



Local Government Pensions Committee  
Secretary, Jeff Houston

## **LGPC Bulletin 118S – August 2014**

This month's summary 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.

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## LGPS England and Wales

### Updates to the Additional Pension Contribution (APC) calculator

Updates to the APC calculator available from <https://apc.lgps2014.org/index.php> went live on 22 August 2014. The updates to the **buying lost pension** calculator (now version 1.4) and the **buying extra pension** calculator (now version 1.5) included:

- the addition of a quick quote facility (where the output is a quote only and there is no requirement for the user to tick that they have read the terms and conditions in order to produce a quote)
- a new help field added to explain the quick quote facility
- the terms and conditions relating to an APC application are now accessed via a hyperlink rather than listed on the application form.

A minor amendment was made to the **buying lost pension** terms and conditions where the 4<sup>th</sup> paragraph now states “You can cover lost pension for any length of period of absence but the maximum period for which an employer must meet 2/3rds of the cost, is a period of 36 months”.

There were also some general updates made to the flowchart found on the APC calculator landing page as well as a restructuring of the introductory text. Funds and employers are asked to continue to share their comments on the APC calculator with the LGPS secretariat to help with further development of this resource.

In addition the APC guidance paper has also been updated. Version 1.4 (as well as a tracked changes version) is available from the administration guides section of the [LGPS regulations website](#).

### LGA responds to draft governance regulations

The LGA issued their response to DCLG's consultation 'the LGPS (Amendment) Regulations 2014, draft regulations on scheme governance' in August.

The response outlined the LGA's views relating to the introduction of local pension boards and the Scheme Advisory Board (SAB). In respect of local pension boards the LGA is strongly opposed to elected members being prevented from serving on local pension boards in the capacity of employer or member representatives. The LGA see a need for as much flexibility as possible at local level when establishing local pension boards and would support the second option for draft regulation 106(5) leaving discretion to administering authorities. In terms of the provision for combined pension committee/local pension boards the LGA believe that provision should exist but that a high hurdle should be set to ensure that both the wording and spirit of both the Local Government Act 1972 and the Public Service Pensions Act 2013 are met.

In respect of the introduction of the SAB the LGA would support the proposal to fund the SAB through scheme administration costs and would consider a subscription using fund membership bands to be the fairest way to achieve this aim. In addition the LGA would like to see the addition of a requirement for the SAB chair to ensure board members have the required knowledge and understanding to undertake their role as well as having access and regard to appropriate advice when making recommendations to the Secretary of State.

The response also covers the LGA's views on joint pension boards, annual general meetings and the requirements regarding knowledge and understanding for pension committee members. To read the response in full please visit the drafts and consultation section of the [LGPS regulations website](#).

## **LGPS 2015 Scotland**

### **LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014**

The LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014 (SSI 2014/233) were laid before Scottish Ministers on the 22 August 2014. The regulations contain the protections in place for existing members of the scheme who transfer across to the new career average scheme from 1 April 2015. The regulations are available on the Government's legislation website and in addition a link will be made available shortly from the Scottish Public Pensions Agency (SPPA) website alongside their recent circular SPN/LG No.5/2014. Please see the article below for information on how LGPS regulations will be held for Scotland on the LGPC secretariat's website [www.lgpsregs.org](http://www.lgpsregs.org).

### **LGPS 2015 Regulations website**

At present LGPS regulations for the current scheme in Scotland are held on <http://timeline.lge.gov.uk>. These regulations (for the pre April 2015 scheme) will continue to be held on this website going forward and maintained for reference post April 2015. For the new scheme from 1 April 2015 the scheme regulations will be held on [www.lgpsregs.org](http://www.lgpsregs.org) (as is also the case for the scheme in England and Wales). Over the coming months the LGPC secretariat will work to add the Scottish regulations to this website. In the meantime a separate tab has been created on the LGPS regulations website to hold information relating to Scotland. You will be able to access this from [www.lgpsregs.org/index.php/scotland](http://www.lgpsregs.org/index.php/scotland) (this page will go live in early September). This includes a link to both the LGPS (Scotland) Regulations 2014 and the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014. In early September the Payroll Guide for LGPS 2015 will also be made available and in due course the HR Guide and Administration Guides will also be uploaded to this section. As and when further developments for Scotland are made to the LGPS regulations website we will inform pension managers in Scotland.

## **Shadow Scheme Advisory Board**

### **Response to the draft governance regulations**

The Shadow Scheme Advisory Board (SSAB) submitted its response to the consultation on the draft LGPS (Amendment) Regulations 2014 covering scheme governance. To read the response in full visit the [LGPS Board's website](#).

### **Governance Guidance**

The SSAB has tasked the Governance and Standards sub-committee of the Board with developing guidance on the creation and operation of local pension boards to further assist pension fund practitioners with the work needed to realise these new boards. Work is underway to prepare this guidance and a first full draft is expected in September.

On 28 August an email was issued to pension managers in England and Wales to give advance warning that the sub-committee plans on holding a consultation to seek the views of practitioners before the SSAB publish this guidance. It is anticipated that this consultation will take place towards the end of September/early October 2014. The reason

for the advance warning is to confirm that the sub-committee expect the timeframe for this consultation to be no more than 2 weeks, due to the tight timescales left to create these new boards by April 2015.

It's also important to note that guidance is being created using draft regulations and draft code of practice no.14 from the Pensions Regulator. This may mean that any final guidance will need to be reviewed to ensure that any changes in final laid regulations and the code of practice are reflected in this guidance.

The Board secretariat will keep practitioners up to date with progress relating to the development of this guidance.

The email also made reference to another strand of work being carried out by the Governance and Standards sub-committee namely giving consideration to the level of separation between the scheme manager function and that of the lead authority. Work to identify the desirability of increasing separation will start in autumn 2014 and the sub-committee is tasked with making recommendations to the SSAB on ways in which greater separation could be achieved. The Governance and Standards sub-committee will be consulting with all practitioners on this work later in the year. From there the SSAB will then decide how to proceed with these options during 2015.

For information on discussions to date please see the actions and agreements from recent Governance and Standards meetings available from the Governance and Standard's section of the [Board's website](#).

### **Collaborations in the LGPS**

The Value for Money and Collaboration sub-committee of the SSAB recently published a list of active collaborations within the LGPS. The list includes the activity undertaken within each collaboration, the service provider(s) details, who is eligible to participate in the collaboration as well as relevant contact details. The list can be found on the Value for Money and Collaboration sub-committee section of [the Board's website](#).

### **Other News Items**

#### **New Address for DCLG**

The Workforce, Pay and Pensions Division (WPPD) of DCLG will be moving to a new location with effect from Monday 8 September 2014.

Their new address will be:

WPPD  
Fry Building  
SE quarter  
2<sup>nd</sup> Floor  
2 Marsham Street  
London  
SW1P 4DF

Telephone: 0303 44 ext...

All existing e-mail addresses and telephone numbers will remain the same for your usual contacts.

### **New section on tPR website for public service pension schemes**

The Pensions Regulator (tPR) has launched a [new section on their website](#) for anyone involved in the governance and administration of public service pension schemes.

In this new section, you will find two new brief guides about pension boards and being a pension board member that were published by tPR in July, together with tPR's draft code of practice that sets out the standards of governance and administration for the running of public service pension schemes.

### **Pensions Policy Institute (PPI) Automatic Enrolment Report 3**

PPI has published [its third report](#) in a series of research reports that investigates the potential impact of automatic enrolment into workplace pensions.

### **TPR publications relating to automatic enrolment**

TPR have released the following reports relating to automatic enrolment recently including:

- A [commentary and analysis report 2014](#) in July 2014 which revealed that 99% of all the UK's largest employers met their legal duties without tPR using their statutory powers.
- A [declaration of compliance \(registration\) report](#) in August 2014 which showed that more than four million workers from over 21,000 employers are now successfully enrolled into workplace pensions.
- The latest quarterly [automatic enrolment compliance and enforcement bulletin](#) which includes an article on the automatic enrolment duties of local authorities and schools.

### **Useful Links**

[LGA Pensions page](#)

[LGPS members' website](#)

[LGPS 2014 members' website](#)

[LGPS Advisory Board website](#)

[LGPS 2014 Regulations and Guidance website](#)

[LGPS Discretions](#) lists all the potential discretions available within the LGPS in England and Wales.

[LGPS Discretions](#) lists all the potential discretions available within the LGPS in 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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