

CIRCULAR

Please pass on sufficient copies of this Circular to your Treasurer/Director of Finance and to your Personnel and Pensions Officer(s) as quickly as possible

No. 195 – FEBRUARY 2007

PRACTITIONER & EMPLOYER TRAINING EVENTS

(1) ‘UNDERSTANDING’ WORKSHOPS

(2) ‘INSIGHT’ RESIDENTIAL TRAINING COURSES

Purpose of this circular:

This Circular has been issued to advise authorities of the following events being organised by the Local Government Pension Committee:

- a) a number of regional workshops that are aimed at both administering and employing authority staff engaged in pension scheme administration and which will look at a variety of topics concerning the Local Government Pension Scheme”; and
- b) a residential course aimed at both administering and employing authority staff engaged in pension scheme administration.

1) ‘UNDERSTANDING’ WORKSHOPS FOR PRACTITIONERS/EMPLOYERS

Background

1. For a number of years the LGPC has held numerous one-day topic-specific *Understanding* workshops covering various aspects, including Compensation, Augmentation, Injury Awards & Gratuities; Transfer Values; Death & Survivor's Benefits; and Scheme and Revenue Changes.
2. The LGPC usually keeps the "class" size to a maximum of 12-15 people to ensure that delegates get the most out of the learning experience.

Details of workshops

3. The topic-specific *Understanding* courses to be run in early 2007 are Pay and Membership, Retirement Benefits, Guaranteed Minimum Pensions and Pensions on Divorce. These courses have been run previously and have been, and will continue to be, updated in line with changes in legislation. The practical exercises are also updated to reflect the changes being made.
4. In order to continue the LGPC's plan to deliver training as locally as practicable, the forthcoming workshops are to be held in a number of locations across the country.
5. At the *Understanding* workshops, delegates have the benefit of an experienced tutor, hands-on exercises and a detailed workbook they can take away for future reference. Each *Understanding* workshop will start at 10:00 a.m. and finish no later than 4:00 p.m., with lunch and refreshment breaks included. As the workshops are delivered "locally" this should avoid the time and expense of overnight stays for many delegates.

Further details on course content, locations and dates can be found in Appendix A attached to this Circular.

Intended Audience for Pay and Membership and Retirement Benefits

6. These workshops cover the basic structure of the Local Government Pension Scheme and therefore they are suitable for delegates with little or no experience. Although each workshop is stand-alone, attendance

at the Pay and Membership workshop is a useful preamble to the Retirement Benefits workshop.

Intended Audience for Pensions on Divorce and GMPs

7. Little or no knowledge is expected of the delegates in these particular areas, but it is assumed that delegates will have a sound working understanding of the basics of the Local Government Pension Scheme.

Cost and Booking

8. The delegate rate for each *Understanding* workshop, inclusive of lunch, refreshments and all delegate materials is £155 plus VAT at the standard rate.
9. Early booking is recommended as places are limited. Bookings are made via the on-line events booking facility which is part of the Local Government Employers' website at www.lge.gov.uk. Please note our cancellation policy contained in our Terms and Conditions on the website. When booking, you will need full delegate details to hand including the address to which the invoice for payment is to be sent. If the workshop at your preferred location is full and you do not wish to book on a workshop at an alternative location, you are advised to enter your name on the reserves' list at your preferred location. It is important to do so as, not only will you have a priority warning should any cancellations occur, but it also enables the LGPC to judge demand for future events or, on occasion, to organise overflow events.
10. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English, LGPC Executive Officer, by email elaine.english@lge.gov.uk

2) 'INSIGHT' RESIDENTIAL TRAINING COURSE FOR PRACTITIONERS AND EMPLOYERS

Background

11. The way in which the pensions function is divided between administering and employing authorities appears to vary dramatically nationwide. Also, where the administering authority and employing authority are one and the same, which offices or individual officers within that authority have responsibility for what part of the pensions function, appears to vary dramatically too. Some employing authority staff (either Human Resources or Finance/Payroll) occupy posts that are mainly or wholly pension scheme related.

12. Although it was originally envisaged that there might be a need to devise separate training events for employing authority staff and staff in administering authority Pension Sections, we concluded that a foundation course for practitioners that was equally attractive to administering and employing authority staff could well meet the training needs of both sides whilst having the added advantage of fostering good working relationships and facilitating networking. Since the Aberystwyth pilot course which took place in April 2004, the LGPC has run a number of Insight residential courses at various locations in England and Wales and this has proved successfully to be the case.

Course Details

13. Three courses have been organised for 2007 as follows:

The Royal Hotel, Scarborough 14 - 17 May 2007

The Marriott Hotel, Cardiff 3 - 6 September 2007

The Chatsworth Hotel, Eastbourne 1- 4 October 2007

14. A full programme of events is attached as Appendix B, but highlights of the course are:

- A history of the Scheme and Current Developments
- How membership counts in the calculation of benefits
- The benefits the scheme provides and how they are calculated
 - Preserved Benefits
 - Retirement Benefits
 - Redundancy and Efficiency Retirements
 - Death Grants and Survivors' Benefits
- Minimising and resolving disputes
- Effective Communications

Intended Audience

15. All those involved in LGPS administration. It is suitable for Pensions Office staff and also HR/Finance/Payroll staff for whom the pensions function plays a significant part in their day-to-day and employing authority role. Being a foundation course, the course is aimed at staff who are either relatively new to the pensions scene, or have some experience but want to better understand their and others' responsibilities under the terms of the scheme.

16. One of the keys to successful administration of the pension scheme is good communication and co-operation between Employing and Administering Authorities and, as well as giving an insight into all aspects of the scheme, this course takes a look at the relative roles and responsibilities of the two parties and seeks to promote best practice.

Cost and Booking

17. The cost of each residential course is £625 (plus VAT at the standard rate) per delegate. This includes full board accommodation throughout the event, all delegate material (the session handouts build up into a handy reference guide), refreshments throughout the day and a course certificate.

18. Bookings are made via the on-line events booking facility on the Local Government Employers' website at www.lge.gov.uk. When booking, you will need full delegate details to hand including the address to which the invoice for payment is to be sent. Early booking is highly recommended as places are limited to 15 at each event. Please note that if the event is fully booked you will be advised to enter your name on the reserves' list and this will ensure you are given priority should any delegate cancellations occur.
19. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English by email elaine.english@lge.gov.uk.

ACTIONS FOR ADMINISTERING AUTHORITIES

20. Many employing authority staff could benefit by attending some of the workshops outlined in this Circular and increased understanding of the issues at employer level would benefit the administering authority as well. All Administering Authorities are therefore urged to copy this Circular to all employers in their Fund (other than to Local Authorities to whom this Circular has been sent direct) or bring the Circular to the attention of employers by directing them to the Circular on-line at www.lge.gov.uk

Tim Hazlewood
LGPC Training and Development Manager
16 February 2007

UNDERSTANDING... PAY AND MEMBERSHIP

Course content covers:

1) Joining:

- Who can join the scheme?
- Is membership automatic or by option?
- Effects on tax and NI

2) Pay:

- What is “Pay” for LGPS purposes?
- Certificates of Protection of Pension Benefits and their effect on pay record keeping
- A brief look at “Final Pay”

3) How membership counts

- How does membership count towards entitlement to, and in the calculation of, benefits?
- The differences between Whole-time Members, Part-Time Members, and Casual Members

4) Change in circumstances:

- The effect on Pay, Contributions and Membership when a member has a break-in-service for any reason
- The effect on Pay, Contributions and Membership of changes in contractual hours
- How to deal with optants out

5) Regulatory Requirements:

- Paying over contributions and AVCs
- Notifying the administering authority of new starters / variations / optants out
- End of year returns

6) Other areas for consideration:

- Annual Benefit Statements
- The importance of retaining records
- Employer discretions
- The Internal Dispute Resolution Procedure (IDRP)

Workshop locations & dates:

London	3 May 2007
Leeds	8 May 2007
Birmingham	10 May 2007
Cardiff	22 May 2007

UNDERSTANDING...RETIREMENT BENEFITS

Course content covers:

- 1) Final Pay Calculations**
 - Whole-time, Part-time and Casual members
 - Certificates of Protection

- 2) Types of Retirement**
 - What is Normal Retirement Date?
 - Age/Normal Retirement
 - Late Retirement
 - Ill-Health Retirement
 - Early Retirement and Actuarial Reductions
 - Re-employment of a pensioner

- 3) Redundancy and Efficiency Retirements**
 - Pension Fund Benefits
 - Augmentation
 - Re-employment

- 4) Early leavers**
 - Preserved Benefits
 - Requests for preserved benefits to be brought into payment

- 5) Other areas for consideration**
 - Notifying the leaver of their benefit options
 - Standard Benefits? – converting pension into extra lump sum
 - Pensions Increase
 - Employer discretions
 - The Internal Dispute Resolution Procedure (IDRP)

Workshop locations & dates:

London	5 June 2007
Leeds	7 June 2007
Birmingham	12 June 2007
Cardiff	14 June 2007

UNDERSTANDING... GUARANTEED MINIMUM PENSIONS

Course content covers:

- 1) The background to Contracting-Out
- 2) The basis of calculating GMPs
 - Accrual Rates
 - Earnings Factors
 - Method of revaluation of earnings factors
- 3) Revaluation of GMPs and Anti-Franking
- 4) Increments where retirement deferred past State Pension Age
- 5) The effect on Pensions Increase calculations
 - At and after State Pension Age
 - GMPs accrued pre and post 1988
 - Interaction with State Additional Pension/Component
- 6) Widows/Widowers GMPs

Workshop locations & dates:

Liverpool	19 June 2007
Cambridge	21 June 2007
Edinburgh	26 June 2007
London	3 July 2007
Cardiff	12 July 2007

UNDERSTANDING... PENSIONS ON DIVORCE

Course content covers:

1. Background and Overview
2. Earmarking
3. The 4 stages in the Pension Sharing process
 - Information to be provided at each stage
 - Deadlines for compliance
 - Penalties for non-compliance
4. Valuing a scheme member's benefits
5. Calculating the Pension Debit and Pension Credit
6. Implementation and Discharge of Liability
7. Charging
8. Death, Transfers in and Transfers out

Workshop locations & dates:

London	4 May 2007
Liverpool	31 May 2007
London	28 June 2007
Leeds	5 July 2007
Birmingham	10 July 2007

“INSIGHT”

Course Programme

Day One

7:00 p.m. **Introduction to the Course / Icebreaker**

An opportunity for the delegates to introduce themselves, this short session includes a non-physical team-building exercise that attempts to prove that co-operation and team-work do produce better results.

Includes evening meal at 8:00 p.m.

Day Two

9:15 a.m. **Perspective**

A look at the history of state and private pension provision in the UK, with an emphasis on the LGPS and how it has changed over the decades and is still changing. The session concludes with an exploration of the relative roles of employing and administering authorities.

10:15 a.m. **To join or not to join - that is the question**

With membership being voluntary and take-up in some local authorities reportedly as low as 50 to 60% of those eligible to join the scheme, we take a look at the choices facing each and every employee. We look at the effects not only on the employee but the impact on the employing authority and the Pension Fund itself.

11:00 a.m. Refreshment Break

11:30 a.m. **A Great British Scheme?**

An overview of the current scheme, a look at how it is funded (employee and employer contributions) and a look at the valuation process. We will look at the discretions available to employing authorities and administering authorities, how the exercise of those discretions can impact on both workloads and employers' contribution rates. This session includes a discussion on the importance of accurate and timely information.

12:30 p.m. Lunch

2:00 p.m. **How membership counts**

A look at the way in which membership counts in the calculation of benefits, including an examination of the differences between whole-time, part-time and casual employees. With the advent of mandatory annual benefit statements we will take a close look at the need for up-to-date and accurate records for scheme members.

3:30 p.m. Refreshment Break

4:00 p.m. **Improving the benefits**

A look at the options available and a weigh-up of the relative merits of buying additional service, paying in-house or free-standing AVCs and using alternative tax-efficient saving vehicles.

5:00 p.m. Session closes

7:00 p.m. Evening Meal

Day Three

9:15 a.m. **Early Leavers' benefits**

A look at the range of options available including refunds, preserved benefits, and inter-fund adjustments. This will be supplemented by a close look at what needs to be done, and when, as required by the pension scheme regulations and other, overriding legislation.

10:30 a.m. Refreshment Break

11:00 a.m. **Transfer Values**

We take a look at transferring into and out of the LGPS and give an explanation of the methodology, both club and non-club, and what scheme members should take into account when making their decision whether to transfer or not. We also look at the potential effect transfers may have on employers' funding levels and contribution rates.

12:30 p.m. Lunch

2:00 p.m. **Retirement Benefits**

A look at all the various retirement benefits available including ill-health retirement, an explanation of actuarial reductions and the possibility of converting pension into lump sum.

3:30 p.m. Refreshment Break.

4:00 p.m. **Redundancy and Efficiency Retirements**

A look at two further types of retirement including the possibility of making a lump sum compensation payment. The strain on the Pension Fund of early retirement is looked at, as is the augmentation of membership.

5:00 p.m. Close

7:00 p.m. Evening Meal

Day Four

9:15 a.m. **Survivors' benefits**

A look at widow's, widower's, civil partners' and children's pension provision in the LGPS. We also look at death grants and how they are calculated and hear of the absolute discretion the administering authority has in making the payment.

10:45 a.m. Refreshment Break

11:15 a.m. **It'll be alright on the night**

A look at the dispute resolution procedures contained in the LGPS, what can go wrong and how all parties in the pensions function can work effectively, both individually and collectively, in order that mistakes can be minimised. This session includes an important look at effective communication.

12:15 p.m. **What's happening now - and what happens next?**

An insight into current developments and an exploration of possible futures for the LGPS.

12:55 p.m. **Course Certificates**

The award of course certificates.

13:00 p.m. **Course ends with Lunch**

PLEASE NOTE:

1. All timings are approximate
2. There are no dress codes imposed by any of the hotels.

Distribution sheet

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Pension managers (outsourced) and administering authority client managers
Officer advisory group
Local Government Pensions Committee
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Visit the EO's website at: www.lge.gov.uk/

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