

The Local Government Pensions Committee
Secretary: Jeff Houston

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. 293 – MAY 2015

LGPS PRACTITIONER AND EMPLOYER TRAINING EVENTS

(1) “UNDERSTANDING” WORKSHOPS

(2) “INSIGHT” RESIDENTIAL COURSE

Purpose of this circular:

1. This Circular has been issued to advise administering authorities and employers participating in the Local Government Pension Scheme of a number of one-day workshops to be run at various locations across England and Wales and a single residential course in the North-East of England. The events have been organised by the Local Government Pension Committee (LGPC).

(1) “UNDERSTANDING” WORKSHOPS

Background

2. For a number of years the LGPC has held numerous one-day topic-specific Understanding workshops covering various aspects of the Local Government Pension Scheme and associated compensation provisions. The majority of these workshops are cycled to run every 18-24 months.

3. As many of these workshops are hands-on and contain practical exercises, the “class” size is usually kept to a maximum of 12-15 people to ensure that delegates get the most out of the learning experience.

Details of workshops

4. The next topic-specific Understanding workshops are to be run in July 2015 and cover the subject of “Pensions on Divorce”. Full details were contained in Circular 290 issued in March 2015 and administering authorities are reminded that there are many places still available.
5. Following on from the ‘Pensions on Divorce’ workshops will be a new Understanding workshop ‘CARE, Pay and Final Pay’ which will go through all the aspects of pay for the purposes of the career average scheme “LGPS2014” and final pay for the purposes of the final salary link for those with “LGPS2008” protections.
6. 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. In putting together the entire schedule, the Secretariat has attempted to be as ‘geographically’ fair as possible.
7. As these workshops are based on the new pension scheme in England and Wales from 1 April 2014 they are unsuitable for Scottish administering authorities and employers. Topic specific workshops on ‘Pensions on Divorce’ and ‘CARE, Pay and Final Pay’ would only follow later at the request of the Scottish Pensions Liaison Group, with demand being canvassed in advance. Any such events would be arranged separately and announced directly to Scottish administering authorities and via them to employers where necessary.
8. At the Understanding workshops, delegates have the benefit of an experienced tutor and a detailed set of notes they can take away for future reference. The workshops will start at 10:00 a.m. and finish no later than 4:00 p.m., with lunch and refreshment breaks included as well as coffee/tea on arrival from 9:30 a.m. As the workshops are delivered “locally” this should avoid the time and expense of overnight stays for many delegates.
9. Further details on the expected course content for ‘CARE, Pay and Final Pay’, locations and dates can be found in **Appendix A** attached to this Circular.

Intended Audience for ‘CARE, Pay and Final Pay’

10. These workshops are aimed at both administering authority pension section staff and scheme employer payroll staff and Employing Authority staff who have operational responsibility under the Local Government Pension Scheme (LGPS).

11. Delegates do not necessarily need any working knowledge of the LGPS but should note that the material is LGPS-specific. Whilst some of the theory is generic and applies to a whole raft of final salary schemes, the illustrations, examples and exercises certainly do not.

Cost and booking

12. The delegate rate for each workshop, inclusive of lunch, refreshments and all delegate materials is £230 plus VAT at the standard rate.
13. Early booking is highly recommended as places are limited. Bookings are made via the on-line events booking facility which is part of the Local Government Association website each event has a link attached to the date in order to book direct. The main events booking page for all LGA events are viewable at: <http://www.local.gov.uk/events>
14. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English, LGPS Executive Officer, by email elaine.english@local.gov.uk

(2) “INSIGHT” RESIDENTIAL COURSE

Background

15. The LGPC has been running residential courses aimed at practitioners at both administering and employing authority level since 2004 but regrettably it was not possible to hold such courses in 2014 due to the educational demand of introducing new career average schemes across the united Kingdom. The course is named “Insight” and it covers most aspects of the Local Government Pension Scheme (LGPS) at a foundation level. We are now pleased to announce that “Insight is back” for 2015 with completely updated content.
16. Although it was originally envisaged that there might be a need to devise separate residential events for scheme employer HR and Payroll staff and staff in administering authority Pension Sections, we concluded that a foundation course for practitioners that was equally attractive to all staff could well meet the training needs of both sides whilst having the added advantage of fostering good working relationships and facilitating networking. Experience over the past years has proved this to be the case.

Course Details

17. One residential course has been organised in 2015 in the North-East of England, namely Scarborough from Monday 21 to Thursday 24 September. It is anticipated, subject to demand, that we will return to two courses (one North, one South) in 2016.

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

A history of the Scheme and current developments

Contributions payable

LGPS2014 – How CARE works

LGPS2008 - How membership counts in the calculation of benefits

How final pay is assessed

Good quality communications

Minimising and resolving disputes

The benefits the scheme provides and how they are calculated, including:

- Refunds of Contributions
- Preserved Benefits
- Retirement Benefits
- Death Grants and Survivors' Benefits
- Aggregation and Transfers

19. The LGPS is a complex scheme to fully understand and one of the intended outcomes of the course is to get delegates to appreciate all aspects of being involved in administering a pension scheme.
20. There are a number of practical exercises, many of which involve the calculation of benefits. There is ample time built in to allow for discussion of the various aspects of the scheme and delegates are actively encouraged to participate in this way. The course is designed to be both challenging and thought provoking.
21. A training event spanning four days solely about the topic of local government pensions may not sound particularly interesting. Of course, training is necessary to maintain performance objectives and standards but there are few people who enjoy the boredom it can entail. A lot of effort has been put into the 'Insight' training event to make the learning experience interesting and even fun at times. This enhances the overall experience and knowledge of those who attend and hopefully leads to people retaining what they have been taught.
22. The session handouts build up into a substantial guide to the LGPS and its administration, which is intended not just as an aide memoir but also as future reference material.

Intended Audience

23. The residential course is intended for all those involved in LGPS administration. It is suitable for Pensions Office staff and also HR/Finance/Payroll staff where the pensions function plays a significant part in their day-to-day role.

24. 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 own and others' responsibilities under the terms of the scheme. The material is quite detailed though as this is unavoidable due to the design of the scheme.

Cost and Booking

25. The cost of each residential course is £795 (plus VAT at the standard rate) per delegate. This includes full board accommodation throughout the course, all delegate material, refreshments throughout the day and a course certificate.
26. Early booking is highly recommended as places are limited. Bookings are made via the on-line events booking facility which is part of the Local Government Association website each event has a link attached to the date in order to book direct. The main events booking page for all LGA events are viewable at: <http://www.local.gov.uk/events>
27. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English, LGPS Executive Officer, by email elaine.english@local.gov.uk

ACTIONS FOR ADMINISTERING AUTHORITIES

28. All Administering Authorities are urged to copy this Circular to all employers participating in their Fund.

Tim Hazlewood
Pensions Training and Development Manager
18 May 2015

UNDERSTANDING...CARE, Pay and Final Pay

Course content covers:

Pensionable Pay

What constitutes pensionable pay in LGPS2008 & LGPS2014?
The dangers of distorting the pensionable pay 'curve'

CARE Scheme

CARE accounts – how they work
Cumulative Pensionable Pay
Actual and Assumed Pensionable Pay

Final Pay

Whole-time Members
Part-time Members
Hours/Pay Proportionality
Term-time Members
Variable-Time Members (Fees)
Certificate of Protection
The Successor (Benefit Regulation 10)
Calculating final pay where there's:

- Authorised leave
- Child-related leave
- An absence due to a trades dispute
- A gap in employment
- Concurrent Employments
- Only a part-year

Workshop dates, locations & venues:

18 August	London	Local Government House
20 August	Leeds	Marriott Hotel
25 August	Exeter	Rougemont [Thistle] Hotel
27 August	Liverpool	Marriott Hotel
1 September	Birmingham	Jury's Hotel
8 September	Cardiff	Marriott Hotel
15 September	Peterborough	Marriott Hotel

INSIGHT Residential Course

Day One

- 6:00 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 7:00 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.
- 10:00 a.m. **To join or not to join – that is the question**
We take a look at the choice facing each and every employee - join the scheme? We'll touch on auto-enrolment and the sometimes tricky issue of deciding the rate of contribution the member will have to pay. We end with the whys and wherefores of the 50/50 Section.
- 11:00 a.m. Refreshment Break
- 11:30 a.m. **A Great British Scheme?**
An overview of the current CARE scheme and how it works in practice utilising pension accounts. We'll explore the ins and outs of Cumulative Pensionable Pay including Assumed Pensionable Pay. We will follow this with a brief look at the valuation process and employer discretions.
- 12:30 p.m. Lunch
- 2:00 p.m. **Final Pay and how membership counts**
For any member with pre-1 April 2014 membership we will go through how their final salary linked benefits will be calculated. We will examine the differences between whole-time, part-time and term-time scheme members and even fee-based employees. With mandatory annual benefit statements being issued, we will take a close look at the need for up-to-date and accurate records.

- 3:30 p.m. Refreshment Break
- 4:00 p.m. **APCs, AVCs and all that jazz**
We will examine how certain events can lead to breaks in membership and, even in the post-14 world, how such breaks can impact pre-14 rights. We'll look at how APCs can plug the gap and also be used to get extra pension on retirement. We'll also consider in-house or free-standing AVCs and using alternative tax-efficient saving vehicles. The employer options are explored also.
- 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" transfers. 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. **Aggregation, Transfer Values & Divorce**
We take a look firstly at re-joiners and what happens with their previous pension rights ("aggregation"). We'll then turn to transferring into and out of the LGPS and outline the methodology, both "club" and "non-club". What should scheme members take into account when making their decision whether to aggregate/transfer or not? We'll end with a quick look at Pension Sharing on Divorce.
- 12:30 p.m. Lunch
- 2:00 p.m. **Retirement Benefits – Part 1**
A look at all the various retirement benefits available including ill-health retirement, flexible retirement and an explanation of actuarial reductions.
- 3:30 p.m. Refreshment Break.

- 4:00 p.m. **Retirement Benefits – Part 2**
A continuation of the types of retirement benefits, including redundancy and efficiency retirement, together with a look at the member's option to convert retirement pension into extra tax-free lump sum.
- 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', cohabiting 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 (incorporating a look at the cost control mechanism to ensure the scheme lasts).
- 12:55 p.m. **Course Certificates**
The award of course certificates.
- 13:00 p.m. **Course ends with Lunch**

PLEASE NOTE:

1. *Actual content may differ without prior notice*
2. *All timings are approximate*
3. *There is no dress code imposed by the hotel*

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