

# National LGPS Technical Group Minutes

The National LGPS Technical Group is a member of the Local Government Pensions Committee (LGPC).

## Minutes

1.	Date and time of meeting .....	3
2.	Location.....	3
3.	Attendees .....	3
4.	Apologies for absence .....	3
5.	Not present.....	4
6.	CIPFA annual report guidance (Standing Members Only) 11.00 – 11.30.....	4
7.	GAD 2020 Valuation data collection 11.30 – 12.00 .....	5
8.	Minutes of the last meeting.....	5
9.	Matters arising from previous meetings:.....	6
a)	Purchase of LGPS Knowledge System .....	6
b)	NI database .....	6
c)	Annual Benefit Statement technical guidance .....	6
d)	Statutory guidance for survivor benefits .....	6
e)	Historical list of decisions made by the group.....	7
10.	LGPC update.....	7
11.	MHCLG update .....	7
12.	LGPS Equalisation .....	8
13.	Pensions Tax.....	8
14.	Payment date of AVCs .....	8
15.	GMP Reconciliation .....	9
16.	AVC providers .....	9
17.	Standing items:.....	10
a)	McCloud and Sargeant case .....	10
b)	MHCLG consultation: Fair deal.....	11
c)	HMT Consultation: Exit payments cap.....	11
d)	MHCLG Consultation: Local valuation cycle / management of employer risk.	12
e)	LGA technical queries with MHCLG .....	12
f)	Historical list of decisions made by the group.....	13
g)	List of recommendations made to the SAB E&W since November 2018.....	13
h)	Group membership.....	13

18. Any other business .....	13
19. Date of 2020 meetings .....	13
12 June 2020 .....	13
25 September 2020 .....	13
11 December 2020 .....	13

## 1. Date and time of meeting

The meeting started at 11.00 on 06/03/2020.

---

## 2. Location

PricewaterhouseCoopers LLP hosted the meeting at [1 Embankment Place, London, WC2N 6RH](#).

---

## 3. Attendees

- Kevin Gerard (WPOG)
  - Joanne Griffiths (WPOG)
  - Ian Howe (EMPOG)
  - Gary McLellan (EMPOG)
  - Kate Shore (SWPOG)
  - Claire Lewis-Smith (SAPOG)
  - Amanda Jupp (SAPOG)
  - Louise Savage (SECSOG)
  - Joel Ellner (SECSOG)
  - Richard Smythe (LPOG)
  - John Smith (LPOG)
  - Steven Mosely (SPOG)
  - Heather Chambers (NEPOF)
  - Heather Currie (NEPOF)
  - Erin Savage (SPLG)
  - Zena Kee (NILGOSC)
  - Jeremy Hughes (MHCLG)
  - Paul Kately (Aquila Heywood)
  - Catherine Carruthers (Capita)
  - Julie Potter (Civica)
  - John Slater (Equinity)
  - Annemarie Allen (Barnet Waddingham)
  - Pete Riedel (Hymans Robertson)
  - Justine Davies (PWC)
  - Jonathon Perera (Mercer)
  - Kelly Scotford (Secretary)
- 

## 4. Apologies for absence

- Karen Gibson (SWAPOG)
- Neil Mason (LPOG)
- Debbie Sharp (SPOG)
- Kimberley Linge (SPPA)
- Lorraine Bennett (LGA)
- Ian Colvin (Hymans Robertson)

- Catherine Pearce (AON)
  - Nigel Thomas (Mercer)
- 

## 5. Not present

- Siobhán McKelvey (DoE – NI)
- 

## 6. CIPFA annual report guidance (Standing Members Only) 11.00 – 11.30

At the meeting of [10/12/2019](#) the group discussed the [paper](#) on the CIPFA annual report [guidance](#). They also discussed how this area interacts with the LGPS E&W SAB 'Good Governance' project. Following that meeting, Jeff Houston confirmed that there will not be much cross over with the KPIs provided by the LGPS E&W SAB 'Good Governance' group and those within the CIPFA guidance. This is because the 'Good Governance' group KPIs are likely to be around governance (i.e. how many times the board has met etc)

### Discussion

CIPFA (Richard Lloyd-Bithell) attended the meeting on 06/03/2020 and discussed with the group as to how the KPIs within the CIPFA annual report guidance were determined. He confirmed that the KPIs came from a couple of authorities that manually collated this data. The group confirmed that any manual collation of KPIs is cost / time prohibitive for the majority of administering authorities.

### Agreement

CIPFA and the group:

- agreed to set up a 'sub-group' to work with CIPFA. The sub-group should be made up of a representative from each POG. Jayne Wiberg (LGA) will co-ordinate the group.
  - agreed that the sub-group will work with software suppliers to ensure that the KPIs are reportable.
  - agreed that the revised KPIs will be effective from the April following a short consultation.
  - agreed that no further changes will be made to the KPIs within the CIPFA guidance unless they are agreed by the sub-group.
  - noted that any costs to implement the KPIs will be borne by administering authorities.
  - noted that whilst the KPIs within the CIPFA guidance will be prescriptive, the guidance is not prescriptive (i.e. there is no requirement for administering authorities to adopt the guidance).
-

## 7. GAD 2020 Valuation data collection 11.30 – 12.00

On 14/02/2020 the LGA sent to administering authorities a [letter](#). It confirmed that GAD will provide each administering authority with a short report on their 2019 data, and that they plan to request 2020 data in September 2020.

### Discussion

GAD (Brian Allan) attended the meeting on 06/03/2020 to explain the context and areas of data quality they are looking at. [GAD provided a set of slides to support this explanation.](#)

GAD wish to understand the quality of the 2019 data, before requesting the 2020 data. The 2019 data was provided by 100% of administering authorities. GAD is keen to see if any issues that occurred in the 2019 data can be resolved before administering authorities provide the 2020 data. In particular:

- the reason for the level of undecided leavers and frozen records?
- how complete / accurate are key data fields? These are, though not limited to, salary, CARE pension amounts and GMP data.
- how have tolerance levels being arrived at?
- how consistent is the 2016 data against the 2019 data?
- what affects an administering authority's ability to provide information to GAD?

GAD explained that volumes of unprocessed work, incomplete / inaccurate data, inappropriate tolerance levels, inconsistent data, loads uncertainty into actuarial assumptions. This makes the result unreliable and can affect the overall costing of the Scheme. Before asking for the 2020 data, GAD confirmed that they are keen to talk to administering authorities in Q1 of 2020 to better understand the issues with employers and collecting data.

### Agreement

The group agreed:

- GAD to work with MHCLG to provide a communication that can be included within the LGPC monthly bulletin. The communication will provide support for administering authorities to send to their employers. It will describe the importance of providing consistent / accurate / timely data and the impact if this does not happen.

---

## 8. Minutes of the last meeting

On 13/12/2019 Jayne Wiberg published the [minutes](#) of the meeting held on 10/12/2019.

### Agreement

The group agreed the minutes.

---

## 9. Matters arising from previous meetings:

### a) Purchase of LGPS Knowledge System

At the meeting of [10/12/2019](#) the group agreed that they would not proceed with procurement for an LGPS Knowledge System. They requested that the Chair approach the LGPS National Frameworks, to see if they would be interested in setting up a framework to buy an LGPS Knowledge System.

#### Update - Complete

The chair confirmed that he had approached the LGPS National Frameworks. The National Frameworks confirmed that their work plan for 2020 is closed. The chair will contact the LGPS National Frameworks in 2021 to see if this is something they would wish to take forward.

---

### b) NI database

The [paper](#) supplied by Lorraine Bennett at the meeting of [10/12/2019](#) confirmed that several administering authorities had not signed the new data sharing agreement, and of those who had signed had not uploaded data to the NI database. For the NI database to successfully work, all administering authorities need to upload data on a regular basis. Lorraine Bennett agreed to contact the section 151 officers, Chair of Pension Committees & Local Pension Boards of the administering authorities that had not fully responded to inform them of their authority's noncompliance.

#### Update

Prior to the meeting Lorraine Bennett confirmed the following:

- London Borough of Tower Hamlets – who have confirmed that they have had issues with data quality and TPS compensation payments on their pensions administration system. This matter is in hand and they are looking to complete the exercise in due course.
  - London Borough of Southwark – they are actively completing the exercise.
  - London Borough of Brent – despite assurances that the exercise will be completed this has not happened. Lorraine will be contacting the s151 officer.
  - LGPS Scotland have various ongoing IT issues which all parties are attempting to resolve.
- 

### c) Annual Benefit Statement technical guidance

#### Update - Complete

Further to the [paper](#) supplied by Rachel Abbey (LGA) at the meeting of [14/06/2019](#) the Annual Benefit Statement technical guide was published by the LGA on 28/01/2020. The guide can be found in the '[Guides and sample documents](#)' page of [www.lgpsregs.org](http://www.lgpsregs.org)

---

### d) Statutory guidance for survivor benefits

The Local Government Pension Scheme (Miscellaneous Amendment) Regulations 2018 [[SI 2018/1366](#)] were effective from 10/01/2019 and affected the payment of

survivor benefits. At the meeting of [08/03/2019](#) MHCLG confirmed that statutory guidance will be issued containing information on how to approach revised benefit calculations, CETVs, and trivial commutation. Further updates were provided by MHCLG at the meetings held on [14/06/2019](#) and [10/12/2019](#).

### **MHCLG Update**

MHCLG confirmed that the issue of whether to retrospectively revisit CETVs and Trivial Commutation is holding up publication of the draft statutory guidance for consultation. MHCLG offered to considering publishing the consultation without these elements.

### **Agreement**

The group agreed that the draft statutory guidance consultation should be published in full rather than in part.

---

### **e) Historical list of decisions made by the group**

At the meeting of [08/03/2019](#) Jayne Wiberg introduced an [historical list](#) of recommendations / agreements / outcome of decisions made by the group. The group agreed that this is a valuable standing item. The list has been updated to reflect the recommendations / agreements / outcome of decisions, of the meeting held on 08/03/2019 and thereafter. Whilst it is relatively easy to maintain going forward in order to be truly useful it was felt that the list should contain all recommendations / agreements / outcome of decisions, made by the National LGPS Technical Group since 1 April 2014. It was agreed that Heather Currie would update the list with all recommendations / agreements / outcome of decisions, made by the National LGPS Technical Group since 1 April 2014.

### **Update - complete**

Heather Currie provided the completed spreadsheet on 5 March 2020. This has been uploaded to the technical group minutes page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

---

## **10. LGPC update**

The [LGPC update](#) is provided by Jayne Wiberg.

---

## **11. MHCLG update**

Jeremy Hughes apologised for not sending the group a written update prior to the meeting and assured the group that a written update will be provided going forward. Jeremy updated the group with the latest position. Where appropriate, MHCLG update is included at the relevant topic within these minutes.

### **Discussion (topics not covered elsewhere in these minutes)**

- Administering authority mergers - MHCLG confirmed that the administering authorities of South Tyneside and Northumberland are to merge. It was also confirmed that if there is a rise in the number of administering authorities

requesting a merger, then MHCLG will look at creating a general power to merge administering authorities with appropriate safeguards.

- Actuarial factor guidance – MHCLG confirmed that the hope to very soon publish revised transfer guidance.

---

## 12. LGPS Equalisation

Following the Lloyds judgement MHCLG have been requested to approach HMT and confirm as to whether the LGPS ‘must’ or ‘should’ equalise scheme member benefits? If the outcome is ‘should’ as opposed to ‘must’, how do administering authorities wish to proceed? Please find [options paper](#) prepared by Jayne Wiberg.

### Discussion

The group discussed the options proposed. GAD confirmed that they hope to look at the GMP data / processes / calculations of a couple of large administering authorities. This would be to estimate how much equalisation will impact the LGPS. Tyne & Wear Pension Fund (Heather Chambers) volunteered her administering authority for a ‘deep dive’ subject to an agreed set of confidentiality caveats.

### Agreement

The group agreed that in order to decide on the proposed options, they need to understand the impact of the deep dive into a couple of large administering authorities.

---

## 13. Pensions Tax

At the meeting on 10/12/2019 Jayne Wiberg produced a [paper](#) on Pensions Tax for the group to discuss. The group were asked to consider whether they wish to pursue making recommendations to the LGPS E&W Scheme Advisory Board for a more flexible approach to pension’s taxation in the LGPS E&W. To allow time for any revisions to this area due to political changes the group agreed to defer this agenda item until the next meeting on 6 March 2020.

### Discussion

The group discussed the paper.

### Agreement

The group agreed to defer any decision to the June 2020 meeting. This is to consider any changes that might be introduced in the March 2020 budget.

---

## 14. Payment date of AVCs

Robert Stormonth (Prudential) issued a [paper](#) for the group to consider. The paper proposes extending the initial payment date of LGPS AVC benefits beyond age 75, together with Jayne Wiberg’s (LGA) response. Prior to the meeting the group was asked:

- to consider amending the latest payment date of all LGPS benefits beyond age 75?

- to consider amending the latest payment date of LGPS AVC benefits only beyond age 75?
- if the answer is yes to either of the above questions are there any legislative bars to prohibit making such a request?

### Discussion

The group discussed the paper. The paper looks at AVCs that have been ‘forgotten’. As a member should never have an AVC that has not being implemented by age 75. Before recommending legislative changes, the group wish to understand how much of a problem this is across the Scheme as a whole?

### Agreement

The group agreed that each member would consult their POG. This is to determine:

- do these cases occur?
- if so how has the administering authority resolved the case?

The group agreed that each POG representative would provide their findings in an email to Jayne Wiberg by 29 May 2020. These will be anonymously collated and provided to members of the group for consideration prior to the next meeting on 12 June 2020. Thereafter, the group will decide whether to recommend any regulatory changes.

---

## 15. GMP Reconciliation

Catherine Pearce provided a [paper](#) concerning GMP reconciliation and IDRPs statements. The group were asked to consider where a member’s pension is reduced due to GMP reconciliation, whether the notification should include an IDRPs statement? This is due to HMRC policy rather than any error or omission by the administering authority.

### Discussion

Regulation 72(3)(c) of the LGPS Regulations states that the administering authority must decide any question concerning the amount of any benefit, or return of contributions, a person is or may become entitled to out of a pension fund.

Regulation 72(5) states that a decision must be made as soon as is reasonably practicable.

Regulation 73(5) states that where a decision is made under regulation 72 the notification issued under 73(1) must include reference to adjudication.

### Agreement

The group agreed that reference to IDRPs adjudications should be included within the notification issued under regulation 73.

---

## 16. AVC providers

Catherine Pearce provided a [paper](#) setting out concerns about the lack of variety of available AVC providers. The group were asked to consider whether there is a problem in this area, and if so, possible solutions.

## Discussion

The group discussed the paper. They agreed that the issue raised in the paper might be valid.

## Agreement

The group agreed:

- for members to consult with their POG.
- that each POG representative would provide their findings in an email to Jayne Wiberg by 29 May 2020. These will be anonymously collated and provided to members of the group for consideration prior to the next meeting on 12 June 2020. Thereafter, the group will decide whether to recommend any regulatory changes.

---

## 17. Standing items:

### a) McCloud and Sargeant case

The case concerns the transitional protections provided to members of the judges and firefighter pension schemes when the schemes were reformed in 2015, as part of the public sector pension scheme reforms. On 20 December 2018, the Court of Appeal found that these protections were unlawful on the grounds of age discrimination and could not be justified. The [McCloud](#) of the English and Welsh SAB [website](#) contains background information on the case together with the latest position, including a [Q&A](#) which has been updated to take into account the Supreme Court ruling.

## Discussion

The group discussed the updates made to the LGPS E&W SAB McCloud webpage on 4 March 2020. The group were reminded that protection will apply automatically to LGPS members who meet the qualifying criteria. Members do not need to make an employment tribunal claim. Despite the Government confirming that the McCloud judgment applies to all public service pension schemes, some companies are actively encouraging members of PSPS to lodge costly claims.

At their last meeting on 3 February LGPS E&W SAB agreed to form two working groups, to help with the implementation of regulatory changes. These will be:

- a small policy group to help MHCLG in considering any areas of policy which will not be centrally determined
- a larger implementation group including practitioners, member representatives, actuaries, software providers and employers which will consider the challenge of implementing and communicating the scheme changes. Kevin Gerard (Chair) and Ian Howe (Deputy Chair) will represent the members of the National LGPS Technical Group on the implementation group.

## MHCLG Update

After taking advice from tax, actuarial and pension specialists, MHCLG confirmed that they expect to consult on regulatory changes to address McCloud later in 2020.

MHCLG confirmed on 10/03/20 that the official HMT response is as follows: *“Due to differences in LGPS transitional protection, MHCLG are planning to undertake an LGPS specific consultation on McCloud. The MoJ are also planning a separate consultation in relation to the Judicial Pension Scheme. For all the other public service pension schemes there will be one public consultation led by HMT, following scheme specific discussions, to inform the wider pension scheme changes for all other schemes. We understand that this is likely to be published in the coming months once initial discussions with stakeholders are complete. Subsequently, there will be more technical scheme specific consultations on scheme regulations.”*

### **Query from LPOG**

Further to the article in [bulletin 190](#) published in October 2019, LPOG have raised a [query](#) concerning what action, if any funds have taken in preparation for administration issues caused by the McCloud judgement.

[Bulletin 190](#) confirmed that no decisions have yet been made on the form that any remedy will take, when it will be implemented and who will be in scope. It is possible that the remedy will involve the extension of the underpin to members who are not currently offered protection. In order to perform an accurate, underpin calculation for a member, a full history of part time hours changes and service break information from 1 April 2014 is needed. It is therefore, very important that Scheme employers are made aware that hours and service break data may be needed for active members and members with a leaving date after 31 March 2014 (who are currently not covered by the underpin).

### **Confirmation**

The group confirmed that they had brought the content of bulletin 190 to the attention of their employers. Most of the group confirmed that they regularly sent reminders to employers on this subject.

---

### **b) MHCLG consultation: Fair deal**

The MHCLG consultation on ‘Fair deal – strengthening pension protection’ in the LGPS closed on 4 April 2019. The consultation documents and the response submitted by the LGPC can be viewed on the Scheme consultations page of [www.lgpsregs.org](http://www.lgpsregs.org). The Chair of National LGPS Technical Group [responded](#) on 13 March 2019.

### **MHCLG Update**

MHCLG confirmed that this area is still under review. MHCLG will be meeting with LGPS E&W SAB in March 2020 to look again at the details.

---

### **c) HMT Consultation: Exit payments cap**

In April 2019, HM Treasury launched a consultation called ‘Restricting exit payments in the public sector: consultation on implementation of the regulations’. The consultation documents and the response submitted by the LGA can be viewed on the [non-scheme consultations](#) page of [www.lgpsregs.org](http://www.lgpsregs.org). The Chair of National LGPS Technical Group [responded](#) on 1 July 2019.

[Update](#) from MHCLG dated 25/11/2019. MHCLG noted that ‘redundancy claw back’ (page 48) features in the [Conservative 2019 manifesto](#), which may indicate that it would also be the Conservatives intention (if they obtain a majority in the 12 December 2019 election) to proceed with the 95k Exit Payment Cap.

MHCLG confirmed at the meeting on 06/03/2020 that the Government intend to implement the 95k cap across the public sector and implement the claw back. The Government response is expected spring / summer 2020.

---

#### **d) MHCLG Consultation: Local valuation cycle / management of employer risk**

On 8 May 2019 MHCLG issued a 12 week [policy consultation](#) called ‘LGPS: Changes to the local valuation cycle and the management of employer risk’. The consultation closed on 31 July 2019. The consultation documents and the response submitted by the LGPC can be viewed on the [Scheme consultations](#) page of [www.lgpsregs.org](http://www.lgpsregs.org). The Chair of National LGPS Technical Group [responded](#) on 15 July 2019.

On 27 February 2020, MHCLG published a [partial response](#) to the consultation covering changes to the local valuation cycle and the management of employer risk. The response covers the proposals on exit credits only. It confirms that most respondents supported the proposal to allow administering authorities to take account of an employer’s exposure to risk when calculating an exit credit. As a result [The Local Government Pension Scheme \(Amendment\) Regulations 2020](#) giving effect to the proposals were laid in Parliament on 27 February 2020. They come into force on 20 March 2020 but have effect from 14 May 2018.

#### **MHCLG update**

MHCLG confirmed that they will submit a further response to the other proposals covered by this consultation before the summer.

---

#### **e) LGA technical queries with MHCLG**

All [LGA technical queries](#) with MHCLG can be found on the ‘technical group minutes’ page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgps.org](http://www.scotlgps.org). The latest version is dated 18 February 2020.

On 25/11/2019, the LGA suggested 15 or so technical amendments that MHCLG might be able to implement without the need for extensive policy consultation. The technical amendments suggested to MHCLG have been referenced on the index page of the [LGA list of queries with MHCLG](#) for easy access.

#### **Update**

The LGA met with MHCLG on 21 January 2020 to discuss the proposed changes. At this stage it is not possible to indicate as to what the outcome of that meeting entailed.

---

#### **f) Historical list of decisions made by the group**

All [recommendations / agreements / outcome of decisions](#) made by the National LGPS Technical Group from 1 April 2014 to date can be found on the 'technical group minutes' page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgps.org](http://www.scotlgps.org).

---

#### **g) List of recommendations made to the SAB E&W since November 2018**

[Recommendations](#) made to the SAB E&W from November 2018 to date can be found on the 'technical group minutes' page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgps.org](http://www.scotlgps.org).

---

#### **h) Group membership**

The current list of [group membership](#) can be found on the 'technical group minutes' page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgps.org](http://www.scotlgps.org).

---

### **18. Any other business**

Written details using the [blank template](#) for agenda items to be given to the Chair prior to the start of the meeting.

---

### **19. Date of 2020 meetings**

#### **12 June 2020**

Mercer

Agenda items for meeting of 12 June 2020 to be supplied to the [Secretary](#) and [Jayne Wiberg](#) by no later than close of play 29 May 2020 using the [blank template](#) for agenda items for this meeting.

---

#### **25 September 2020**

Barnet Waddingham

Agenda items for meeting of 25 September 2020 to be supplied to the [Secretary](#) and [Jayne Wiberg](#) by no later than close of play 9 September 2020 using the [blank template](#) for agenda items for this meeting.

---

#### **11 December 2020**

Hymans Robertson

Agenda items for meeting of 11 December 2019 to be supplied to the [Secretary](#) and [Jayne Wiberg](#) by no later than close of play 27 November 2020 using the [blank template](#) for agenda items for this meeting.

---