

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. 297 – MARCH 2016**

### **LGPS PRACTITIONER AND EMPLOYER TRAINING EVENTS**

#### **“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 residential training course being held in Eastbourne in May of this year. The event has been organised by the Local Government Pension Committee (LGPC).

##### **Background**

2. The LGPC has been running a residential course aimed at practitioners at both administering and employing authority level since 2004. The course is named “Insight” and it covers most aspects of the Local Government Pension Scheme (LGPS) at a foundation level. Following a short break in 2014/15 (due to the educational demand of introducing new career average schemes across the United Kingdom), Insight made a reappearance in Scarborough in September 2015 with completely updated content.

3. 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**

4. The course has been organised in Spring as follows:

The Cavendish Hotel, Eastbourne                      16 - 19 May 2016

There is a further course planned in the North of England in September 2016 and details of that course will be published in another Circular in due course.

5. A full programme is attached as **Appendix A**, 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

6. 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.
7. 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.
8. 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.

9. 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**

10. 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.
11. 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**

12. The cost of each residential course is £799 (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.
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 book direct [here](#). 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](mailto:elaine.english@local.gov.uk)

### **ACTIONS FOR ADMINISTERING AUTHORITIES**

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

**Tim Hazlewood**  
**Pensions Training and Development Manager**  
**2 March 2016**

## 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 as well.
- 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 pension provision in the LGPS for widows, widowers, civil partners, cohabiting partners and children. 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*

## **Distribution sheet**

Local authorities who have registered for notification of Circulars  
Pension managers (internal) of administering authorities  
Pension managers (outsourced) and administering authority client managers  
Local Government Pensions Committee  
Trade unions  
DCLG  
COSLA  
SPPA  
Regional Directors  
Private clients  
Website

Visit the LGA's website at: [www.local.gov.uk](http://www.local.gov.uk)

## **Copyright**

Copyright remains with the LGA. This Circular may be reproduced without the prior permission of the LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by OPSI is adhered to.

## **Disclaimer**

The information contained in this Circular has been prepared by the LGPC Secretariat, a part of the LGA. It represents the views of the Secretariat and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any particular piece of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this Circular. Whilst every attempt is made to ensure the accuracy of the Circular, it would be helpful if readers could bring to the attention of the Secretariat any perceived errors or omissions. Please write to:

LGPC  
Local Government House  
Smith Square  
London  
SW1P 3HZ

or email: [tim.hazlewood@local.gov.uk](mailto:tim.hazlewood@local.gov.uk)

or telephone: 01455 824850