
(a) the member has reached the age of 60 ;
(b) the member-
(i) is not a controlling director of a sponsoring employer of this or of any related scheme, and
(ii) is not a person connected to such a person;
(c) the payment does not exceed £2,000;
(d) the commutation value of the benefits to which the member is entitled under this and any related scheme does not exceed £2,000 in total;
(e) the payment extinguishes the member's entitlement to benefits under this scheme; and
(f) no recognised transfer was made out of this or any related scheme in respect of the member during the 3 years preceding the date of the payment.

(2) For the purposes of paragraph (1)(d), the commutation value is equal to the amount of the lump sum that, if paid, would extinguish the member's entitlement to benefits under the scheme concerned.

12. Payments by larger pension schemes

(1) A payment by a public service pension scheme or an occupational pension scheme if-
(a) there are at least 50 members;
(b) any of conditions A, B or C is satisfied;
(c) the member has reached the age of 60;
(d) the member-
(i) is not a controlling director of a sponsoring employer of this or any related scheme, and
(ii) is not a person connected to such a person;
(e) the payment does not exceed £2,000;
(f) the payment extinguishes the member's entitlement to benefits under this scheme;
(g) ignoring any transfer within paragraph (5), no excluded transfer was made into this scheme in relation to the member during the 5 years preceding the date of the payment; and
(h) no recognised transfer was made out of this scheme in respect of the member during the 3 years preceding the date of the payment.

(2) Condition A is that the scheme was in existence on 1st July 2008.

(3) Condition B is that-
(a) the payment is in respect of a defined benefits arrangement; and
(b) the aggregate amount of the sums and assets held for the purposes of defined benefits arrangements is more than half of the aggregate amount of all the sums and assets held for the purposes of this scheme.

(4) Condition C is that in respect of at least 20 members the aggregate amount of the sums and assets held for the purpose of the arrangement exceed £2,000.

(5) A transfer is within this paragraph if it is a transfer of sums and assets described in paragraph 12(8)(b), (c) or (d) of Schedule 36 (enhanced protection - permitted transfers).

(6) In paragraphs (3) and (4), the "aggregate amount" is an amount equal to the aggregate of the amount of the sums and the market value of the assets concerned.

Whilst the payment to be made would represent a refund plus interest, rather than a commutation value per se, it can be argued that the refund plus interest is the commutation value under regulation 11(2) above on the grounds that the member has no long-service benefit that would otherwise be payable and the refund plus interest does extinguish the member’s benefits under the scheme. The commutation value as defined at regulation 11(2) above does not require the actual commutation of a pension. Provided the amount to be paid as a ‘refund’ does not exceed £2,000 the lump sum can be paid as a commutation payment under regulation 11. Alternatively regulation 12 could be applied. Under that regulation there is just a £2,000 cap on payments that can be made with no need for the payment to satisfy a commutation value. Either way the payment would, by virtue of regulation 3 of SI 2009/1171, be treated as an authorised member payment and taxed under section 636B of the Income Tax (Earnings and Pensions) Act 2003 as though it were a trivial commutation lump sum.

Subsisting rights

Regulation 2(1) of the Registered Pension Schemes (Unauthorised Payments by Existing Schemes) Regulations 2006 [SI 2006/365] allows that, in relation to a pension scheme which was in operation at 5 April 2006 (including a relevant statutory pension scheme such as the LGPS), the chargeable payment when considering the Scheme Sanction Charge can exclude any subsisting rights up to 5 April 2006.

What rights are “subsisting rights” for the purposes of the exclusion under SI 2006/365 of all or part of an unauthorised payment from being scheme chargeable?

What follows is a mix of DWP’s advice on subsisting rights and HMRC’s application of that advice to unauthorised payments.

<u>Legislation</u>
Section 67A(6) of the Pensions Act 1995 (inserted by s.262 Pensions Act 2004) defines "Subsisting right" as:
(a) in relation to a member of an occupational pension scheme, at any time-
any right which at that time has accrued to or in respect of him to future benefits under the scheme rules, or
(ii) any entitlement to the present payment of a pension or other benefit which he has at that time, under the scheme rules, and

(b) in relation to the survivor of a member of an occupational pension scheme, at any time, any entitlement to benefits, or right to future benefits, which he has at that time under the scheme rules in respect of the member.

Section 67A(7) provides:
At any time when the pensionable service of a member of an occupational pension scheme is continuing, his subsisting rights are to be determined as if he had opted, immediately before that time, to terminate that service.

Section 67A(10) defines a survivor in relation to a member of an occupational pension scheme as a person who:
(i) is the widow or widower of the member, or
(ii) has survived the member and has any entitlement to benefit, or right to future benefits, under the scheme rules in respect of the member.

<u>Death benefits</u>

DWP lawyers view is that death benefits may be subsisting rights under section 67(6) (b) subject to the following:

a. where a member is alive, there are no subsisting rights for a survivor under section 67A(6)(b) of the Pensions Act 1995.

b. where a payment of a pension benefit can only be paid at the discretion of the trustees, there is no entitlement or right to that pension benefit until the trustees have exercised their discretion and decided to pay it.

c. where a member is dead and the survivor will get a pension benefit in the future which is not dependant on the trustees exercising discretion, the survivor has a subsisting right under s67A(6)(b).

d. the member can never have a subsisting right to death benefits as they are payable to a survivor and not to the member so it is only the position regarding the survivor that counts.

With regard to (c) very few if any registered pension schemes pay lump sum death benefits as of right, they are usually paid under the exercise of a discretion by the trustees or some other person. Where, under the scheme rules, the member has taken the opportunity to nominate a preferred recipient or recipients of the benefit, in exercising their discretion the trustees etc. will take account of the nomination and will normally award the lump sum death benefit in accordance with that nomination. But this does not detract from the fact that there is a discretion under the scheme rules.

HMRC interpret the above as meaning that it is highly unlikely that death benefits paid in relation to a death occurring after 5 April 2006 can be subsisting rights as at 5 April 2006. As the member was still alive on 6 April 2006 and the lump sum death benefit is payable at the discretion of the trustees, until that discretion is exercised there is no one (member or survivor) with a right to that benefit. So the right must arise after 5 April 2006 and cannot be a subsisting right.

<u>What is proportion of benefits attributable to subsisting rights</u>
Although s.67(7) may at first sight suggest otherwise, DWP have confirmed that when calculating the amount of an unauthorised payment attributable to subsisting rights as at 5 April 2006 there is no need to take account of any change in the monetary value of the rights as at 5 April 2006 and the value of those rights as at the date the unauthorised payment is made.

In other words, where the unauthorised payment is in relation to benefits based on final salary there is no need to take account of salary increases since 5 April 2006.

So if say a pension payment or all or part of a lump sum benefit is an unauthorised payment, for a scheme such as LGPS the apportionment between subsisting and non-subsisting rights is straightforward and based on periods of service. If, say, total pensionable service is 35 years with 30 years pensionable service to 5 April 2006 and 5 years pensionable service after that date, then 6/7 of the unauthorised payment will be attributable to subsisting rights.

But where after 5 April 2006 there is an award of enhanced pensionable service e.g. on ill-health retirement or redundancy the additional service should be added to the post 5 April 2006 for the purposes of the apportionment.

<u>Warning</u>

The subsisting rights exception only applies to the scheme sanction charge. It does not reduce the amount of an unauthorised payment liable to the unauthorised payments charge or surcharge.

GMP Equalisation

The Pensions Minister Steve Webb recently announced that it will be spring 2014 before there are further changes in the law on equalising GMPs. It had been expected that following last year's consultation changes would be made in 2013. However, it's understood that the Department of Work and Pensions is looking for ways to make GMP equalisation easier for pension schemes.

Flat Rate Single Tier Pension

In Bulletin 98 it was outlined that the new flat rate single pension was being introduced in April 2017 and the Government published a white paper. On 19 March 2013 the Government announced that they will now be introducing this new flat rate State Pension in April 2016.

DWP have stated that by starting a year earlier than proposed in the White Paper, around 400,000 more people will reach State Pension age under the single tier, including every woman affected by the acceleration of the equalisation of the State Pension age.

The introduction of a single tier State Pension a year earlier will also mean that scheme members and employers will now have to pay higher National Insurance contributions from the earlier date of April 2016.

The Pensions Regulator – Pensions Liberation

The regulator recently launched an online learning module for administrators on the issue of pension liberation and how to spot the predators of such activity. It includes information on identifying the first warning signs through to contacting the member and the receiving suspect scheme to find out more. TPR state that the module will identify what pension liberation is and when it can be fraudulent, early warning signs to look out for when reviewing a member's transfer request and the next steps administrators should consider taking if liberation fraud is suspected. For more information on pensions liberation and to access this module please visit the Pensions Regulator's website.

VAT on investment management services

In Bulletin 94 the case of VAT on investment management services being considered by the Court of Justice of the European Union (CJEU) was outlined. The court was considering the case after a Tribunal hearing held in London in February 2011 decided that the CJEU should interpret the scope and meaning of the VAT exemption for Defined Benefit pension schemes as the Tribunal held that they were 'special investment funds'.

In its judgment delivered on 7 March 2013 the CJEU found that Defined Benefit pension schemes are not 'special investment funds' and therefore cannot take advantage of a VAT exemption when paying for investment management services. For more information on this judgment please visit the National Association of Pension Fund's website.

Public Health Transfer – Further Information

In Bulletin 99 further guidance on the implications on pensions from the transfer of staff from Primary Care Trusts to local authorities was referred to. This guidance has now been published by the Concordat Steering Group and is available from the Public Health England website.

Bits and Pieces

Circulars

Circular 266B was published in March and contains amendments to the following ill-health certificates:

- Example 3rd Tier Ill Health Retirement Review Certificate for a Current 3rd Tier Pensioner – England and Wales – Review taking place 18 months after the date of cessation of employment (and before normal retirement age);
- Example 3rd Tier Ill Health Retirement Review Certificate for a Suspended 3rd Tier Pensioner – England and Wales – Review taking place within 3 years of the date of cessation of the 3rd tier pension (and before normal retirement age); and
- Example 3rd Tier Ill Health Retirement Review Certificate for a Suspended 3rd Tier Pensioner – England and Wales – Review taking place 3 or more years after the date of cessation of the 3rd tier pension (and before normal retirement age).

Circular 267 was published in March and further information is available in the LGPC training section below.

Circular 268, the Annual Update was recently published and it confirms:

- The LGPS contribution bands applicable for 2013/14 in England and Wales;
- The earnings bands applicable for 2013/14 for the purposes of the automatic enrolment provisions under the Pensions Act 2008;
- The National Insurance contribution rates that apply from 6 April 2013;
- The annual increase to be applied to qualifying pensions from 8 April 2013 is 2.2% and the increase to be applied from 6 April 2013 to the post 5 April 1988 Guaranteed Minimum Pension element of a pension in payment is 2.2%;
- The earnings factors to be used, from 6 April 2013, in the calculation of a scheme member's Guaranteed Minimum Pension have been updated; and
- The maximum "weeks pay" for calculating a statutory redundancy payment increased from 1 February 2013 from £430 per week to £450 per week**.**

LGPC Communications

Updated promotional and brief guide for England and Wales

The LGPC has updated the promotional and brief guide (text and designed versions) to the LGPS for employees in England and Wales for April 2013. These reflect the provisions of the LGPS and overriding legislation at the time of publication.

The updated guides are available on the LGE website from:
http://lge.gov.uk/lge/core/page.do?pageId=8133380

Tracked versions of the updated guides, showing changes made from the previous versions, are also on the website.

Updated guides and leaflets to the LGPS for employees in Scotland

The LGPC has updated the following guides and leaflets to the LGPS for employees in Scotland so that the information is in line with the Local Government Pension Scheme (Miscellaneous Amendments) (Scotland) Regulations 2012:

- Promotional Guide to the LGPS
- Brief Guide to the LGPS
- Full guide to the LGPS - booklet and leaflets versions
- Is the LGPS for me?
- Topping up your pension benefits

The updated guides, along with tracked versions showing the changes made to the previous version, are available on the LGE website from: http://lge.gov.uk/lge/core/page.do?pageId=8449607

The guides and leaflets will be further updated in April 2013 with any updates required to financial information for 2013/14.

LGPC Training

Circular 267 details forthcoming LGPS practitioner and employer training events including one-day understanding workshops on automatic enrolment and ‘insight’ residential training courses taking place over the coming months. Please read Circular 267 for full course details, dates and locations for those events listed above.

Timeline Regulations

The following updates have been made to the Timeline Regulations website and can be viewed at http://timeline.lge.gov.uk/.

England and Wales

Post 31 March 2008 GAD Guidance
- Interfund Transfers: Guidance on calculation of Transfer amount (issued 21 December 2012 - in force 1 February 2013)
- Flexible Retirement GAD Guidance (issued 24 January 2013)
- Application of a Pension Debit for a Divorce Member (issued 4 March 2013)
- Purchase of Additional Pensions - Elections prior to 1 April 2012 - Revised Factors with effect from 1 April 2013 (issued 5 March 2013)

Pre 1 April 2008 GAD Guidance
- Inverse Commutation Regulation 58 of the LGPS 1997 Regulations (issue 2 October 2012)
- Regulation 66 GAD Guidance added to pre 1 April 2008 section for completeness

Statutory Guidance

- Home Office Letter - Police civilian staff pension arrangements at stage 2 of the Police and Crime Commissioner transition programme (dated 2 November 2012)
- CLG Letter - Transfer In: Better of Club or Non-Club Following change of Employment with Reduction in Salary (dated 12 November 2012)

- CLG letter - Broad comparability work against the Local Government Pension Scheme in England and Wales (dated 30 January 2013)
- CLG Letter - 2013 Pensions Increase and Multiplier Tables (dated 19 February 2013)

Scotland

Post 31 March 2009 GAD Guidance

- Annual Allowance Charges: Scheme Pays GAD Guidance (issued 25 October 2012)
- Pension Debit Guidance - Application of pension debits for divorced members (issued 25 May 2011)

Statutory Guidance page:

- SPN/LG No.3/2012 (issued 27 September 2012)
- Local Government Pension Scheme in Scotland – Guidance for the Assessment of Member Contribution Rates (issued 20 March 2013)

United Kingdom

- The Pensions Increase (Review) Order 2013
- Guaranteed Minimum Pensions Increase Order 2013
- Social Security Revaluation of Earnings Factors Order 2013
- Spreadsheet of PI multipliers
- HM Treasury's note for the April 2013 Pensions Increase
- A new page has been added to Timeline Regulations listing the Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order and the relevant orders for 2012 and 2013 have been added to this page.

Legislation

England and Wales

SI Reference	Title
2013/410	The Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 2013

United Kingdom

SI Reference	Title
2013/443	The Social Security (Miscellaneous Amendments) Regulations 2013
2013/527	Social Security Revaluation of Earnings Factors Order 2013
2013/528	The Social Security Pensions (Low Earnings Threshold) Order 2013
2013/529	The Social Security Pensions (Flat Rate Accrual Amount) Order 2013
2013/558	The Social Security (Contributions) (Limits and Thresholds) (Amendment) Regulations 2013
2013/559	The Social Security (Contributions) (Re-rating) Order 2013

2013/573	Guaranteed Minimum Pensions Increase Order 2013
2013/574	The Social Security Benefits Up-rating Order 2013
2013/585	The Pensions Act 2011 (Commencement No.4) Order 2013
2013/599	The Social Security Benefits Up-rating Regulations 2013
2013/604	Pensions Increase (Review) Order 2012
2013/619	The Social Security (Contributions) (Re-rating) Consequential Amendment Regulations 2013
2013/667	Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2013

Scotland

SSI Reference Title

2013/89	The Police Pensions (Contributions) Amendment (Scotland) Regulations 2013

Northern Ireland

SR Reference Title

2013/36	The Police Pension (Northern Ireland) (Amendment) Regulations 2013
2013/61	The Social Security Pensions (Flat Rate Accrual Amount) Order (Northern Ireland) 2013
2013/65	The Guaranteed Minimum Pensions Increase Order (Northern Ireland) 2013
2013/67	The Social Security (Miscellaneous Amendments) Regulations (Northern Ireland) 2013
2013/71	Local Government Pension Scheme (Amendment) Regulations (Northern Ireland) 2013
2013/72	The Occupational and Stakeholder Pension Schemes (Miscellaneous Amendments) Regulations (Northern Ireland) 2013

Useful Links

The LGE Pensions page

The LGPS members' website

LGPS Discretions lists all the potential discretions available within the LGPS in England and Wales, and Scotland.

Qualifying Recognised Overseas Pension Schemes approved by HMRC and who agreed to have their details published.

The Timeline Regulations

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Distribution sheet

Pension managers (internal) of administering authorities
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