

The Local Government Pensions Committee
Secretary: Jeff Houston

CIRCULAR

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No. 294 – NOVEMBER 2015

LGPS PRACTITIONER AND EMPLOYER TRAINING EVENTS

“UNDERSTANDING” WORKSHOPS

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. The events have been organised by the Local Government Pension Committee (LGPC).

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 two years.
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. In times of great demand however, where possible, delegate places are extended.

Details of workshops

4. The August/September 2015 round of workshops workshop entitled 'CARE, Pay and Final Pay' were all full to capacity. The workshops went 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. It had therefore been decided to run the workshops again in January 2016 at the four most popular locations of London, Leeds, Birmingham and Cardiff.
5. Following on from the 'CARE, Pay and Final Pay' workshops will be the Understanding workshop 'Auto-enrolment & the LGPS' which first ran in September 2011, just over a year before the first (large) employers commenced their auto-enrolment duties. It ran again in April 2013 to support the medium sized employers approaching their staging dates and then again in June and July 2014 as even more employers came on board. As 2014 saw the introduction of a new CARE scheme, the course material was updated to reflect that.
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 pension scheme in England and Wales they are unsuitable for Scottish administering authorities and employers. Topic specific workshops 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 open with registration from 9:30 followed by a prompt 10:00 a.m. start and finish no later than 4:00 p.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, locations and dates can be found in **Appendix A** attached to this Circular. The importance of small employers gearing up for their staging dates is discussed in the following paragraphs.

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.

Why attend 'Auto-enrolment and the LGPS'?

12. These workshops are aimed primarily at staff working for scheme employers who have operational responsibilities under the Local Government Pension Scheme (LGPS) and are yet to reach their staging date under the Pensions Act 2008. Delegates do not necessarily need a thorough working knowledge of the LGPS itself, however, some experience of the scheme and its provisions would be useful. It is important to understand that the workshops explain auto-enrolment duties in the context of the LGPS and that the material, incorporating examples, is LGPS-specific.
13. The Pension Regulator (TPR) stated in the most recent "Declaration of Compliance Report" that 60,861 employers confirmed they had met their new duties in September bringing the total up to 20.55 million employers since 2012. Many lessons have been learned from the experience of so many employers having gone through the auto-enrolment challenge over the last few years, one of which is the need to get ready well in advance of the new duties commencing.
14. Existing employers at 1 April 2012 with fewer than 50 persons in their largest PAYE scheme are currently being staged (according to PAYE reference numbers) and may have a staging date as late as 1 April 2017. New employers who set up business since 1 April 2012 will have staging dates between 1 May 2017 and 1 February 2018. These workshops in February and March 2016 are therefore ideally chronologically positioned for many scheme employers approaching their new duties.
15. With the increasing numbers of employers subject to auto-enrolment duties it is hardly surprising that the number of contraventions reported by TPR continues to rise. Indeed, in TPR's "Compliance and Enforcement Quarterly Bulletin" for 1 April to 30 June 2015, it was reported that TPR issued 50 unpaid contribution notices in those three months bringing the total since 2012 to 71. Amongst other notices and penalties issued, it is noted that 68 fixed penalty notices (£400 each) were issued in the quarter against employers in breach of their statutory duties.
16. Getting ready for auto-enrolment well in advance, making sure processes, checks and balances are all in situ, will help to avoid any transgressions with TPR. Also, the inclusion of material regarding employer duties in the LGPS will act as a timely reminder of year-end information requirements and help improve the information interchange between employers and administrators which, it is widely reported, led to a number of issues with non-production of annual benefit statements by the statutory deadline in 2015 (a situation which should not occur again and is on TPR's radar).

Cost and booking

17. The delegate rate for each workshop, inclusive of lunch, refreshments and all delegate materials is £235 plus VAT at the standard rate.
18. 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>
19. 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

20. All Administering Authorities are urged to copy this Circular to all employers participating in their Fund, particularly highlighting paragraphs 12-16 to their smaller employers who have not yet reached their staging dates.

Tim Hazlewood
Pensions Training and Development Manager
2 November 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:

05 January	London	Local Government House
12 January	Birmingham	Jury's Hotel
19 January	Cardiff	Marriott Hotel
26 January	Leeds	Marriott Hotel

UNDERSTANDING...AUTO-ENROLMENT & THE LGPS

Course content covers:

“Auto-Enrolment”

- Automatic enrolment rules for Defined Benefit Schemes and how these interact with the LGPS
- The automatic enrolment timetable (i.e. the staging dates for employers)
- How to determine an employer’s staging date
- Employer’s option to bring forward their staging date
- Employer’s option to use the transitional period to delay automatic enrolment for existing employees
- Use of “Postponement” – akin to a 3 month waiting period
- Information to be given by the employer to eligible jobholders, non-eligible jobholders and workers and the associated timescales for providing the information
- Information to be given by the employer to the administering authority
- Contribution payover procedures
- Opt out forms and procedures
- Records to be kept by employers and by the administering authority
- Re-enrolment procedures
- Compliance processes
- Employer registration with the Pensions Regulator

“The LGPS”

- The introduction of a new scheme in England and Wales from 1 April 2014 has seen a significant change in employer duties in administering the LGPS. We will look at some of the key areas (including year-end requirements) in what is intended to be an interactive session.

Workshop dates, locations & venues:

<u>09 February</u>	Cardiff	Marriott Hotel
<u>16 February</u>	London	Jury’s Hotel
<u>23 February</u>	Birmingham	Local Government House
<u>01 March</u>	Liverpool	Marriott Hotel
<u>08 March</u>	Leeds	Marriott Hotel
<u>15 March</u>	Exeter	Rougemont Hotel

Distribution sheet

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LGPC
Local Government House
Smith Square
London
SW1P 3HZ

or email: tim.hazlewood@local.gov.uk

or telephone: 01455 824850