

LGPC Bulletin 222 – March 2022

Local Government Pensions Committee (LGPC)
Secretary, Lorraine Bennett

This bulletin contains updates for all LGPS stakeholders. It includes the following important articles that need action by certain stakeholders:

- [LGPS investments in Russia](#) – decide what prudent action to take
- [DLUHC letter concerning the McCloud remedy and the 2022 Valuation](#) – discuss content with Fund actuaries
- [New member website and LGPS brand](#) - update communications and inform stakeholders
- [Scottish APC calculator moved](#) – update links in communications
- [Mandatory scheme pays deadlines](#) – processes and timescales changing with effect from 6 April 2022

If you have any comments or articles for future bulletins, please contact query.lgps@local.gov.uk.

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LGPS England & Wales Scheme Advisory Board (SAB)

Legal opinion on the prepayment of contributions

On 22 March 2022, Lorraine Bennett emailed administering authorities letting them know that the SAB has obtained a legal opinion on the prepayment of primary employer and/or employee contributions. This is in response to a request from an administering authority. The opinion is provided by James Goudie QC.

In summary, James Goudie QC finds no legal barrier to the prepayment of these contributions. However, the advice makes clear that any prepayment should be taken on the basis of ‘reasonableness, proportionality and prudence’. The full opinion and further information is available on the [legal opinions](#) page of the [SAB website](#).

Investments in line with UK foreign and defence policy

A last-minute amendment to the Public Service Pensions and Judicial Offices Bill was accepted before the Bill received Royal Assent on 10 March 2022. The amendment introduces the power for the Secretary of State to give guidance or directions to the LGPS on investment decisions that conflict with the UK’s foreign and defence policy.

There are no changes that LGPS administering authorities need to make now. Changes will only be needed if DLUHC issues guidance or directions, which would be subject to the usual 12-week consultation process.

See the [Boycotts Divestment and Sanctions](#) page of the [SAB website](#) for more information.

LGPS investments in Russia

On 4 March 2022, the SAB published more information on Russian sanctions and divestment. This follows the coming into force of The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 on 1 March 2022.

On 9 March 2022, DLUHC sent a letter to all LGPS Committee Chairs, copying in the Chair of the SAB. It urges all parties to keep up to date with the list of Russian sanctions which is expected to grow. The Rt Hon Michael Gove MP states:

“In the context of the Russian government’s reprehensible actions, administering authorities should be urgently considering what action it would be appropriate for them to take in the light of their fiduciary duties and ethical considerations. I applaud those who have already done so. I recognise that there will be concerns about the impacts, implications and barriers

associated with divestment from Russian assets. I encourage you to continue to work closely with the Scheme Advisory Board and my officials.”

The information from the SAB and the letter from DLUHC can be found on the [Boycotts Divestment and Sanctions](#) page of www.lgpsboard.org.

On 4 March 2022, [TPR published guidance for trustees](#) regarding the conflict in Ukraine, which outlines TPR’s expectations and areas for consideration.

Action for administering authorities

Keep up to date with the list of sanctions and consider their impact on your investments, in discussion with your pool and investment managers.

Consider what further actions it would be appropriate for you to take in light of your fiduciary duties and ethical considerations.

LGPS England & Wales

DLUHC letter concerning the McCloud remedy and the 2022 Valuation

On 22 March 2022, Rachel Abbey forwarded [a letter](#) to administering authorities from Teresa Clay, Head of Local Government Pensions at DLUHC.

The letter sets out DLUHC’s recommendations on how administering authorities should take the McCloud remedy into account in the 2022 triennial valuation.

Action for administering authorities

Discuss the content of the DLUHC letter with your fund actuary and take the appropriate action.

New member website and LGPS brand

On 7 March 2022, Lorraine Bennett emailed administering authorities letting them know that the new member website and new LGPS brand are live.

The address of the website has not changed, it is still www.lgpsmember.org.

We would be grateful if administering authorities and employers could help publicise the new website and logo. We have produced some material to help you do this. All of the materials below are available to download from the [LGPS brand and website resources page](#) of www.lgpsregs.org.

- Infographic (PDF) – this is a visual representation explaining our key objectives for, and the benefits of, the new website. Administering authorities can use this on their website and/or in newsletters.
- Information leaflet - this is a three page PDF to help administering authorities inform employers about the new brand and website.
- Email footers – administering authorities and employers can include the footer in their email signatures. To add a link to the footer, right click on the image. We have produced two different versions of the footer, depending on whether the fund has its own website.
- Animated social media banner – administering authorities and employers can use this on Twitter, LinkedIn and Facebook channels.

LGPS brand

We have supplied different versions of the new logo. The logo should be used correctly and consistently in line with the [brand guidelines](#).

See the [LGPS brand and website resources page](#) of www.lgpsregs.org for a file containing all the different versions of the logo.

We will be updating www.lgpsregs.org with the new logo in due course.

Redirects

We have placed redirections on pages of the old site where the address is different on the new site. These will remain in place for at least 12 months. If administering authorities include links to the member website on their own website or in guides and documents, they will need to review and update those links in the longer term.

Action for administering authorities and employers

Publicise the new website by making use of the resources we have produced to help you do this.

Start using the new logo on all your communications.

Consider updating links on your website and in your guides and documents.

LGPS Scotland

APC calculator moved

On 10 March 2022, Steven Moseley emailed administering authorities letting them know that we have moved the APC calculator.

The link to the calculator is now <https://calc.lgpsmember.org/scotlgps2015/apc/>.

Action for administering authorities

Update any signposts to the calculator.

Aggregation technical guide published

On 15 March 2022, Steven Moseley emailed administering authorities letting them know we have published version two of the Aggregation technical guide.

The guide sets out the aggregation outcomes for members who either:

- re-join the Scheme after 31 March 2015, or
- have concurrent periods of active membership and some of those, but not all, end after 31 March 2015.

As we have rewritten the guide, we felt there was no benefit in publishing a tracked changes version. You can find the guide in the [Administrator guides and documents](#) page of www.scotlgpsregs.org.

Survey on LGA's service to administering authorities

On 22 March 2022, Steven Moseley emailed administering authorities with a survey. The survey closes on 22 April 2022.

The survey seeks views on the enhanced service the LGA provides to Scottish administering authorities and the Scottish Public Pensions Agency.

A link to the survey was included in the email.

HMT

Mandatory scheme pays deadlines are changing

[The Finance Act 2022](#) and

[the Registered Pension Schemes \(Miscellaneous Amendments\) Regulations 2022](#)

(‘the new regulations’) will change the timescale for members to make or amend a mandatory scheme pays election when paying an annual allowance charge. The changes will apply when the information used to calculate a member’s pension input amount is retrospectively amended.

We are currently reviewing the impact of these changes and we will advise you in due course.

DWP

Consultation on draft pensions dashboards regulations

On 8 March 2022, Jayne Wiberg emailed administering authorities letting them know that we have published our response to

[DWP's consultation on the Pensions Dashboards Regulations 2022](#).

Our response states that, in our view, the LGPS will not be able to connect and meet its statutory duties by the proposed connection deadline of April 2024. The reasons for this include:

- the value data required goes beyond what LGPS administering authorities must currently provide
- LGPS administering authorities will already be under significant pressure at this time implementing the McCloud remedy
- the proposed response times for value data mean that funds will need to collect and validate data on a monthly basis
- recruitment and retention remain a barrier.

Our response also raises concerns about:

- the lack of clarity concerning pension credit and deferred pensioner members
- the lack of clarity about providing in house AVC data
- dashboards not including frozen refunds
- the feasibility of providing information to dashboards for new members within three months of them joining the Scheme
- the response time to provide accrued and projected values for a variety of reasons
- the timescale for administering authorities to turn a possible match into a match.

You can find our response on the [non-scheme consultations page](#) of www.lgpsregs.org and the [non-scheme consultations page](#) of www.scotlgpsregs.org.

TPR

Updated guidance on stronger nudge

TPR has [updated its guidance on communicating and reporting](#) to reflect the Occupational and Personal Pension Schemes (Disclosure of Information) (Requirements to Refer members to Guidance etc) (Amendment) Regulations. The regulations come into force on 1 June 2022. See [bulletin 219](#) for more information.

TPR guidance aims to assist pension schemes with complying with the regulations.

We will be issuing our own guidance shortly and updating the AVC guide in the longer term.

Other news and updates

Bulletin 221 – Annual update

On 29 March 2022, Rachel Abbey emailed administering authorities letting them know that we have published our 2021 Annual update – bulletin 221.

You can find the bulletin on the:

- [LGPC Bulletins](#) page of www.lgpsregs.org or
- [LGPC Bulletins](#) page of www.scotlgpsregs.org.

You can also find links to the legislation related to the annual updates in the Annual update statutory instruments section of the:

- [Related legislation](#) page of www.lgpsregs.org or
- [Related legislation](#) page of www.scotlgpsregs.org.

Job vacancy at the LGA

The Scheme Advisory Board (SAB) to the LGPS in England and Wales is looking for a Pensions Secretary. The successful candidate will provide professional support to the SAB and its committees and will also lead on developing the SAB's digital presence.

For more information and to apply see the [Jobtrain website](#). The closing date is 19 April 2022.

LGPS Pensions Adviser – Employers

We are pleased to announce that Lisa Clarkson joined the LGA pensions team on 7 March 2022. Lisa joins us from South Yorkshire Pensions Authority where she was a technical and training officer. Lisa will be focusing on our employer offering, including employer training.

Minutes of the national LGPS technical group published

The minutes of the national LGPS technical group meeting held on 11 March 2022 were published on 17 March 2022. The next meeting will be held on 17 June 2022.

Topics discussed included McCloud, Pensions Dashboards, changes to mandatory scheme pays deadlines, AVCs and transfers out. You can find the minutes on the:

- [Technical group page](#) of www.lgpsregs.org or
- [Technical group page](#) of www.scotlgpsregs.org.

Public Service Pensions and Judicial Offices Bill

On 10 March 2022, the [Public Service Pensions and Judicial Offices Act 2022](#) received Royal Assent.

The main purpose of the Act is to give the relevant government departments the regulation powers to resolve the discrimination identified in the McCloud judgment.

Training

2022 Training Programme

We are pleased to announce that we have set our 2022 training programme. The programme has been developed taking into account the feedback and suggestions from the training focus group.

We will investigate the viability of offering a training subscription service and developing an LGPS qualification in the longer term.

In the meantime, [the training programme is set out in Appendix B](#). Please note, some of the courses are already open for booking on the [LGA events page](#).

Action for administering authorities

Please let your employers know about the employer role training.

Wider landscape

Multi-employer CDC pensions

The Government plans to introduce Collective Money Purchase Schemes (CDC) later this year/early 2023.

As part of creating the legislative framework for this type of scheme, the Government has published the draft Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022. The regulations will need to be approved by both houses of Parliament to become law.

Transfers to authorised CDC schemes are safe transfers under the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021, satisfying the first condition. See [bulletin 218](#) for further information.

Legislation

Acts

[The Public Service Pensions and Judicial Offices Act 2022](#)

Statutory Instruments

[The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 2\) Regulations 2022](#)

[The Public Service Pensions Revaluation Order 2022](#)

[The Guaranteed Minimum Pensions Increase Order 2022](#)

[The Social Security Revaluation of Earnings Factors Order 2022](#)

[The Social Security \(Contributions\) \(Rates, Limits and Thresholds Amendments and National Insurance Funds Payments\) Regulations 2022](#)

[The Pensions Increase \(Review\) Order 2022](#)

[The Registered Pension Schemes \(Miscellaneous Amendments\) Regulations 2022](#)

Useful links

[LGA Pensions page](#)

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland 2015\)](#)

[LGPS Advisory Board website \(England and Wales\)](#)

[LGPS Advisory Board website \(Scotland\)](#)

[LGPS Regulations and Guidance website \(England and Wales\)](#)

[LGPS Regulations and Guidance website \(Scotland\)](#)

[Public Sector Transfer Club](#)

[Recognised Overseas Pension Schemes](#) that have told HMRC that they meet the conditions to be a ROPS and have asked to be included on the list.

LGPS pensions section contact details

If you have a technical query, please email query.lgps@local.gov.uk and one of the team's LGPS pension advisers will get back to you.

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Further information

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