

LGPC Bulletin 227 – July 2022

Local Government Pensions Committee (LGPC)
Secretary, Lorraine Bennett

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

- [SF3 form for 2021/22 published \(not relevant for Scotland\)](#) - administering authorities must provide the information by 16 September 2022.
- [Survivor benefits guide published \(not relevant for England or Wales\)](#) - administering authorities must implement the recent changes to survivor benefits.
- [Clarification received on annual allowance changes](#) - administering authorities should ensure their processes are in line with HMRC's clarification.
- [PDP launch consultation and call for input on standards and guidance](#) - consider whether to respond to the consultation.
- [Communications Working Group minutes](#) - administering authorities should consider whether they wish to copy any of the text from the COVID-19 FAQs for members to their own website or guides. They will need to do this before 31 August 2022.
- [Transfer out documents updated](#) - administering authorities should review the changes and update their processes.
- [Employer role training \(not relevant for Scotland\)](#) - administering authorities should let their employers know about the places still available.

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

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LGPS England & Wales

FAQs on the cost of living crisis added to member website

We have added frequently asked questions (FAQs) on the cost of living crisis to the member website.

The FAQs cover:

- Where can I find help with money troubles?
- Can I reduce or stop my pension contributions?
- Could pension scams increase?
- Is there any help for pensioners on lower incomes?

You can access these on the [Frequently asked questions](#) page of www.lgpsmember.org.

Government confirms academy guarantee will continue

After a reassessment, the Government confirmed on 21 July 2022 in [a written ministerial statement](#) that it will continue to provide the academy guarantee. The annual ceiling will also increase to £20 million.

In 2013, the Government introduced the academy guarantee. The guarantee provides that, in the event of an academy closing, any outstanding liabilities will not revert to the LGPS fund. We covered this in [Bulletin 105](#).

Although there is no end date to the guarantee, the Government is committed to regularly reassessing it to determine whether it remains affordable and is fully recognised by administering authorities.

The Scheme Advisory Board in England and Wales has also published [a news article on this](#).

LGPS minister changes

On 6 July 2022, Kemi Badenoch MP resigned from the Government. Kemi Badenoch was Minister of State at the Department for Levelling Up, Housing and Communities. As part of this office, she was responsible for the LGPS.

The Government has recently confirmed that Paul Scully MP has taken over ministerial responsibility for the LGPS.

The Scheme Advisory Board in England and Wales has published [a news article on the changes](#).

SF3 form for 2021/22 published

On 1 July 2022, the Department for Levelling Up, Housing and Communities (DLUHC) published [the SF3 form and guidance for 2021/22](#).

The documents set out the information that administering authorities must provide by Friday 16 September 2022.

DLUHC uses the information collected to provide a benchmark on the administration and fund management. The information is also used in compiling the National Accounts and to show the role of the LGPS in the economy.

[The final SF3 results for 2020/21](#) were published in December 2021.

Action for administering authorities

Provide the information to DLUHC by 16 September 2022.

LGPS Scotland

Survivor benefits guide published

On 13 July 2022, Steven Moseley emailed administering authorities to let them know we have published version 1 of the survivor benefits technical guide.

The guide aims to help administering authorities implement the changes to survivor benefits made by The Local Government Pension Scheme (Scotland) (Miscellaneous Amendments) Regulations 2022.

Regulation 4 of those regulations amends the rules on what membership is used to calculate survivor pensions for membership before April 2015. Most of the changes are retrospective, meaning administering authorities will need to revisit past deaths.

The changes are mainly in response to two court cases: [Walker v Innospec](#) and [Mrs Goodwin v Department for Education](#). The changes place surviving same-sex civil partners, survivors of married same-sex couples and male survivors of female married members in a similar position to female survivors of male married members. The changes apply to deaths after 4 December 2005.

The regulations also make several changes to confirm policy intent.

The guide sets out our view on what membership administering authorities should use when calculating survivor pensions for membership before April 2015 for deaths after 4 December 2005. We show the rules separately for each survivor type. We also outline the specific changes made by regulation 4.

You can access the guide on the [administrator guides and documents](#) page of www.scotlgpsregs.org.

For more information on The Local Government Pension Scheme (Scotland) (Miscellaneous Amendments) Regulations 2022, see our commentary in [Bulletin 224](#).

Action for administering authorities

Implement the recent changes to survivor benefits.

HMRC

Newsletter 140

On 30 June 2022, HMRC published [pension schemes newsletter 140](#).

The newsletter includes articles:

- clarifying the rules on paying interest and arrears when equalising for guaranteed minimum pensions
- reminding schemes to migrate from the Pension schemes online service to the Managing pension schemes service
- on the expected release in spring 2023 of the event report for tax year 2023/24 on the Managing pension schemes service
- on a new reportable event from April 2023 for certain public service schemes. This will relate to issuing annual allowance statements. HMRC will consult on legislation introducing this new reportable event later this year
- reminding schemes that they can no longer compile and submit accounting for tax returns for any quarter from 1 April 2020 using the Pension schemes online service.

Newsletter 141

On 21 July 2022, HMRC published [pension schemes newsletter 141](#).

The newsletter includes articles:

- covering the technical consultation on resolving the low earners tax relief anomaly (see [below article covering the consultation](#))
- clarifying how to migrate schemes from the Pension schemes online service to the Managing pension schemes service

- reminding schemes that they cannot compile and submit new Accounting for Tax returns for any quarter from 1 April 2020 onwards on the Pension schemes online service
- reminding schemes who need to submit an Accounting for Tax return for the quarter 1 April 2022 to 30 June 2022 that they will need to have migrated the scheme and submitted the return on the Managing pension schemes service by 14 August 2022 to avoid interest and penalties.

Clarification received on annual allowance changes

We recently received clarification from HMRC on the changes to annual allowance rules.

We covered these changes in [Bulletin 223](#). These include new requirements on administering authorities to recalculate annual allowance amounts for previous years in certain situations. Where the recalculation shows an annual allowance excess, the authority must issue a pension savings statement to the member. They must also tell HMRC about this on an event report. In Bulletin 223, we set out that the authority must tell “HMRC within three months of the date they sent the statement to the member, or if later, by 31 January following the tax year to which the [event] report relates.” This reflects regulation 3(9) of the Registered Pension Schemes (Provision of Information) Regulations 2006:

“an event report in respect of reportable event 22, in a case where regulation 14A(6A) or (6B) applies, must be delivered-

- (a) within 3 months of the date of issue of the pension savings statement, or
- (b) if later, on or before 31st January following the tax year to which the report relates.

Our understanding is that “the tax year to which the report relates” refers to the tax year in which the authority issues the statement to the member. For example, an authority issues the statement on 1 October 2023 telling a member they exceeded the annual allowance in tax year 2019/20. The deadline under 3(9)(a) would be 31 December 2023. The deadline under 3(9)(b) would be 31 January 2025. However, we were unsure whether our understanding was correct as it would mean the deadline in 3(9)(a) could never apply. We sought clarification from HMRC.

HMRC confirmed our understanding that in the above example the deadline would be 31 January 2025. They included an article clarifying the deadline in [pension schemes newsletter 140](#). We understand that HMRC will consider amending the regulations to remove the redundant deadline in 3(9)(a).

Action for administering authorities

Ensure your processes are in line with HMRC's clarification.

Technical consultation on resolving low earners tax relief anomaly

On 20 July 2022, HMRC launched [a technical consultation](#) on draft legislation that aims to resolve the tax relief anomaly. The consultation closes on 14 September 2022.

The proposed changes will be included in the next Finance Bill.

The tax relief anomaly affects pension scheme members who earn less than the personal allowance. Whether the member receives any tax relief on their pension contributions depends on the tax relief method used by their scheme. The scheme will either use the 'net pay arrangements' or the 'relief at source' method.

Under the 'net pay arrangements', pension contributions are deducted before income tax is calculated. This means that tax relief is equal to the member's marginal rate. For members whose income is below the personal allowance, the rate is zero per cent. Under the 'relief at source' method, low earners do receive tax relief on their contributions. The LGPS uses the 'net pay arrangements'.

The legislation proposes placing a duty on HMRC to make top up payments directly to eligible members. Eligible members are members who pay into a scheme that uses the 'net pay arrangements' and whose total taxable income is below the personal allowance. HMRC will identify and notify eligible members and invite them to provide the necessary details for the top up payment to be paid direct to their bank account. The duty will apply for the tax year 2024/25 onwards.

The proposals follow an earlier call for evidence on resolving the anomaly from HM Treasury (HMT). The call for evidence ran between 21 July 2020 and 13 October 2020, which we covered in [Bulletin 200](#). We responded to the consultation in October 2020. HMT responded to the consultation in October 2021. You can access the consultation documents and our response on the:

- [non-scheme consultations](#) page of www.lgpsregs.org, and
- [non-scheme consultations](#) page of www.scotlgpsregs.org.

GAD

Cost cap results published

On 29 June 2022, the Government Actuary's Department published the results of the first cost cap valuation for LGPS (England and Wales) and LGPS (Scotland).

The cost cap was introduced by the Public Service Pensions Act 2013. The Act requires the setting of an employer cost cap rate against which changes in the cost are to be measured. If the cost changes and falls outside a two per cent corridor above / below the rate, action must be taken to bring the cost back to the rate.

The results of the first valuations show that the cost has remained within the two per cent corridor for both schemes. This means no changes to benefits or member contributions are needed.

The employer cost cap rate for LGPS (England and Wales) is 14.6 per cent. [The results for the valuation as at 31 March 2016](#) show that the cost is 1.2 per cent below the cost cap rate.

The employer cost cap rate for LGPS (Scotland) is 15.2 per cent. [The results for the valuation as at 31 March 2017](#) show that the cost is 0.2 per cent above the cost cap rate.

HMT

The Public Service Pensions (Employer Cost Cap and Specified Restricted Scheme) Regulations 2022

On 13 July 2022, HMT laid [The Public Service Pensions \(Employer Cost Cap and Specified Restricted Scheme\) Regulations 2022](#). The regulations take effect from 3 August 2022.

Regulation three amends The Public Service Pensions (Employer Cost Cap) Regulations 2014. Regulation three of which sets out the specified margins for the cost cap introduced by the Public Service Pensions Act 2013. The specified margins are the margins in which scheme costs must remain before corrective action is taken. The margins are currently set at two percentage points above and below the employer cost cap rate. The new regulations amend this to three percentage points.

Last year, HMT reviewed the cost cap process and announced three changes. We covered the review in [Bulletin 215](#). The new regulations implement one of those changes.

HMT intends that all three changes will be in place for the 2020 cost cap valuation.

TPO

Annual Report and Accounts for 2021/22

On 14 July 2022, The Pensions Ombudsman (TPO) published its Annual Report and Accounts for 2021/22.

For more information, see [the press release announcing the publication](#).

Select Committee approves DWP's preferred candidate for next ombudsman

On 13 July 2022, the Work and Pensions Select Committee met and approved the Department for Work and Pensions' (DWP) preferred candidate for the role of pensions ombudsman and Pension Protection Fund ombudsman.

On 11 July 2022, DWP [announced Dominic Harris as their preferred candidate](#). The appointment was subject to a pre-appointment hearing by the Work and Pensions Select Committee.

Dominic Harris is a Partner in the Pensions Team at law firm CMS. He also serves as Chair of the Investment and Defined Contribution Committee of the Association of Pension Lawyers.

We are waiting for the DWP to confirm the appointment. If appointed, Dominic will replace Anthony Arter, who has held the role since May 2015.

TPO McCloud factsheet published

On 20 July 2022, TPO published [a factsheet on McCloud](#).

The factsheet sets out TPO's views on what affected members and schemes can do now and TPO's present approach to dealing with McCloud complaints.

TPO's general starting position is that it would not investigate McCloud complaints. This is because it acknowledges that the Government is taking steps to address the discrimination with retrospective effect. TPO will, however, carefully look at the facts of each case before deciding whether to investigate. The factsheet sets out examples where TPO may decide to investigate a McCloud complaint now.

TPR

Annual Report and Accounts for 2021/22

On 14 July 2022, TPR published its Annual Report and Accounts for 2021/22.

For more information, see [the press release announcing the publication](#).

Joint statement on transfer regulations

On 5 July 2022, TPR and the DWP issued [a joint statement](#) on the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021.

The statement responds to concerns expressed about how the regulations are being applied. In particular, where overseas investments or small-scale incentives feature in the transfer. The concern is that the regulations are causing low-risk transfers to be blocked or delayed.

The statement reminds pension schemes that it was not intended for the regulations to capture transfers that previously caused no concern.

The DWP will consider the concerns when it next reviews the regulations.

To also address the concerns, TPR has updated its [guidance on the regulations](#). The guidance now confirms that the regulations do not prevent schemes making a non- statutory transfer where the regulations prohibit a statutory transfer. For example, where a red flag is present but the pension scam risk is low. Non-statutory transfers are transfers where the member is not entitled to the transfer under the Pension Schemes Act 1993. The pension scheme may for example rely on their scheme rules to pay it. In the LGPS, administering authorities may only pay transfers where the member is entitled to it under the Act. There is an exception to this where the member left before April 1998 with no entitlement to deferred benefits. See our technical guide on transfers out for more information. You can access the guide on the:

- [administrator guides and documents](#) page of www.lgpsregs.org, and
- [administrator guides and documents](#) page of www.scotlgpsregs.org.

Pensions dashboards

Blog published from Moneyhub

On 7 July 2022, the Pensions Dashboards Programme (PDP) published [a blog from Dave Tonge, Chief Technology Officer at Moneyhub](#).

Moneyhub has been helping the PDP develop pensions dashboards.

In the blog, Dave reflects on a key lesson from the alpha build phase, how multiple dashboards will help consumers and the importance of the upcoming beta testing phase.

Dashboard Accuracy Data Guidance

On 4 July 2022, the Pensions Administration Standards Association published [the Dashboard Accuracy Data Guidance](#).

The guidance highlights the importance of regularly testing data for accuracy. This is particularly important for data that pension schemes will use when matching requests from the dashboards. The guidance provides information on how schemes could test their data and what data sources they could use.

DWP responds to consultation on the draft pensions dashboards regulations

On 14 July 2022, the Department for Work and Pensions (DWP) [responded to the consultation on the draft Pensions Dashboards Regulations](#).

DWP has also published [a summary of the key policies](#). The summary reflects the response to the consultation.

DWP consulted on the regulations between 31 January 2022 and 13 March 2022, which we covered in [Bulletin 220](#). We responded to the consultation in March 2022.

The key areas of the response that affect LGPS administering authorities are set out below. DWP will amend the draft regulations ('the Regulations') to reflect the response. We expect DWP to lay the Regulations before Parliament in autumn.

Staging deadline

The staging deadline for the LGPS and all other public service pension schemes will be deferred from 30 April 2024 to 30 September 2024.

Schemes will be expected to meet the required standards (connection, security and technical) by 30 September 2024. They must also, by that date, be able to respond to find requests, complete matching and provide administrative and signpost data on request.

Administering authorities will need to be able to provide value data (accrued and projected values) by 1 April 2025. Though they can provide this earlier if they wish.

Provision of value data from an annual statement

To accommodate fluctuations in the delivery of annual statements, value data will be derived from a statement provided to the member within the last 13 months. This is a change from the initially proposed 12 months.

Provision of value data for new members

The draft Regulations specifically provide for giving administrative data to new members but were silent on providing value data. A new member is defined within the draft regulations as a member who seeks view data within three months of joining a scheme.

The Regulations will be amended to cover value data for new members. The amendment will confirm that schemes should give value data to new members as soon as is practicable but no later than the earlier of:

- the point at which the first statement is produced for that member, or
- within 12 months of the end of the first scheme year in which the member joined the scheme.

Matching

DWP will amend the regulations to clarify what schemes must do when they return a possible match.

If a scheme is not confident that they can identify a match (because not all the matching criteria has been met), they should return a possible match. The intention is for schemes to provide a limited form of administrative data (such as the scheme's name and the administrator's details) with an error message. No personal details should be returned. The individual will then need to contact the scheme to find out if a full match can be made. If the individual:

- does not then contact the scheme within 30 days, the scheme must delete the find request
- does contact the scheme within 30 days and the scheme cannot resolve a match within a reasonable period (to be defined in matching guidance), the scheme must delete the find request
- does contact the scheme within 30 days and the scheme concludes a match is made, the scheme must re-register the pension identifier (PeI) from a possible match to a 'match made'. The scheme must then return the value data in line with the proposed timescales.

Management information and reporting

The existing proposals set out what management information administering authorities must provide on request to the Money and Pensions Service (MaPS), the Pensions Regulator or the Financial Conduct Authority. This includes information on the number of find requests, the matching process, positive matches, possible matches, view requests, queries and complaints. The Regulations will be amended to include a provision for more granular information to be provided for audit purposes.

Providing LGPS AVC data

The MaPS data standards, currently subject to consultation, propose for the scheme to decide whether to allow the AVC provider to return data in respect of an AVC plan. Alternatively, the scheme could gather the data from the AVC provider and present it alongside the scheme benefits.

The consultation response states that, in practice, DWP expects the data will be made available to the dashboards by the AVC provider. However, scheme managers and trustees are still legally accountable for ensuring this happens and should work with their AVC provider(s) accordingly.

Annualised accrued value – impacting on LGPS AVCs

To help individuals put into context and better understand their current defined contribution money pot, schemes will be required to provide annual income amounts as well as pot values. Amendments will be made to the FCA guidance to accommodate this provision.

Changing normal pension age to retirement date

References to 'normal pension age' will change to 'retirement date'. The 'retirement date' will have the same meaning as that set out in regulation 19(5) of the Disclosure Regulations 2013. This is either a date specified by the member and agreed by the administrators, or a date agreed by the administrators where no acceptable date is specified.

This is intended to give flexibility to those schemes who do not provide annual statements with reference to normal pension age. Also, it will be helpful to dashboard users who are above their normal pension age.

You can access the consultation documents on the:

- [non-scheme consultations](#) page of www.lgpsregs.org
- [non-scheme consultations](#) page of www.scotlgpsregs.org.

LGA response to further consultation on pensions dashboards

On 19 July 2022, we responded to the further consultation on pensions dashboards.

DWP launched the further consultation on 28 June 2022. We covered this in [Bulletin 226](#). The consultation included proposals on the 'Dashboard Available Point' (DAP).

In our response, we call for the Government to:

- commission market research on how many people are likely to connect to dashboards when they go live
- consider phasing publicising the DAP, possibly by age or region
- consider providing easements during the initial period after the DAP.

Our response can be found on the:

- [non-scheme consultations](#) page of www.lgpsregs.org, and
- [non-scheme consultations](#) page of www.scotlgpsregs.org.

PDP launches consultation and call for input on standards and guidance

On 19 July 2022, the Pensions Dashboards Programme (PDP) launched a [consultation on dashboard standards and guidance](#), and [a call for input on the design standards](#). Both the consultation and the call for input will close on 30 August 2022.

Standards and guidance

The standards detail how pension schemes and dashboard providers operationally, technically or in practice must meet their dashboard duties. The following six standards are published for consultation:

- data standards
- operational standards
- reporting standards
- security standards
- service standards
- technical standards (this comprises of the technical standards, the API standards and technical overview guidance).

The guidance provides further requirements that pension schemes must have regard to when complying with their dashboard duties. The following three sets of statutory guidance have been published for consultation:

- connection guidance
- data usage guide
- early connection guidance.

Call for Input on design standards

The PDP also launched a call for input on design standards.

The design standards will provide information to dashboard providers, as well as data providers, about required layouts, content elements, messaging and user journeys, to ensure a consistently positive experience for users, regardless of which dashboard an individual chooses. PDP is running the call for input to get feedback and thoughts on their developing ideas for Qualifying Pensions Dashboards design standards from the pensions industry and consumer groups.

Following this call for input, a consultation on the final design standards will run for six weeks.

Support webinars

To support respondents, the PDP hosted three webinars:

- Introduction to standards and the consultation – 21 July 2022
- Connecting to the pensions dashboards ecosystem – 25 July 2022
- Operating within the pensions dashboards ecosystem – 26 July 2022.

You can access the consultation documents on the:

- [non-scheme consultations](#) page of www.lgpsregs.org
- [non-scheme consultations](#) page of www.scotlgpsregs.org.

Action for administering authorities

Consider whether you wish to respond to the consultation.

Pensions Dashboard (Prohibition of Indemnification) Bill

On 15 July 2022, Guy Opperman MP, Pensions Minister, confirmed that the Government will support the Pensions Dashboards (Prohibition of Indemnification) Bill. This confirmation was given during the Bill's Second Reading in the Commons.

The Bill is a private members' bill and is sponsored by Mary Robinson MP. Most types of private member bills have little chance of becoming law without the Government's support.

The Bill will prohibit trustees and managers of occupational and personal pension schemes from being reimbursed out of scheme assets for any penalties imposed on them under the dashboard regulations.

The Bill will apply to England, Scotland and Wales. Also, officials at the Northern Ireland Executive have indicated that they would like the changes to apply to Northern Ireland.

See [the Bill's page](#) on www.parliament.uk for more information.

‘Prepare, connect, comply...and then what?’ webinar

The PDP recently held a webinar with Heywood Pension Technologies. The webinar was called ‘Prepare, connect, comply...and then what?’.

The PDP has published [a summary of the main topics discussed](#). The summary also includes a link to the webinar recording.

The PDP has also published [a video interview](#) between Chris Curry, PDP’s Principal, and Chris Connelly, Head of Propositions at Heywood Pensions Technologies. The interview explores their experience so far as an alpha participant.

Webinar for potential dashboard providers

Chris Curry, PDP Principal, recently hosted a webinar. The webinar provided updates for those interested in becoming a dashboard provider.

The PDP also published [a summary of the main topics relevant for dashboard providers](#). The summary included a link to the webinar recording.

Other news and updates

2022 National Knowledge Assessment

Following [the 2020 LGPS National Knowledge Assessment](#), Hymans Robertson will run their benchmark knowledge and skills assessment again this September. The assessment is aimed at pension Committees and local pension boards.

Administering authorities will be able to gain an understanding of the knowledge levels of both groups and how that compares with their peers. Questions will be split between technical, decision making and roles and responsibility, providing further information to administering authorities to aid the development of training plans.

You can find more information about the assessment, including a link to register interest, on [the relevant page of Hymans Robertson's website](#).

Commenting on the 2022 assessment Councillor Roger Phillips, SAB (England and Wales) Chair, said:

“We very much welcome the follow up assessment which will enable the Board, pension committees, local pension boards and other scheme stakeholders to assess and compare the levels of knowledge across key sectors since 2020.”

Communications Working Group minutes

The Communications Working Group met on 5 July 2022. We published the minutes on 11 July 2022.

Topics discussed at the meeting included:

- current working practices
- feedback about the new member website
- the news section on the member website
- the digital engagement project
- member engagement
- what communications the group will produce for McCloud
- update from the Joint communication group
- work plan
- chasing information from employers.

The Group asked us to remind administering authorities about a previous article we included in [Bulletin 211](#). The article is called ‘Making ABSs for active members available on a website’. The article sets out our understanding of what administering authorities must do to comply with the Public Service Pensions (Information about Benefits) Directions 2014. This includes that, in our view, administering authorities could make members aware annual benefit statements are available on a website via the employer. When doing so, administering authorities should satisfy themselves that the employer is able and willing to contact all relevant employees.

The Group agreed to remove the [COVID-19 FAQs for members](#). We will do this on 31 August 2022. If administering authorities wish to retain the COVID-19 FAQs for their members, they may copy any of the text to their own website or guides. When the FAQs are deleted, authorities will also need to amend any links to the FAQs.

The Group will next meet on 6 September 2022.

You can access the minutes on the:

- [Communications Working group](http://www.lgpsregs.org) page of www.lgpsregs.org
- [Communications Working group](http://www.scotlgpsregs.org) page of www.scotlgpsregs.org.

Action for administering authorities

Consider whether you wish to copy any of the text from the COVID-19 FAQs for members to your own website or guides. You will need to do this before 31 August 2022.

Cost cap control judicial review given permission to be heard

On 4 July 2022, the Fire Brigades Union and the British Medical Association were given permission to judicially review the UK Government's decision to include McCloud remedy costs in the 2016 cost control valuations. The cases will be heard together.

Though the case will look at the firefighters' and NHS pension schemes, the outcome may have an impact on the LGPS. This is because the first cost control valuations in the LGPS also included the McCloud remedy costs. See earlier article for the results of the first LGPS cost control valuation.

No date has been set for when the case will be heard.

Cyber Risk Made Simple Guide

The Pensions and Lifetime Savings Association (PLSA) has recently published ['Cyber Risk Made Simple Guide'](#). PLSA produced the guide in partnership with Aon and Crowe.

The guide explains the nature of the cyber threat to pension schemes. It also outlines 15 actions pension schemes may wish to take in response.

McCloud update from DLUHC

On 27 July 2022, Steven Moseley sent the following update to administering authorities in England and Wales and software suppliers on behalf of the Department for Levelling Up, Housing and Communities (DLUHC).

Earlier this year, the Public Service Pensions and Judicial Offices Act 2022 ("the 2022 Act") received Royal Assent. The 2022 Act provides powers for the Government to rectify the McCloud age discrimination across all affected public service pension schemes. In DLUHC, work continues on the steps to rectify the discrimination as it affects the LGPS in England and Wales. Later this year, we intend to publish the Government's response to [our 2020 consultation](#), in which we'll set out our decisions on the matters covered in that consultation. After the publication of the Government

response, the Scheme Advisory Board will resume their McCloud implementation groups (including representatives of different LGPS stakeholders), and the Department will attend those meetings.

Alongside the Government response, we intend to publish an updated version of the draft regulations implementing the McCloud remedy. The updated draft regulations will reflect the new powers in [Chapter 3 of Part 1](#) of the 2022 Act governing the statutory underpin, as well as technical feedback we received at the 2020 consultation and any changes in policy. To ensure the updated draft regulations are accurate in light of the changes made, they will be subject to a further period of consultation early in 2023. At that time, we will also consult on other aspects of the McCloud remedy which did not feature in our original consultation (for example, compensation and rates of interest). The regulations will be made later in 2023 and will come into force on 1 October 2023. We intend to issue statutory guidance on the implementation of McCloud in 2023 following a period of consultation.

This approach will ensure that the regulations, when made, will reflect all aspects of the remedy and have been appropriately scrutinised. We would encourage LGPS administrators to begin taking steps towards the implementation of McCloud remedy following the publication of the Government response, and will shortly be holding a meeting with software suppliers to discuss the implementation of the McCloud remedy to this timetable.

The Scottish Public Pensions Agency expect to follow a similar approach and we expect Scottish Ministers will bring forward equivalent legislation in Scotland to the same timescales. We expect the Department for Communities in Northern Ireland will also follow, as closely as possible, the same approach and timeframe when introducing equivalent legislation for the LGPS (NI).

Online pension surgeries

We delivered our second online pension surgery on 6 July 2022. Over 130 people attended the hour long surgery covering Stronger Nudge.

We would like to thank everyone who attended and participated. The surgery was structured around questions from the participants submitted before and during the event. Feedback from the event has been very positive.

Transfer out documents updated

On 21 July 2022, Jayne Wiberg emailed administering authorities to let them know we have published version 2.2 of the Non-Club Transfers Out Technical Guide and version 1.2 of the transfers out QROPS addendum.

On the same day, we also published version 2 of the Pensions Regulator's (TPR) transfer warning letter. This replaces TPR's COVID-19 transfer warning letter that was published in June 2020. It has been amended specifically for the LGPS.

Non-Club Transfer Out guide changes – version 2.2

We have changed the guide to:

- reflect that the TPR COVID-19 transfer warning letter is now the TPR transfer warning letter – see changes below
- make clear that where a deferred member has deferred benefits in different LGPS funds, administering authorities must apply the Conditions for Transfer rules in aggregate to the deferred benefits. Administering authorities will need to work together to ensure that any additional information requested is only requested once. The same principle equally applies to pension credit members with more than one credit or members with more than one AVC fund
- note that where the administering authority decides a red or amber flag is present but a scam risk is low, the authority cannot choose to pay a non-statutory transfer. TPR has updated their guidance to reflect that this might be possible but only where the scheme rules allow. The payment of non-statutory transfers to a non-club scheme is not permitted from the LGPS, bar one exception in relation to deferred refunds
- confirm that members will not be able to search the MoneyHelper website to book a scams guidance session. Administering authorities should provide the link to the member
- include more information on what administering authorities should do if they become aware of a pension scam together with reference to the new guide from TPR on reporting pension scams
- include a new paragraph within the Cash Transfer Sum (CTS) section titled 'Must any AVCs built up in the same employment as the deferred refund be transferred?'. The new paragraph confirms that where this is the case, the AVCs must be transferred at the same time as the CTS
- update the meaning of 'Independent' within the definition of 'Appropriate Independent Advice'
- reflect an update to TPR guidance concerning red flag five. Red flag five covers members being offered incentives to transfer. The TPR guidance

says that where a particular incentive is not included within the regulations, TPR expects you to assess whether the incentive is one that indicates a heightened scam risk.

Transfers out QROPS addendum changes – version 1.2

We have updated the addendum to reflect that TPR guidance now states that the residency link should be assessed on the date the administering authority receives the election to transfer.

TPR transfer warning letter – version 2.0

TPR updated their COVID-19 transfer warning letter to be simply a 'transfer warning letter' that should accompany all transfers. The letter has been revised to remove references to COVID-19 and the fact that 'legislation gives the member a right to transfer'. The 'right to transfer' has been removed to reflect the changes brought about by the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021.

You can access the transfer out guide and the QROPS addendum on the:

- [administrator guides and documents](#) page of www.lgpsregs.org
- [administrator guides and documents](#) page of www.scotlgpsregs.org.

You can access the TPR transfer warning letter on the:

- [The Pensions Regulator](#) page of www.lgpsregs.org
- [The Pensions Regulator](#) page of www.scotlgpsregs.org.

Action for administering authorities

Review the changes and update your processes.

Training

Employer role training

There are still places available on the employer role training we will run in September online.

Use the links below to see more information about the training and make a booking. Please let your employers know about the training.

[Employer role training - 13 September 2022 Online](#)

[Employer role training - 20 September 2022 Online](#)

Action for administering authorities

Let your employers know about the places still available.

Fundamentals 2022

Our Fundamentals training programme for this year is proving very popular.

The training will be run face to face in two locations, London and Birmingham and we will also be running a separate online session.

Fundamentals is a three-day training course aimed at elected members and others who attend pension committees/panels and local pension boards. Attending all three days will assist delegates in meeting the relevant requirements for knowledge, skills and understanding either required in statute or encouraged by relevant guidance. Each day has a different theme and will include sessions delivered by experts in their field. The event also provides delegates with valuable networking opportunities. Early booking is recommended as places are limited. We are unable to take manual bookings.

Each event below has a link to take you directly to the booking page of that session.

[Fundamentals Day 1 – 18 October 2022 online](#)

[Fundamentals Day 1 – 20 October 2022 Westminster](#)

[Fundamentals Day 1 – 27 October 2022 Birmingham](#)

[Fundamentals Day 2 – 10 November 2022 Westminster](#)

[Fundamentals Day 2 – 16 November 2022 Birmingham](#)

[Fundamentals Day 2 – 22 November 2022 online](#)

[Fundamentals Day 3 – 6 December 2022 Westminster](#)

[Fundamentals Day 3 – 14 December 2022 Birmingham](#)

[Fundamentals Day 3 – 20 December 2022 online](#)

The booking page for all LGA events is: www.local.gov.uk/events.

LGPS Governance Conference 2023

Booking is now open for the LGPS Governance Conference 2023.

The conference is taking place on 19-20 January 2023 at the Cardiff Marriott Hotel. You can attend the conference in person or join us online.

The conference is aimed at elected members and others who attend pension committees/panels and local pension boards. Past delegates include elected

members, trades union representatives, member and employer representatives, as well as a variety of officers who attend and support committees.

You can book and view the programme using the links below. An updated programme with confirmed speakers will be published shortly. Please note we do not take manual bookings.

- [book to attend in person](#)
- [book to attend virtually](#).

Legislation

Statutory Instruments

[The Public Service Pensions \(Employer Cost Cap and Specified Restricted Scheme\) Regulations 2022 \[SI 2022/787\]](#)

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.

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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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