

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. 301 – OCTOBER 2016

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 next topic-specific Understanding workshops commence in January 2017 and cover the subject of 'Auto-enrolment & the LGPS' – a one-day course that first ran in September 2011, just over a year before the first (large) employers commenced their auto-enrolment duties. It has been a regular feature in our training calendar ever since and now runs for probably the last time as the final employer "staging dates" loom. The importance of employers gearing up for their staging dates is discussed in paragraphs 10 to 14 of this Circular.
5. Following on from the 'Auto-enrolment & the LGPS' workshops will be the Understanding workshops entitled 'The Employer Role'. This course goes through the role the scheme employer has to play in the Local Government Pension Scheme (LGPS) from the start of an employee's participation in the pension scheme right through to the end. Last run in 2015, this course proved extremely popular.
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.

Why attend 'Auto-enrolment and the LGPS'?

10. These workshops are aimed primarily at staff working for scheme employers who have operational responsibilities under the Local Government Pension Scheme (LGPS) but 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.

11. The Pension Regulator (TPR) stated in the most recent “Declaration of Compliance Report” that 28,452 employers confirmed they had met their new duties in August 2016 bringing the total up to 234,589 employers since 2012. The total workforce of these “staged” employers is 22,781,000. It is hardly surprising therefore that many lessons have been learned from the experience of those 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.
12. Existing employers at 1 April 2012 with fewer than 30 persons in their largest PAYE scheme are still 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 (this will include a significant number of Academy Schools). These workshops in January and February 2017 are therefore ideally chronologically positioned for many scheme employers approaching their new duties.
13. 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 2016, it was reported that TPR issued 177 unpaid contribution notices in those three months bringing the total since 2012 to 582. Amongst other notices and penalties issued, it is noted that 861 fixed penalty notices (£400 each) were issued in the quarter against employers in breach of their statutory duties.
14. 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 associated 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 was widely reported in previous years, led to a number of difficulties in producing annual benefit statements by the statutory deadline.

Intended Audience for ‘The Employer Role’

15. These workshops are aimed at both administering authority pension section staff and scheme employer staff who have operational responsibility under the Local Government Pension Scheme (LGPS). From assessing contribution rates on commencement to deciding benefit entitlements on leaving, the course goes through everything an employer participating in the LGPS needs to know.
16. 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

17. The delegate rate for each workshop, inclusive of lunch, refreshments and all delegate materials is £250 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 10-14 to their employers who have not yet reached their staging dates.

Tim Hazlewood
Pensions Training and Development Manager
21 October 2016

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
- 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 back in 2014 saw 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:

| | | |
|-------------|------------|-------------------------|
| 10 January | Liverpool | Marriott Hotel |
| 17 January | Birmingham | Novotel, Broad Street |
| 24 January | London | Victoria Park Plaza |
| 31 January | Cardiff | Marriott Hotel |
| 07 February | Durham | Marriott Hotel |
| 21 February | Exeter | Mercure Rougemont Hotel |

UNDERSTANDING...THE EMPLOYER ROLE

Course content covers:

1) Joining the LGPS

Contractual enrolment and Auto-enrolment
One Scheme, two sections

2) CARE vs Final Pay

Pensionable pay (actual and assumed)
CARE accounts – how they work
The basics of final pay calculations for pre-14 membership

3) Absences

Child-related leave, authorised and unauthorised absences, strikes etc.

4) Additional Contributions

Additional Pension Contributions / Additional Voluntary Contributions

5) Regulatory Requirements

What you must do by law for your employees

6) All Types of Retirement

A significant section looking at all the retirement benefits possible

7) Early Leavers

What happens when people leave before retirement age

8) Other Areas for Consideration

Including employer discretions*, maximising tax-free cash and internal dispute resolution procedures (IDRP)

** This is not a comprehensive look at employer discretions. There is a separate dedicated workshop called 'Employer Discretions and Policies' that covers this in depth.*

Workshop dates, locations & venues:

| | | |
|-------------|------------|-------------------------|
| 28 February | Birmingham | Novotel, Broad Street |
| 07 March | Liverpool | Marriott Hotel |
| 14 March | Cardiff | Marriott Hotel |
| 21 March | London | Victoria Park Plaza |
| 04 April | Leeds | Marriott Hotel |
| 11 April | Exeter | Mercure Rougemont Hotel |

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