



Local Government Pensions Committee  
Secretary, Jeff Houston

## **LGPC Bulletin 105 – July 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 an article on recent [Circulars](#).

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## LGPS 2014

### LGPS 2014 – Consultation Response

The LGPC issued funds with a copy of its draft response to the DCLG consultation on the LGPS Regulations 2013 as well as an annotated version of the draft LGPS 2013 regulations on 30 July 2013. The final response will be submitted on the 2 August and will be posted to the [LGA's website under Latest News](#).

### LGPS 2014 – Shadow Scheme Advisory Board and Sub-Committees

The first meeting of the Shadow Scheme Advisory Board for England and Wales took place on the 15 July 2013, chaired by Joanne Segars. The minutes from the first meeting are available on the [LGA's website](#). The next meeting of the Shadow Board will take place on 14 October 2013.

The first meeting of each of the five sub-committees will be taking place in August over the following dates:

- Administration and Communications – 5 August 2013
- Value for Money and Collaboration – 12 August 2013
- Governance and Standards – 19 August 2013
- Investment and Engagement – 20 August 2013
- Cost Management and Contributions – 23 August 2013

An agenda, papers as well as actions and agreements from these meetings will be made available on the [LGA's website](#).

### LGPS 2014 – Communications

An updated [draft communications plan for LGPS 2014](#) was published on 30 July 2013. This version includes additional information on planned branding guidelines, LGPS 2014 glossary, updated timetabling information on the work of the various communication sub-groups as well as information on training for LGPS 2014. This document will be updated in line with the development of each of the items of communication being developed.

It was stated in [Bulletin 104](#) that the 'Scheme Changes leaflet' would be published on the LGPS2014 member website. However, it should have stated that the leaflet will only be available for funds and employers on the [LGA's website](#) under the LGPS 2014 communication area. The intention is to use the text of this leaflet and future leaflets to update the content of the LGPS2014.org website.

### LGPS 2014 – Training

A series of workshops for employers, aimed at employing authority staff involved in the day-to-day administration of the LGPS were announced in [Circular 272 – LGPS Employer Training Events "LGPS 2014"](#). These events are taking place across England and Wales during August and September and there has been a strong demand for available places with most of these events now fully booked. Four more workshops have been arranged (post publication of [Circular 272](#) and notified to bookers on a "reserves list") and two to three further training events are planned for November to cater for employers not able to book onto the workshops.

## News and Updates

### Councillors Pensions: Consultation

In [Bulletin 101](#) details of the consultation regarding access to the LGPS for councillors and other elected local office holders in England was outlined. This consultation ended on the 5 July 2013 and the Local Government Association Leadership Board support 'option 3' - no change i.e. continued access to the LGPS remains for all councillors and elected local office holders on the same basis as present. Members of the Leadership Board also requested the removal of the phrase "taxpayer-funded" which they argued implied that councillors do not contribute towards their pension.

### Government's Response: Draft Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

Further to articles in both [Bulletin 99](#) and [Bulletin 101](#) regarding the recent DWP consultation on the draft Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and the LGPC's response to this consultation. The Government has now published its response to this consultation, to read this in full please visit the [Government's website](#).

### Automatic Enrolment – Updated Guide

An updated version (v.5.4) of the automatic enrolment full guide (both a tracked and clean version) was uploaded to the LGA website recently and can be accessed via the [Technical Guides section](#) of our website.

The amendments to the previous version include:

Paragraph 2: the second bullet point now contains some additional wording regarding councillors pointing out that the question of whether they are 'Workers' is muddled somewhat in Scotland because councillors in Scotland are remunerated and that, as part of the response to the DWP consultation on proposed technical changes to auto-enrolment, the LGPC Secretariat has requested that the position of councillors be made certain.

Paragraph 14: includes mention of the DWP consultation paper on proposed technical changes to auto-enrolment which was issued by DWP on 25 March 2013. The consultation paper raises the possibility that employers who contractually enrol all their workers into a qualifying scheme (such as the LGPS) could be certified, or be allowed to self-certify, that they are meeting the auto-enrolment policy objectives and thus be exempted from the explicit employer duties under the Pensions Act 2008.

Paragraph 18: now includes a reference to an online tool released by the Pensions Regulator to help employers plan for auto-enrolment.

Paragraph 48: figures in the scenarios outlined have been updated.

Annex 1: additional information has been added to the definition of a Qualifying Scheme. It points out that as a jobholder who is over State Pension Age is not in contracted-out employment, employers and actuaries will need to be confident that the LGPS meets the legal requirement of satisfying the test scheme standard and evidence that fact by completing a certificate. The employer must simply be assured that they have sufficient evidence to satisfy themselves (and the Pensions Regulator should they ask) that the scheme meets the standard required.

Annex 1: additional information has been added to the definition of a 'Worker' and reflects the change mentioned above that has been made to paragraph 2.

### **Pension Liberation Fraud**

In July the Financial Conduct Authority (FCA) announced that HMRC are reviewing their registration procedures for pension liberation providers in a wider crackdown on these schemes. For more information please read the related article on the [Professional Pensions website](#).

The FCA also recently added an article to their website with information about pension liberation - to read the article in full please [click here](#).

### **Public Health Transfer – Additional FAQ Document Published**

As outlined in [Bulletin 100](#), a set of 'Pension Provision – Frequently Asked Questions' were published on 28 February 2013 by the Concordat Steering Group relating to the public health transfer from the NHS to Local Authorities.

A further paper was published in July 2013 and reiterates some key messages and provides further guidance and information on administering the NHS Pension Scheme (NHSPS), Directions Orders, changes to Agenda for Change and the NHS Injury Benefits Scheme, which came into effect on 31 March 2013. To read the document in full please visit the [LGA's website](#).

### **Written Ministerial Statement: Academies and LGPS Liabilities**

On 2 July 2013 the Secretary of State for Education, Michael Gove, issued a Written Ministerial Statement regarding academies and outstanding LGPS liabilities.

This statement set out details of a guarantee that any outstanding LGPS liabilities on academy closure will be met by the Department for Education. This guarantee came into force on the 18 July 2013. In addition the statement outlined that a consultation will be issued by DCLG on proposals to amend the LGPS regulations so as to require local authorities to provide actuarial pooling should an academy wish to take up such an option.

To read the statement in full please visit the [Government's website](#).

### **Annual fraud indicator 2013 report published**

The annual fraud indicator for 2013 was published in June and makes reference to the £7.1 million lost due to pension fraud in local government (2011 figures). In total, public sector pension schemes lost £20.8 million due to fraud in 2011. To read the report in full visit the [Government's website](#).

### **Pensions Bill 2013/14**

In [Bulletin 104](#) the work to highlight the unintended consequences for public service pension schemes should the removal of contracting out take place from April 2016 was outlined. The Bill is now making its way through the House of Commons and is currently at Committee stage for scrutiny. The LGA submitted written evidence at the beginning of July. This evidence covers the unintended consequences for public service pension schemes and, in particular, the LGPS given its funded nature should the removal of contracting out take place. To read this evidence in full please visit [Parliament's website](#).

### **Data Protection case: Fine overturned**

The fine which the Information Commissioner's Office issued to a Local Authority Fund has been overturned following appeal. In [Bulletin 94](#) it was outlined that Scottish Borders Council was fined £250,000 following data protection failings when a third party company was tasked with digitising their pension records. Following an appeal by the local authority the fine was overturned with the tribunal ruling that there was insufficient grounds to justify the penalty and that the money should be refunded. For further information please see the [BBC's website](#).

### **Bits and Pieces**

#### **Circulars**

In July [Circular 272](#) was published and detailed employer training events taking place in August and September 2013. See the article above on [LGPS 2014 training](#) for more information.

#### **Useful Links**

[The LGA Pensions page](#)

[The LGPS members' website](#)

[The LGPS 2014 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

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