

LOCAL GOVERNMENT PENSIONS COMMITTEE (LGPC)

MINUTES OF THE NATIONAL LGPS TECHNICAL GROUP MEETING

**held at the offices of:
AON, The Aon Centre, The Leadenhall Building, 122 Leadenhall
Street, London, EC3V 4AN
commencing at 11:00 am on
Friday 28 September 2018**

Standing (voting) members of the group			Present / Apologies / Substitute / Absent
1	Kevin Gerard (Chairman)	Welsh Pension Officer Group (WPOG)	Present
2	Chris Hurst	Welsh Pension Officer Group (WPOG)	Present
3	Ian Howe (Deputy Chairman)	East Midlands Pension Officer Group (EMPOG)	Apologies
4	Gary McLellan	East Midlands Pension Officer Group (EMPOG)	Present
5	Karen Gibson	South West Pension Officer Group (SWPOG)	Present
6	Alan South	South West Pension Officer Group (SWPOG)	Present
7	Clair Lewis- Smith	Southern Area Pension Officer Group (SAPOG)	Present
8	Rachel Abbey	Southern Area Pension Officer Group (SAPOG)	Present
9	Louise Savage	South Eastern Counties Superannuation Officer Group (SECSOG)	Apologies
10	Joel Ellner	South Eastern Counties Superannuation Officer Group (SECSOG)	Present
11	Richard Smythe	London Pension Officer Group (LPOG)	Present
12	Neil Mason	London Pension Officer Group (LPOG)	Apologies
13	Steven Moseley	Shrewsbury (North West) Pension Officer Group (SPOG)	Apologies
14	Debbie Sharpe	Shrewsbury (North West) Pension Officer Group (SPOG)	Present
15	Jason Bailey	North East Pension Officer Forum (NEPOF)	Present
16	Heather Currie	North East Pension Officer Forum (NEPOF)	Present
17	Erin Savage Brian Rodden (temporary substitute)	Scottish Pensions Local Government (SPLG)	Apologies Substitute Present
18	Zena Kee	Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)	Present

Representative (non-voting) members of the group			Present / Apologies / Substitute / Absent
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19	Jeremy Hughes	Ministry of Housing, Communities & Local Government (MHCLG)	Apologies
20	Kimberley Linge	Scottish Public Pension Agency (SPPA)	Apologies
21	Jayne Wiberg	Local Government Association (LGA)	Present

Ad-hoc (non-voting) members of the group			Present / Apologies / Substitute / Absent
22	Paul Kateley Mark Spalding (temporary substitute)	Software supplier - Aquila Heywood	Apologies Substitute Present
23	Catherine Carruthers Roger Swift (temporary substitute)	Software supplier – Capita	Apologies Substitute Present
24	Julie Potter Laura Whitworth (temporary substitute)	Software supplier – Civica	Apologies Substitute Present
25	Jon Slater	Software supplier - Equiniti	Present
26	Anne Marie Allen	Actuarial - Barnett Waddingham	Present
27	Ian Colvin	Actuarial - Hymans Robertson	Present
28	Justine Davies	Actuarial – PWC	Present
29	Dan Kanaris Catherine Pearce (temporary substitute)	Actuarial – Aon	Apologies Substitute Present
30	Nigel Thomas Jonathan Perera (temporary substitute)	Actuarial – Mercer	Apologies Substitute Present

31	Kelly Scotford	Secretary	Present
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Agenda item	Description	Outcome
1	Apologies for absence	See previous list
2	Minutes of the last meeting held on 8 June 2018	For agreement: The minutes of the last meeting were agreed with the exception of a small 'typo' within item 2(2). The word 'oblige' should be 'abide'.
3	LGPC Update (Appendix A)	Group discussion a) Ian Colvin (Hymans Robertson) provided a brief background and update to the SAB separation project (Hymans Robertson hosted a 'Separation workshop' in September 2018).

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		<p>Group discussion</p> <p>b) At the Technical Group meeting of 8 June 2018 the group were asked to consider whether the usages of the LGPS Database should be extended? And if agreed did the group agree for the LGA to survey LGPS administering authorities with a view to obtaining their agreement to expand the usages detailed in the ISA at the same time as it is amended for the GDPR? The group agreed to both questions and on 6 September 2018 the LGA contacted administering authorities (see bulletin 176). Administering authorities were requested to confirm their agreement (or otherwise) to the LGA by 21 September 2018.</p> <p>Outcome</p> <p>On 28 September 2018, the LGA had not received 100% of responses. The group is keen to see the use of the NI database expanded and, POG chairs have requested to be informed of those administering authorities who have yet to respond so that they can contact those authorities directly.</p> <p>Action and postscript to meeting: Lorraine Bennett (LGA) to contact POG chairs by week ending 19 October 2018 with the details of those administering authorities that have yet to respond. POG chairs in turn to contact the relevant administering authorities to request a response as a matter of urgency.</p>
4	<p>Payment of an exit credit where a commercial risk sharing agreement is in place (Appendix B).</p>	<p>Group recommendation</p> <p>It was agreed that:</p> <ul style="list-style-type: none"> • Administering authorities should follow the regulations, and • Where the admission agreement contains an agreement providing that both the risk and the reward is held by the letting authority, early engagement with Fund actuaries is recommended.
5	<p>National LGPS Technical Group membership and terms of reference (Appendix C and D)</p>	<p>Group recommendation</p> <p>a) The group agreed to the membership listed in Appendix C.</p> <p>b) The group agreed that the terms of reference should be brought up to date and that the revised terms of reference be approved at the Technical Group meeting on 11 December 2018.</p> <p>Action: Jayne Wiberg (LGA) to update the terms of reference for agreement at the</p>

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		Technical Group meeting on 11 December 2018.
6	Payment of refunds upon reaching the 5 year maximum retention (Appendix E) issued on 2 July 2018	<p>LGPS England & Wales</p> <p>Background</p> <p>Members who left active membership of the scheme on and after 1 April 1974 and prior to 1 April 2008 Any refunds being processed ‘now’ for members who left under the 1974 Regulations, the 1986 Regulations (which were a consolidation of the 1974 Regulations), or the 1995 Regulations (which were merely a consolidation of the 1974 and 1986 Regulations) are paid under regulation 29 of the LGPS (Transitional Provisions) Regulations 1997. These revoked regulation C21 of the LGPS Regulations 1995 (refunds), as it is one of the "replaced provisions" named in regulation 2(1) of the LGPS (Transitional Provisions) Regulations 1997. Therefore, all refunds that are paid ‘now’ for members who left active membership of the scheme on and after 1 April 1974 and before 1 April 2008 are paid in accordance with regulations 87 and 88 of the LGPS Regulations 1997. <i>There is no time limit by when the refund must be paid.</i></p> <p>Members who left active membership of the scheme on and after 1 April 2008 and prior to 1 April 2014 Any refunds paid ‘now’ for members who left active membership of the scheme on and after 1 April 2008 and before 1 April 2014 are paid in accordance with regulations 46 and 47 of the LGPS (Administration) Regulations 2008. <i>There is no time limit by when the refund must be paid.</i></p> <p>Members who left active membership of the scheme on or after 1 April 2014 Any refunds paid ‘now’ for members who left active membership of the scheme on and after 1 April 2014 are paid in accordance with regulations 18 and 19 of the LGPS Regulations 2014 (a small group of members did have transitional protection under regulation 7 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 though for the purpose of setting a policy approach for the issue to hand this is irrelevant).</p> <p>Regulation 18(5) of the LGPS Regulations 2013 prescribes that <i>there is a time limit for payment</i>: <i>“An administering authority shall refund contributions to a person entitled under paragraph (1) when the person requests payment, or on the expiry of a period of five</i></p>

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		<p><i>years beginning with the date the person's active membership ceased if no request is made before then or, if the person attains age 75 before then, on the day before attaining age 75."</i></p> <p>In bulletin 160 the LGA provided the following opinion Could LGPS administering authorities use escrow accounts to discharge refund liabilities? This would be done in order to comply with the requirement of regulations 18(5) of the LGPS Regulations 2013 and the LGPS (Scotland) Regulations 2014 that refunds are paid 'on the expiry of five years' beginning with the date the person's active membership ceased if no request is made before then or, on the day before attaining age 75, whichever is earliest.</p> <p>Yes, in the view of the LGPS Secretariat an escrow account could be used for this purpose. As things currently stand under both sets of regulations, a refund would technically not be payable more than five years after the member left the scheme or upon the member turning 75. Paying the refund to an escrow account in either situation would technically discharge the fund's liability and mean that a refund could subsequently be paid onward to the individual beyond either date. If a refund is paid to an escrow account in this way, it is also our view that interest under the LGPS regulations would no longer accrue on the refund for the same reasoning as set out above in respect of death grants paid to escrow accounts. In the same way, consideration would also need to be given to whether to use an escrow account that is interest bearing or one that is non-interest bearing.</p> <p>Group discussion The group discussed the points raise in Appendix E.</p> <p>There was overall agreement that the refund could not automatically be paid (i.e. using bank information that may be up to 5 years old) without the necessary up to date mandates and relevant approval/confirmation from the member.</p> <p>There was also a reluctance to pay refunds to an ESCROW account for a number of reasons:</p> <ul style="list-style-type: none"> a) Difficulty in opening ESCROW accounts, b) If an ESCROW account is opened, payments into the account would need to be tracked causing more work as these members will still not have completed documentation to pay the refund from the ESCROW account. This would impact on

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		<p>those administering authorities with large volumes of refunds who don't reply.</p> <p>c) This approach is inconsistent with how refunds in respect of members who left prior to 1 April 2014 are processed (albeit the group acknowledges that there are no time constraints regarding payment for those cases).</p> <p>d) It was recognised that members are reluctant to provide their bank details in order to receive refunds for lower values, for example, those less than £10.</p> <p>e) The regulations prescribe that a refund should be paid to the 'person entitled' and it's not clear that an ESCROW account meets that criteria.</p> <p>The group considered the impact of leaving the refund in the pension fund and paying the refund to the member at a date beyond the timescale set down in regulation 18(5)? There are a number of impacts:</p> <p>1) If the refund were to be paid to the member beyond the expiry of 5 years from leaving active membership and the member had not re-joined the scheme beyond that date, then should the refund be paid this would be a breach of the scheme rules and would need to be recorded as such. These cases would need to be reported to pensions committee, Local Pension Board and included on the breaches register.</p> <p>Additionally, the payment could not be treated as a Short Service Refund Lump Sum payment under section 166 and paragraph 5 of the Finance Act 2004 if the member:</p> <p>a) Had previously had a BCE in the Scheme, and/or,</p> <p>b) Holds deferred benefits in the Scheme, and/or,</p> <p>c) Has reached age 75</p> <p>If any of the above circumstances have occurred, the payment would be an unauthorised payment, as such would need to be reported on the event report and the payment (excluding both interest which is a scheme administration member payment and any charge by virtue of section 205 of the Finance Act 2004) would be subject to:</p> <p>Member tax charges of:</p> <ul style="list-style-type: none"> • 'Unauthorised Payments Charge' (40%) • Maybe subject to 'Unauthorised Payments Surcharge' (15%) <p>Administering Authority tax charges of:</p>

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		<ul style="list-style-type: none"> • 'Scheme Sanction Charge' (40% though may be reduced to 15% if 'Unauthorised Payments Charge' paid by the member – administering authorities may wish to consider adopting the mandating procedure set down in PTSM134300). <p>2) If the refund were to be paid to the member beyond the expiry of 5 years from leaving active membership and the member had re-joined the scheme beyond that date, then should the refund be paid this would be a breach of the scheme rules and would need to be recorded as such. These cases would need to be reported to pensions committee, Local Pension Board and included on the breaches register.</p> <p>Additionally, the payment could not be treated as a Short Service Refund Lump Sum payment under section 166 and paragraph 5 of the Finance Act 2004 as the payment would not extinguish the member's benefits under the scheme. The unauthorised payment, would need to be reported on the event report and the payment would be subject to the tax charges as set out in point 1 above.</p> <p>3) If the refund is not paid to either the member or an ESCROW account these cases should be reported to pensions committee, Local Pensions Board and recorded as a breach.</p> <p>Two final points to note in this scenario, is that:</p> <ul style="list-style-type: none"> • An interfund adjustment could not take place under regulation 22(5) of the LGPS Regulations 2013. This is because there is no entitlement to an interfund, because the refund should have been paid before the expiry of 5 years from leaving active membership. To allow the payment of an interfund, would in effect place the member in a better position than a member who re-joins the scheme after the expiry of 5 years from leaving active membership, who took payment of their refund within the prescribed manner. • A cash transfer sum could not be paid to another registered pension scheme under regulation 96 of the LGPS Regulations 2013. Again this is because there is no entitlement to cash transfer sum, because either a cash transfer sum or a refund should have been paid before the expiry of 5 years from leaving active membership.

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		<p>Group policy recommendation Taking all of the above considerations into account the group have recommended the following policy approach to the payment of a refund of contributions in respect of a member who left active membership on or after 1 April 2014:</p> <p>General principle The group agreed that a refund should be paid from the fund before the expiry of 5 years of the member leaving active membership. However, the group acknowledges in practice, this is not always possible. Where this is the case the following approach should be followed:</p> <p>Old refunds (i.e. those where the member left on and after 1 April 2014, the administering authority has already communicated with the member – though no response has been received)</p> <ol style="list-style-type: none"> 1) On approach to the expiry of 5 years from leaving active membership provide the member with a statement containing the prescribed information (i.e. value of refund and cash transfer sum (CTS) plus the rest of the information as set down in sections 101AC and 101AI of the Pension Schemes Act 1993 and regulation 7 of the Occupational Pension Schemes (Early Leavers: Cash Transfer Sums and Contribution Refunds) Regulations 2006 [SI 2006/33] – at this point it would be appropriate to set the ‘reply date’ to around a month before the expiry of 5 years from leaving active membership – this will allow the administering authority sufficient time to receive the completed mandate and pay either the CTS or the refund before the expiry of 5 years from leaving active membership). <ol style="list-style-type: none"> a) If a fully completed mandate is returned from the member and the administering authority can pay the refund before the expiry of 5 years from leaving active membership – pay the refund -no further action. Interest would be added to the payment in accordance with regulation 18(3) of the LGPS Regulations 2013. b) If a fully completed mandate is returned from the member though the administering authority cannot pay the refund before the expiry of 5 years from leaving active membership. Then the refund may be paid though it will be recorded as a breach against the scheme regulations and depending upon the circumstances may be subject to a tax

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		<p>charge (see points 1 and 2 in group discussion).</p> <p>Interest would be added to the payment in accordance with regulation 18(3) of the LGPS Regulations 2013, though capped on the expiry of 5 years from leaving active membership (as agreed in a meeting with MHCLG (as was DCLG) on 22 April 2015).</p> <p>c) If a fully completed mandate is not returned by the member, leave the payment in the fund – no further action (i.e. the group agreed not to waste time or money on using Tracing services in respect of members who have been contacted repeatedly and do not reply). Though it may be beneficial to record the ‘frozen refund’ as a ‘post 14 frozen refund’ to differentiate between the entitlements of a ‘pre 14 frozen refund’ (i.e. a post 14 frozen refund cannot be aggregated with later membership if the member were to re-join the scheme).</p> <p>New refunds (i.e. those where the administering authority is communicating for the first time ‘now’)</p> <p>1) Within a reasonable period after leaving active membership provide the member with a statement containing the prescribed information (i.e. value of refund and cash transfer sum (CTS) plus the rest of the information as set down in sections 101AC and 101AI of the Pension Schemes Act 1993 and regulation 7 of the Occupational Pension Schemes (Early Leavers: Cash Transfer Sums and Contribution Refunds) Regulations 2006 [SI 2006/33] – for all new refunds, at this point it would be appropriate to set the ‘reply date’ to coincide with the date of intended communications at point 2 below, maybe 4 years 9 months?). If the member makes a positive election for either a CTS or a refund, pay in accordance with the members instructions.</p> <p>If the member does not respond:</p> <p>2) On approach to the expiry of 5 years (i.e. on the date that the ‘reply date’ was set in the previous point) from leaving active membership provide the member with a written Statement containing only the value of the refund of contributions (because the administering authority can refuse to pay a CTS where the member has not made an election before the reply date in point 1).</p>

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		<p>a) If a fully completed mandate is returned from the member and the administering authority can pay the refund before the expiry of 5 years from leaving active membership – pay the refund -no further action. Interest would be added to the payment in accordance with regulation 18(3) of the LGPS Regulations 2013.</p> <p>b) If a fully completed mandate is returned from the member though the administering authority cannot pay the refund before the expiry of 5 years from leaving active membership. Then the refund may be paid though it will be recorded as a breach against the scheme regulations and depending upon the circumstances may be subject to a tax charge (see points 1 and 2 in group discussion). Interest would be added to the payment in accordance with regulation 18(3) of the LGPS Regulations 2013, though capped on the expiry of 5 years from leaving active membership (as agreed in a meeting with MHCLG (as was DCLG) on 22 April 2015).</p> <p>c) If a fully completed mandate is not returned by the member, leave the payment in the fund – no further action (i.e. the group agreed not to waste time or money on using Tracing services in respect of members who have been contacted repeatedly and do not reply). Though it may be beneficial to record the ‘frozen refund’ as a ‘post 14 frozen refund’ to differentiate between the entitlements of a ‘pre 14 frozen refund’ (i.e. a post 14 frozen refund cannot be aggregated with later membership if the member were to rejoin the scheme).</p>
7	Consider a change to the forfeiture regulations (Appendix E , G and H)	<p>Group discussion</p> <p>LGA view: These cases are very difficult for employers. The law of the land is ‘innocent until proven guilty’, so the Council couldn’t dismiss an individual unless they are found guilty in a court of law. Such cases can be compounded further because an individual can leave employment prior to the outcome of their trial of their own volition, which is the individual’s right and they may just so happen to be over the normal minimum pension age so could take payment of their benefits.</p>

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		<p>Whilst these cases may be rare, there is ‘loop hole’ by which the individual can circumvent the forfeiture provisions, by simply leaving employment before conviction. There was a fraud case earlier this year where a Chief Finance Officer stole over £400,000 though it didn’t come to light until after the individual had left employment.</p> <p>The problematic wording within the regulations is as follows “<i>A relevant offence is an offence committed in connection with an employment in which the person convicted is a member, and because of which the member left the employment</i>”.</p> <p>There are two problems with the above prescription, the 1st relates to the fact that the individual must be a ‘member’ of the scheme and the 2nd relates to the fact that they must have left employment because they have been convicted of an offence in relation that employment. In the majority of cases, the only part of the definition satisfied is “<i>an offence committed in connection with an employment in which the person convicted</i>”. The wording does not address historical events coming to light, which are now more frequent in today’s society.</p> <p>If the intention is, that an individual’s pension should be forfeited where the individual is convicted of an offence in relation to an employment in which the individual is or was a member, regardless as to the reason as to why the individual is no longer in that employment, then the wording should be changed to something like “<i>A relevant offence is an offence committed in connection with an employment in which the person convicted is a member of the scheme</i>”.</p> <p>Group recommendation to SAB The group agreed that they would formally write to SAB requesting a change to the regulations to remove the words ‘<i>and because of which the member left employment</i>’ from the regulations. Action: Jayne Wiberg (LGA) to draft letter for the Chair to approve.</p>
8	CEP reclaim upon transfer from the LGPS to another registered pension scheme	<p>Background HMRC Countdown bulletin 32 established a new process to allow scheme administrators to reclaim a CEP where a Post 5 April 2016 transfer to another registered pension scheme takes place. The new process involves obtaining the signed authority of both the paying and receiving schemes before the CEP can be repaid. HMRC have confirmed that the new process has been introduced (previously a CEP could be</p>

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		<p>reclaimed using the authority of the paying scheme only) because HMRC no longer tracks contracted-out rights post 5 April 2016. Regulation 14(1)(b) of the Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015 [SI 2015/1677] prescribe that a CEP can only be reclaimed if a transfer takes place and as such, HMRC require authorisation from both parties to confirm that this has happened. Once received HMRC will check that the authorisation contains all the required information, pay the CEP refund and store the document against the customer's national insurance number.</p> <p>At the June 2018 Technical Group meeting, the group tentatively discussed the practical process as to how to obtain the receiving scheme's authorisation in order to reclaim the CEP prior to transfer to another registered pension scheme? It was felt that this needed further thought and the matter would be discussed at the next Technical Group in September 2018.</p> <p>Group recommendation</p> <p>The group concluded that the easiest way to obtain the authority of the receiving scheme would be include the authority within the transfer forms that are provided to the administering authority prior to payment.</p> <p>The LGAs suite of transfer forms will be updated in due course, meanwhile administering authorities should update their own forms locally.</p>
9	Matters arising	Going forward this section will be removed.
10	Any other business	
10.1	<p>Taxation of exit credits</p> <p>Agenda item 4(g) from minutes of the meeting held on 8 June 2018</p>	<p>Outcome:</p> <p>The LGPC Secretariat confirmed in an email to funds on 24 July 2018 and in bulletin 174 that HMRC have made the pronouncement below in relation to exit credits payable to former scheme employers:</p> <p><i>"I can now confirm that there will be no tax charge on the payment and that there is no requirement for the scheme administrator of the pension scheme (or sub-scheme administrator of the sub-scheme) to report the payment to HMRC".</i></p> <p>The LGPS (Amendment) Regulations 2018 amended the LGPS 2013 Regulations to provide for the payment of an exit credit to an exiting employer where, at the</p>

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		exit date, that employer's assets in the fund exceed the liabilities. See bulletin 171 for more information.
10.2	<p>Impact of TUPE on Pensionable Employment</p>	<p>Group conclusion The key question here is whether one employment ends and a new employment begins upon a TUPE transfer. The LGA took legal advice from Eversheds, whose view is that, upon a TUPE transfer, one employment does indeed end and a new one begins, as per the advice below.</p> <ol style="list-style-type: none"> 1. <i>When TUPE applies to an outsourced function, the legal effect for any individual who transfers is that their employment & employment contract with their original employer comes to an end. The original employer will therefore issue them with a P45 (for payroll & tax purposes).</i> 2. <i>The fact that the new employer is required to replicate their existing terms and conditions (pensions aside) does not alter the fact that their employment with the original employer ends.</i> 3. <i>This is the very reason why the NHS and DofE had to invent the Retention of Employment Model in past PFI/TUPE scenarios. Had the RoE model not been used, the employees would have left the NHS/DofE's employment on the date the relevant services transferred (and lost their right to remain active members of the relevant pension schemes).</i> 4. <i>There is no suggestion that the RoE model has been/will be used in this scenario, so the basic principle remains – the employees will cease to be employed by the original employer on the day of the TUPE transfer.</i> <p>There has been no further guidance from MHCLG concerning pensions and TUPE transfers, therefore, in the LGAs view the guidance that procured from Evershed's remains extant.</p> <p>The group agreed with this view in that administering authorities should treat members who are subject to a TUPE transfer in the same way as we would treat any other member leaving one LGPS employer voluntarily and immediately commencing employment with a different LGPS employer. This would include automatically aggregating the benefits unless the member, assuming they had satisfied the vesting period, elected to keep them separate. <i>It is important to note that regulation 16(7) of the LGPS (Administration) Regulations 2008 had the effect of making aggregation</i></p>

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		<p><i>mandatory for TUPE cases, however, there is no such equivalent clause in the 2013 Regulations.</i></p> <p>Clearly local authorities and administering authorities are free to obtain their own legal advice if they disagree with that already obtained by the LGA.</p>
10.3	<p>Connected entities</p>	<p>Background Paragraph 5, Part 2 of Schedule 2 of the LGPS Regulations 2013 confirms that a scheme employer can be “<i>An entity connected with a body listed in paragraphs 1 to 5 of Part 1 of this Schedule where "connected with" has the same meaning as in section 212(6) of the Local Government and Public Involvement in Health Act 2007</i>”. To be such an entity the employer must be ‘connected’ to:</p> <ul style="list-style-type: none"> • <i>In England, a county council, a district council, a London borough council, the Greater London Authority, the Common Council of the City of London and the Council of the Isles of Scilly.</i> • <i>In Wales, a county council or a county borough council.</i> • <i>A joint board, body or committee appointed under any Act or statutory order or statutory scheme, of which all the constituent authorities are councils of a description in paragraph 1 or 2 or a combination of such councils.</i> • <i>A Mayoral development corporation within the meaning of section 198 of the Localism Act 2011.</i> • <i>A fire and rescue authority within the meaning of the Fire and Rescue Services Act 2004.</i> <p>The entity is ‘connected’ to a local authority at any time if:</p> <ol style="list-style-type: none"> a) it is an entity other than the local authority; and b) according to proper practices in force at that time, financial information about the entity must be included in the local authority’s statement of accounts for the financial year in which that time falls. <p>It has come to light that an old CAB (Community Admission Body) that would have originally been funded by a local authority, is no longer funded to such an extent that would warrant inclusion within the local authority’s statement of accounts. So the question arose as to whether or not the ‘entity’ could remain a scheme employer in the LGPS?</p>

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		<p>Such employers are already a matter of scrutiny by the SAB E&W. Please see update of 24 September 2018 on the SAB website.</p> <p>Postscript to the meeting: Following discussions with Jayne Wiberg (LGA) and Jeff Houston (Head of Pensions LGA) it was concluded that if the entity does not meet the definition of ‘connected’ employer, then they do not meet the qualification to be a scheme employer under Paragraph 5, Part 2 of Schedule 2 of the LGPS Regulations 2013. The entity would need to seek admission to the scheme by way of an admission agreement under Part 3 of Schedule 2 of the LGPS Regulations 2013. Additionally, Jeff Houston (LGA) confirmed that he would raise this issue with MHCLG as part of the Tier 3 employer discussions.</p>
10.4	Elmes v Essex – Catherine Pearce (AON)	<p>Background A question arose concerning what action if any administering authorities are taking with regards to the potential partners of members of the 2008 Scheme who died before 1 April 2014.</p> <p>Outcome The group concluded that in general they would contact the person who reported the death to find out if there was an eligible partner who had not been nominated by the deceased.</p>
10.5	High Court ruling - Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC and others – Justine Davies (PWC)	<p>Background The High Court judgment on addressing inequalities in Guaranteed Minimum Pensions (GMPs) is imminently expected with regards to the case of Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC and others. The Court has been asked to pass judgement on essentially three questions: <ol style="list-style-type: none"> 1. Do GMPs need to be equalised? 2. If so, how? 3. If so, how should trustees exercise their powers? </p> <p>Proceedings were moving along as expected with this case. However, a question arose as to why DWP and HMT unexpectedly applied, very late in the day, to intervene in the proceedings (permission granted by the Court on 25 May).</p> <p>It seemed that HMT's real interest is, as the paymaster of the public service pension schemes (PSPS), which provide benefits that are nearly equalised for GMP inequality, but not quite (please see the LGA response to questions 4 and 7 to the consultation issued by HMT covering on the indexation and equalisation of GMP in</p>

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		<p>public service pension schemes published on 28 November 2016). HMT's main concern maybe that the court rules that there is only one method of equalising benefits and that one method rules out the method that has been applied in PSPS since 6 April 1978 (i.e. the payment of full pensions increases – split between State and PSPS benefits – though this changed on 6 April 2016 and has yet to be determined for those members who reach SPa on and after 6 April 2021).</p> <p>Clearly we, expect the first answer to the above questions to be 'yes', however, it is the answers to the remaining 2 questions that 'may' (unlikely though) have an impact to PSPS.</p> <p>Outcome Depending upon the outcome to the court case, once the outcome has been published, Jayne Wiberg (LGA) will approach HMT directly to confirm as to whether or not there will be an impact to PSPS.</p>
11	Date and venue of future meetings	<p>11 December 2018</p> <p>Barnet Waddingham</p> <p>Agenda items for meeting of 11 December to be supplied to the Secretary by no later than close of play 23 November 2018 using the blank template for agenda items.</p>
12	Date and venue of future meetings:	<p>8 March 2019</p> <p>Mercer</p> <p>Agenda items for meeting of 8 March 2019 to be supplied to the Secretary by no later than close of play 22 February 2019 using the blank template for agenda items.</p>