

LGPC Bulletin 229 – September 2022

Local Government Pensions Committee (LGPC)
Secretary, Lorraine Bennett

This bulletin contains updates for all LGPS stakeholders. It includes important articles on:

- [Data collection for colleges](#) – provide GAD with the information requested by 21 October 2022.
- [Survey on funding strategy statement guidance](#) – complete the survey.
- [New Scottish member website and LGPS brand](#) – update communications.
- [Your LGPS contacts](#) – make sure your contacts are up to date.

which need action by certain stakeholders.

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)

Data collection on colleges

On 23 September 2022, Jeremy Hughes emailed managers at administering authorities. Jeremy sent the email on behalf of Teresa Clay, Head of Pensions at the Department for Levelling Up, Housing and Communities (DLUHC) and Joanne Donnelly, Scheme Advisory Board Secretary.

The email sets out a request from the Department for Education (DfE) for additional data on colleges. It provides further information on the data request, including what data is needed and how to provide it. The request follows recent discussions with DfE, SAB and DLUHC.

DfE will use the data to better understand Colleges' funding requirements and consider the merits of providing additional covenant assurances. For example, a guarantee like that provided for academies. Commissioning of the work is not an indication that a guarantee will be automatically provided.

DfE wish to consider the available options as soon as practical in the autumn.

To support this review and facilitate efficient, timely receipt of data from the actuaries, DLUHC and the Scheme Advisory Board (SAB) have proposed that:

- actuaries will invoice SAB directly for their time, and DfE will provide the required funding to SAB with no additional fees incurred by administering authorities; and
- actuaries will provide the requested data directly to GAD no later than 21st October 2022.

DLUHC and SAB will continue to work with DfE and other stakeholders to support the review.

Please let DLUHC - LGPensions@levellingup.gov.uk know if you have any further queries about this work or you did not receive the email.

Action for LGPS actuaries

Provide the information to GAD by 21 October 2022.

Letter about discrimination in the LGPS sent to minister

On 26 August 2022, Cllr Roger Phillips, Chair of the SAB, wrote to the Local Government Minister, Paul Scully. [The letter to the minister](#) recommends amending the regulations on death grants and survivor benefits.

The SAB expressed concern about continuing to restrict death grants to cases where the member died before age 75. It considers the restriction may be at risk of legal challenge and should be removed.

The SAB reminded the minister that the LGPS rules on survivor benefits have not yet been amended to reflect the Goodwin judgment. It has previously recommended the Government investigate the feasibility of removing all differences in the survivor benefit rules.

Survey on funding strategy statement guidance

On 15 September 2022, Gareth Brown sent an email to administering authorities asking them to complete a survey commissioned by the Compliance and Reporting Committee. The survey seeks opinions on the funding strategy statement guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Committee was established by the SAB and is tasked with drafting updated guidance. Feedback from the survey will assist with this.

A link to the survey was sent with the email and should take around 10 minutes to complete.

Action for administering authorities

Complete the survey.

SAB update

You can use the links below to find out about the latest updates on the work of the SAB and its committees:

- [SAB meeting and agenda papers](#)
- [committee meetings and agenda papers](#)
- [Responsible Investment Advisory Group meetings and agenda papers](#)
- [news items](#).

LGPS England & Wales

Calculating protected final pay

We recently received a query on how to calculate final pay under regulation 10 of the LGPS (Benefits, Membership and Contributions) Regulations 2007. In particular, the query was about the earliest three-year period that can be used.

We believe it would be helpful if we shared our understanding. We have done this with an example.

Example

The member left active membership on 30 September 2022 having joined in 2002. The member is eligible to choose for their final pay to be calculated under regulation 10.

Regulation 10(4) sets out how to calculate the final pay:

Subject to regulations 8(3) and 8(4), the calculation mentioned in paragraph (1) is made by dividing by three the member's total annual pensionable pay in any three consecutive years of the member's choice, ending with 31st March, within the period of thirteen years ending with the member's last day as an active member.

The 13-year period begins with 1 October 2009 and ends with 30 September 2022. In our view, each consecutive three-year period ending on 31st March must fall, in its entirety, within the 13-year period. Therefore, the earliest three-year period runs from 1 April 2009 to 31 March 2012 cannot be used.

Governance and reporting of climate change risk consultation

On 1 September 2022, the Department for Levelling Up Housing and Communities (DLUHC) launched [a consultation called 'Governance and reporting of climate change risks'](#).

The consultation seeks views on proposals to require administering authorities to assess, manage and report on climate-related risks, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures.

The consultation closes on 24 November 2022.

Technical queries with DLUHC

We publish a list of technical queries we have outstanding with DLUHC.

We have revised this list so that the queries are grouped within regulatory order within each category. We have deleted queries that have been resolved or are no longer required.

If you have a technical query, please check this list before raising your query with us using query.lgps@local.gov.uk.

The list can be found in the [Technical group page](#) of www.lgpsregs.org.

TPS McCloud remedy and the LGPS

The implementation of the McCloud remedy in the Teachers' Pension Scheme (TPS) means that some teachers will be retrospectively eligible for the LGPS for the period from 1 April 2015 to 31 March 2022.

This is provided for in the Public Service Pensions and Judicial Offices Act 2022 (2022 Act). Chapter 1 of Part 1 of the 2022 Act defines remediable service as including 'excess teacher service'. The Department for Education (DfE) and the Department for Levelling Up, Housing and Communities (DLUHC) will consult on how this will work in practice in due course.

Background

TPS final salary scheme (legacy scheme) - if a teacher has a part time employment in addition to a full time employment, the part time employment (or excess teacher service) was not pensionable in the TPS final salary scheme.

Where the employer offers the LGPS, the teacher would have been eligible to join the LGPS in respect of the part time employment. This is because the LGPS regulations provide for membership if a person is employed by a Scheme employer and is not entitled to membership of another public service pension scheme in respect of that employment.

The Scheme employer would have enrolled the teacher into the LGPS in respect of the part time employment in accordance with the LGPS regulations.

TPS CARE scheme (reformed scheme) – if a teacher has a part time employment in addition to a full time employment, both employments are pensionable in the TPS CARE scheme. As a result, teachers in the TPS CARE scheme are not eligible to be members of the LGPS in respect of the part time employment.

The TPS legacy scheme is closed to all pension build up from 1 April 2022. All future TPS pension build up is in the reformed scheme – this includes any part time employments where the teacher also has a full time employment.

McCloud remedy in the TPS

As part of the TPS McCloud remedy, all eligible members who were in the TPS reformed scheme will initially be rolled back into the TPS legacy scheme for the

remedy period. The remedy period in the TPS runs from 1 April 2015 to 31 March 2022.

When a member takes payment of their pension, they will decide if they want to take the benefits built up in the remedy period as either legacy or reformed benefits. This is called the Deferred Choice Underpin (DCU). If a member has already taken payment of their pension, they will be given an immediate choice as soon as possible after 1 October 2023.

The 2022 Act sets out the approach that will apply for members with excess teacher service. Because reformed scheme benefits are initially being rolled back into the legacy scheme, any additional part time employments will retrospectively change from being pensionable under the TPS CARE scheme to pensionable in the LGPS for the remedy period. Members who meet the LGPS qualifying criteria will receive underpin protection in the LGPS.

Teachers who remain in (or restart) employment after 31 March 2022 will have the opportunity to transfer the membership from the LGPS to the TPS.

Where a teacher keeps their excess teacher service in the LGPS and subsequently makes their choice on whether to have reformed or legacy scheme benefits for their main TPS record, this decision will not affect their LGPS membership for the remedy period. The LGPS will remain the member's appropriate scheme for their excess teacher service for the remedy period.

Administration impact

DfE has estimated that approximately 18,000 teachers are in scope. These will be a mix of active, deferred and pensioner members.

Pensioner members who were not protected, or only partially protected, by the original transitional protection will be asked to make an immediate choice by the TPS. They will be asked to decide if they wish to take final salary (legacy) or CARE (reformed) scheme benefits in respect of their service during the remedy period. If they choose final salary, the excess teacher service will be retrospectively pensionable in the LGPS for the appropriate period. The resulting LGPS pension will need to be put into payment immediately, with an adjustment for any over or under payment.

This exercise is going to be administratively challenging for both the TPS and LGPS administering authorities. We will work with DfE and DLUHC to agree a process for dealing with these cases. This will involve considering:

- how to identify affected members

- adjusting employee and employer contributions
- obtaining data to create LGPS member records
- how to deal with any additional pension contracts
- adjustments where benefits are already in payment
- transfers back to the TPS after the remedy period.

This list is not exhaustive. We will provide more information in due course.

LGPS Scotland

New member website and LGPS brand

On 5 September 2022, Lorraine Bennett emailed administering authorities letting them know the new member website and new LGPS brand are live.

The address of the website is www.scotlgpsmember.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.scotlgpsregs.org.

- Infographic (PDF) – this is a visual representation explaining our key objectives for, and the benefits of, the 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.
- 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.scotlgpsregs.org for a file containing all the different versions of the logo.

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

APC calculator

The website contains a new APC calculator. We have placed a redirect on the old APC calculator. This will remain in place for at least 6 months.

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.

Administering authorities should consider updating links to the old APC calculator to the new calculator as soon as you are able to.

Administering authorities should check that the information on the [contact your fund page](#) is correct and update it using the [Your LGPS contacts system](#) if it's not.

SAB Annual Report 2020/21 launched

The Scheme Advisory Board (SAB) recently published [the Annual Report 2020/21](#). The Report aims to provide a primary source of information about the Board's work over the last financial year (2020/21) for members, employers and other stakeholders. The Report also summarises the financial position of the Scottish funds and provides membership statistics.

HMRC

Newsletter 142

On 31 August 2022, [HMRC published pension schemes newsletter 142](#). The newsletter includes articles:

- normal minimum pension age – updates to the pensions tax manual
- migrating your pension schemes – take action now
- Accounting for Tax returns – can no longer be completed for any quarter from 1 April 2020 using the pension schemes online service
- new scams strategy from The Pensions Regulator – see [bulletin 228](#) for more information.

TPO

New Pensions Ombudsman

On 31 August 2022, [Dominic Harris was confirmed](#) as the new Pensions Ombudsman (TPO). See [bulletin 227](#) for more information.

He will start his appointment from 16 January 2023. The current Pensions Ombudsman, Anthony Arter, will remain in post until 15 January 2023.

News – September 2022

On 6 September 2022, [TPO published its September 2022 news](#).

It contains information about September's events, TPO resources and the latest determinations.

TPR

TPR warns employers about auto-enrolment duties

On 26 September 2022, the Pensions Regulator (TPR) published [a press release](#) warning employers to ensure they are complying with their automatic enrolment duties.

The warning follows a series of in-depth compliance inspections with more than 20 large employers earlier this year. The employers are from the transport, hospitality, finance and retail sectors. TPR found several common errors in respect of calculating pension contributions and communications to staff.

Other news and updates

Broad comparability assessments resume in full later this year

The Government Actuary's Department (GAD) announced on 22 September 2022 in [a press release](#) that it will resume broad comparability assessments in full this autumn.

In August 2020, GAD paused the assessments due to uncertainties from the McCloud judgment. Earlier this year, GAD partially resumed assessments. These assessments were for service from April 2022 only.

For more information, see [the guidance on staff transfers: public service schemes](#).

CWG minutes published

The Communications Working Group (CWG) met on 6 September 2022. At that meeting, the group discussed:

- member websites for Scotland and England & Wales
- website accessibility
- national pension awareness campaigns

- member engagement
- the latest on McCloud and pensions dashboards.

You can find the group's workplan and minutes from past meetings on the:

- [Communications Working Group](#) page of www.lgpsregs.org and
- [Communications Working Group](#) page of www.scotlgpsregs.org.

Hymans Robertson launch LGPS knowledge assessment

On 28 September 2022, Hymans Robertson launched their new LGPS national knowledge assessment. The assessment gauges level of knowledge and understanding in the LGPS.

We covered the 2022 national knowledge assessment in [bulletin 227](#). For more information see [Hymans Robertson press release](#).

Ministerial 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.

On 20 September 2022, it was announced that Guy Opperman MP has been relieved of his duties as Pensions Minister. He was the UK's longest serving pensions minister, being in post for five years.

On 21 September 2022, the Government announced that Alex Burghart MP will take up the role of Pensions Minister.

National LGPS Technical Group minutes published

The minutes of the National LGPS Technical Group meeting held on 2 September 2022 were published on 7 September 2022.

Topics discussed included McCloud, Pensions Dashboards, AVCs, life assurance AVCs, transfers and the cost of living crisis.

The next meeting will be held on 9 December 2022.

You can find the minutes on the:

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

National LGPS Technical Group recommendations on frozen refunds

In [bulletin 223](#) we reminded administering authorities of the National LGPS Technical Group recommendation on how to treat a frozen refund where a benefit is in payment with a different administering authority. The Group recommended that “an interfund should be paid across to the new fund and benefits recalculated.”

We need to qualify this recommendation with two exceptions. The:

- first is where the member left active membership of the 2014 Scheme (or 2015 Scheme in Scotland) with a deferred refund and returned having had more than a five year break
- second is where the member left active membership before 1 April 1974 with only a right to a refund of contributions.

In both instances the only option is a refund of contributions because the option to aggregate is not present in these circumstances. The refund will be an unauthorised member payment because payment will not wipe out all the member’s LGPS benefits - as the member will still have a pension in payment.

Your LGPS contacts

We would like to remind all administering authorities that you are responsible for updating your own contacts using the [‘Your LGPS contacts’ system](#).

We are receiving a high volume of undeliverable messages when we send out communications, particularly to finance and political contacts.

Also, if you are a pensions manager, please make sure to record your ‘type’ as pensions manager. That way when we send confidential information to pensions managers you can be sure to receive it.

Action for administering authorities

Review your LGPS contacts to make sure they are up to date.

Training

Final pay bitesize training

We have recently published final pay bitesize training. This free, interactive training is aimed at employers and payroll providers in England and Wales. It covers how to calculate final pay for members with final salary benefits. Final salary benefits were generally built up before April 2014. It also covers final pay protection where a member’s pensionable pay is reduced or restricted in certain circumstances.

A text only version of the course is also available.

You can find the final pay bitesize training on the [employer bite size training](#) page of www.lgpsregs.org.

Action for administering authorities

Let your employers know about this training.

Fundamentals 2022

Our Fundamentals training programme will be run face to face in London and Birmingham, and we will also run 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 offers valuable networking opportunities. We recommend early booking because places are limited. We are unable to take manual bookings.

Each event below has a link to take you directly to the booking page for 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 will take place on 19 and 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. We are unable to take manual bookings.

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

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

Wider landscape

Growth Plan 2022

On 23 September 2022, the Chancellor, Kwasi Kwarteng, published [the Growth Plan 2022](#).

Alongside announcing various tax cuts, the Plan confirms that the Government will bring forward legislation removing certain performance fees from the defined contribution pension charge cap. It also announces that, despite the basic rate of income tax reducing from 20 per cent to 19 per cent in England, Wales and Northern Ireland next April, tax relief will continue to be given at 20 per cent by HMRC for a further year under the relief at source method. The LGPS provides tax relief using the net pay arrangement method.

High Court dismisses challenge against RPI reform

[The High Court dismissed](#) the judicial review claim brought by the British Telecom, Ford and Marks & Spencer pension schemes. This followed the UK Statistics Authority's decision to align the Retail Price Index (RPI) with a housing cost-based version of the Consumer Price Index from 2030.

See [bulletin 196](#) and [bulletin 206](#) for more information.

Pensions awareness campaign postponed

Following the passing of Her Majesty Queen Elizabeth II, the pension awareness campaign planned for 12 to 16 September was postponed. It will now take place between 31 October and 4 November.

See [bulletin 228](#) for information on the awareness campaign.

Useful links

[LGA Pensions page](#)

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

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

[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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