



LGPC Bulletin 241 – August 2023

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

- [finance and political contacts for SAB England & Wales](#) – please review
- [LGPS qualification survey results](#) – respond if you have not already
- [aggregation leaflets and template letters published](#) – consider whether to use them
- [ill health retirement bite-size training published](#) – inform employers
- strike action FAQs published ([England & Wales](#)) and ([Scotland](#)) – inform employers and publicise FAQs
- [second set of rectification regulations laid](#) – review and implement
- [commissioning retirements training](#) – discuss in pension officer groups

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

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Local Government Association

Recruiting for an LGPS Training and Development Adviser

We are recruiting for an LGPS Training and Development adviser. This is a newly created role and can be home based or office (London) based. The closing date for applications is 24 September 2023. Interviews will be held virtually on 10 October 2023.

The successful candidate will join the training section of the LGPS team. They will be responsible for leading on a project to deliver an LGPS specific qualification as well as developing and delivering training to pension administrators, employers, councillor and local pension board members.

For more information and to apply, see [the relevant page of the Jobtrain website](#).

If applicants would like an informal chat about the role, please contact [Lorraine Bennett](#).

LGPS England & Wales Scheme Advisory Board (SAB)

2022 Scheme valuation report

On 10 August 2023, the SAB published [its 2022 Scheme valuation report](#). The report is compiled from data drawn from local fund valuation reports. It shows:

- the average funding level has improved from 98 per cent in 2019 to 107 per cent in 2022 (on local funding bases) – all fund valuation reports show an improvement since 2019
- the average contribution rate to meet future service costs rose from 18.6 per cent of payroll in 2019 to 19.8 per cent of payroll in 2022
- overall contribution rates fell from 22.9 per cent of payroll in 2019 to 21.1 per cent of payroll in 2022 – this reflects lower deficit contributions
- employee contribution rates marginally increased from 6.5 per cent of pay to 6.6 per cent.

The report also looks at the main assumptions used by administering authorities in their 2022 valuations, looking at trends around the setting of the discount rate, life expectancy and future expectations for inflation and salary increases.

The SAB thanks Barnett Waddingham for its help in drafting the report.

Cost transparency roadshows

The SAB secretariat is running a series of free training sessions on investment cost transparency. These are for local pension board members, committee members and fund officers.

The sessions will provide:

- an explanation of the purpose and background of SAB's ground-breaking code of transparency
- a case study from an administering authority on how investment cost information is used
- a troubleshooting session for officers on how to use the online reporting system
- a facilitated discussion for officers on the information they should be receiving and how this information should be reported to pension boards and committees.

You can book online using payment code 'SAB2023' through the [LGA events page](#).

Links to individual sessions are below:

- [12 September 2023](#) – Wolverhampton 2.00pm to 5.00pm
- [13 September 2023](#) – Leeds 2.00pm to 5.00pm
- [21 September 2023](#) – Edinburgh 11.30am to 3.00pm
- [26 September 2023](#) – Cardiff 12 noon to 3.00pm
- [28 September 2023](#) – online 10.00am to 12.00noon
- [18 October 2023](#) – London 10.00am to 1.00pm

At the online session on 28 September 2023, there will be no opportunity to address individual issues with accessing or using the Byhiras system.

We encourage members and officers to sign up to attend a session wherever possible. Please [contact the SAB Secretariat](#) if you have any queries or issues booking your place.

Finance and political contacts - update

The SAB Secretariat would be grateful if all administering authorities would review their finance and political contacts on '[Your LGPS Contacts](#)' as soon as possible.

The SAB secretariat has been receiving a high volume of undeliverable messages when sending emails using the finance and political contacts.

Administering authorities are responsible for maintaining their contacts details on [‘Your LGPS Contacts’](#). Authorities should regularly review their details to ensure they remain accurate and up to date.

Action for administering authorities

Review and update your finance and political contacts on [‘Your LGPS contacts’](#).

Gender pensions gap working group

Following on from the LGPS gender pensions gap reports (see [Bulletin 240](#)), the SAB is setting up a small working group to consider next steps. The group will be looking at key areas such as:

- are there any in-scheme changes that would help address the levels of inequality – for example around the ability to buy back service
- can employers be directed to best practice in managing the career paths of those who take time off for caring responsibilities
- how to communicate with members to ensure they are informed about the potential pension implications of the career choices they make
- how to mainstream this kind of analysis to properly evaluate “what works” and how much is left to do.

If you are interested in taking part in the working group, please [contact the SAB Secretariat](#) directly.

Surpluses working group

The SAB plans to set up a small working group to look at the issues presented by the improving funding position across the Scheme. The objective is to provide general advice for administering authorities and employers that are in surplus or are likely to become so.

The kinds of issues this raises include:

1. What impact could / should being in surplus have on employer contributions?
2. When is it appropriate to set a negative secondary contribution rate?
3. What impact could / should being in surplus have on investment and funding strategies? While open defined benefit schemes may not need to de-risk, some:
 - employers in the scheme might prefer such a strategy
 - funds may be looking at a different strategy that enables them to realise more of their surplus.

4. How to best communicate being in a surplus position to employers and member representatives? Are communications needed for:

- admitted bodies which could exit and have received their international accounting standard 19 figures showing substantial surpluses
- scheduled bodies which cannot exit but still have questions about the benefits of a surplus position.

If you are interested in discussing how to take part in the group, please [contact the SAB Secretariat](#) directly.

Website

[The SAB's website](#) provides information about the Board's work. Use the links below to find out more about:

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

LGPS England & Wales

LGPS qualification survey results

In [bulletin 240](#), we informed you we are proposing to work with the Pensions Management Institute to produce an LGPS specific qualification. As this will involve significant resource from the LGA, we confirmed we will only proceed with the proposal if 75 per cent of administering authorities in England and Wales agree to it in principle.

We asked the organisation providing the pensions administration for your authority to let us know if they support the proposal by reading the [LGPS apprenticeship and qualification proposal](#) and then completing the [Apprenticeship and qualification: next steps survey](#).

We received 59 responses to the survey representing 68 per cent of administering authorities. Although all the responses were in support of the proposal, we do not have the necessary 75 per cent to proceed. We have extended the closing date of the survey to 8 September 2023 and strongly encourage those who have not yet responded to do so. To check if your authority has responded see the [list of non-respondents](#).

The survey should be completed by the organisation that provides the pensions administration for your administering authority.

We only require one response per organisation.

Action for administering authorities

If your authority has not responded, complete the [Apprenticeship and qualification: next steps survey](#) before 8 September 2023.

Aggregation leaflets and template letters published

On 8 August 2023, Rachel Abbey emailed administering authorities ('authorities') letting them know we have published new aggregation leaflets and template letters ('the documents'), for members.

The documents include information we recommend is provided to members with an aggregation option. They are published in Word, so authorities can easily create their own versions.

We created the documents to be sent in paper form. Authorities will need to make changes to reflect local processes, such as electronic communications. We have not made adjustments for accessibility or positioning of page breaks, as these are affected by the communication format and any branding or additional information added.

The documents should be read together with our aggregation technical guide.

These documents were produced in conjunction with the Communications Working Group. We thank members for giving their time and expertise.

You can access the documents and aggregation technical guide on the [Administrator guides and documents](#) page of www.lgpsregs.org.

Action for administering authorities

Consider whether to use the new leaflets and template letters.

Ill health retirement bite-size training

On 8 August 2023, Lisa Clarkson emailed authorities letting them know we have published ill health retirement bite-size training for employers.

The training is free and interactive. It covers the ill health retirement process, including the criteria, decision-making process and benefits payable. There are

separate courses covering active and deferred members. Text only versions are also available.

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

Action for administering authorities

Let your employers know about the training.

Strike action FAQs published

On 8 August 2023, Lisa Clarkson emailed administering authorities letting them know we have published employer and member frequently asked questions (FAQs) about strike action. The FAQs cover the common questions asked when LGPS members take strike action.

You can access the:

- employer FAQs on the [employer guides and documents](#) page of www.lgpsregs.org
- member FAQs on the [frequently asked questions](#) page of www.lgpsmember.org.

Action for administering authorities

Let your employers know about the employer FAQs and publicise the member FAQs.

LGPS Scotland

Strike action FAQs published

On 8 August 2023, Lisa Clarkson emailed administering authorities letting them know we have published employer and member frequently asked questions (FAQs) about strike action. The FAQs cover the common questions asked when LGPS members take strike action.

You can access the:

- employer FAQs on the [employer guides and documents](#) page of www.scotlgpsregs.org
- member FAQs on the [frequently asked questions](#) page of www.scotlgpsmember.org.

Action for administering authorities

Let your employers know about the employer FAQs and publicise the member FAQs.

HMRC

Second set of rectification regulations laid

On 17 August 2023, the Government laid [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No.2\) Regulations 2023](#). The regulations come into force on 14 September 2023. See [bulletins 238 and 239](#) for more information.

The regulations address issues not dealt with by the first set of regulations ([The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023](#)). As is relevant for the LGPS, the second set of regulations:

- ensure previously paid small pot payments or trivial commutation lump sum death benefit payments, do not become unauthorised due to the McCloud remedy (regulations 8 and 10)
- subject to conditions, they authorise top-ups to previously paid small pot payments due to the McCloud remedy in respect of members who have since died after receiving the original payment (regulation 9)
- subject to conditions, they authorise arrears of survivor pensions due to the McCloud remedy where the survivor has since died or where the survivor was an eligible child and no longer meets the definition (regulation 11)
- ensures reductions to pensions in payment due to the McCloud remedy, do not cause the pension to become unauthorised (regulation 14)
- sets out how to treat lifetime allowance excess lump sums where, due to the McCloud remedy, all or some of the lump sum no longer meets the required conditions (regulation 16)
- sets a deadline of 1 April 2027 for administering authorities to apply to HMRC for repayment of overpaid annual allowance charges, as result of the first set of regulations removing the underpin from annual allowance calculations (regulation 27)
- sets out provisions regarding administration, such as a separate reporting framework instead of Self-Assessment (part 6).

For more information on the second set of regulations, see [guidance from HMRC](#). However, this guidance has not been updated to reflect the final version of the

regulations. To complement the guidance and explain any changes due to consultation feedback, on 18 August 2023 HMRC published [a public service pensions remedy newsletter](#). The newsletter covers:

- reporting of annual allowance tax charge for 2022 to 2023
- scheme administrator applications for repayment of overpaid tax
- lifetime allowance excess lump sum that is no longer a lifetime allowance excess lump sum due to the remedy
- changes consequential to the Finance (No.2) Act 2023.

You can access the regulations, consultation documents and our response on the non-scheme consultations pages of www.lgpsregs.org and www.scotlgpsregs.org.

Action for administering authorities

Assess the impact of the regulations and implement accordingly.

Pensions dashboards ('dashboards')

Deferred connection guidance updated

On 9 August 2023, the Department for Work and Pensions (DWP) updated the [deferred connection guidance and forms](#).

The updates reflect the changes made by the Pensions Dashboards (Amendment) Regulations 2023, which came into force on 9 August 2023. In particular, the changes made to the connection deadline and the deferred connection rules. The connection deadline for all relevant schemes is 31 October 2026.

The guidance is for trustees and managers of relevant occupational pension schemes wishing to apply to defer connection beyond 31 October 2026. It sets out the rules, issues to consider, how to apply and how DWP will consider applications.

The latest date for applying is 8 August 2024.

PDP latest news

In August 2023, the Pensions Dashboards Programme (PDP) published its [August newsletter](#). There are articles on:

- the reset
- Financial Conduct Authority updated rules
- frequently asked questions on pensions dashboards

- inviting PDP to an event.
-

TPO

Incorrect information member factsheet

On 31 July 2023, the Pensions Ombudsman (TPO) published [a member factsheet called 'Incorrect information'](#).

The factsheet outlines what members should do if they have a complaint about receiving incorrect information.

TPR

McCloud - ABS 2023 to 2025

On 30 August 2023, the Pensions Regulator (TPR) has published [guidance on annual benefit statements \(ABS\) for 2023 to 2025](#) for public service schemes.

The guidance is primarily aimed at those schemes who will need to send remediable service statements to members affected by the McCloud remedy. LGPS administering authorities will not need to this.

TPR acknowledges the need for schemes to send these statements over the next two years may impact on their ability to produce accurate, complete and timely annual benefit statements.

The guidance sets out TPR's expectations. TPR accepts meeting the disclosure requirements due to the McCloud remedy may be challenging. As a result, they will take a risk-based, practical approach when assessing ABS breaches during 2023 to 2025.

Other news and updates

Communications working group – McCloud resources

We are working with the Communications working group to produce member resources relating to the McCloud remedy. We will publish these as soon as we are able, but some details will need to be finished when we see the final regulations. It is likely we will publish some of the resources on 1 October 2023, once the amended regulations are in force.

We wanted to take this opportunity to let administering authorities know what resources we will be providing. We hope this will help prioritise what to produce locally. We are working on:

- dedicated areas of the member websites (www.lgpsmember.org and www.scotlgpsmember.org) including information about the McCloud remedy, a video, frequently asked questions and an interactive tool for members to find out if they are affected
- a member factsheet in Word format that administering authorities can edit and adapt for their own use
- template paragraphs to add to existing member letters outlining how the McCloud remedy affects the calculation
- templates of new letters that will be needed for members affected by the McCloud remedy who have already left the LGPS.

Data guidance on DB benefit accuracy

On 14 August 2023, the Pensions Administration Standards Association (PASA) published [new data guidance on benefit accuracy for defined benefit \(DB\) schemes](#).

PASA previously issued [guidance focused on data quality](#) and they are now building on this by focusing on benefit accuracy.

Government Actuary appointed

On 2 August 2023, HM Treasury announced the appointment of Fiona Dunsire as the new Government Actuary. Fiona will join the Government Actuary's Department later in 2023 on a five-year fixed term appointment.

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

MaPS publish 2023/24 corporate plan

On 17 August 2023, the Money and Pensions Service (MaPS) published [its 2023/24 corporate plan](#).

The plan outlines five priority themes designed to help MaPs deliver its main services and to help savers get the guidance and advice they need on money, debt and pensions.

MaPS publish review into pension scams

On 10 August 2023, the Money and Pensions Service (MaPS) published [its evidence review into pension scams in the UK](#).

The key findings are:

- there remain significant challenges to estimate the scale of the problem
- the types of scams and tactics are very similar to investment scams
- the financial and emotional cost to individuals is high, going beyond financial loss and impacting on health and relationships
- scams can happen to anyone
- once an individual has been targeted, there is a high risk of retargeting
- government bodies, administrators and other organisations have at their disposal a range of touchpoints to provide strong protection against scams.

Training

Fundamentals training 2023

Our Fundamentals training for 2023 is open for booking.

Fundamentals is a three-day training course aimed at elected members and others who attend pension committees and local pension boards. Past delegates have also included trade union and employer representatives, and officers who support committees and boards. The course provides a scheme overview and covers current issues affecting administration, investments and governance of the LGPS. All sessions are delivered by experts in their field.

See the [course programme](#) for full details – the timings shown only apply to the in person sessions. We are running the training in person in two locations - London and Manchester, and online.

We have listened to feedback and will be delivering each day of the online sessions over two days. You only need to complete one booking per day – this will automatically book you on both of the half days. It is not possible to book for a half day. The online sessions will be delivered using Zoom.

Attending all three days will help delegates meet the relevant requirement for knowledge, skills and understanding either required in statute or encouraged by relevant guidance.

Cost

In person - £280 plus VAT per session. The price is inclusive of lunch and refreshments.

Online - £240 plus VAT per session.

We recommend early booking as places are limited. You can book online through the [LGA events page](#). We are unable to take manual bookings. Please find links to the individual sessions below.

- [Day 1 Manchester, 5 October 2023](#) location to be confirmed
- [Day 1 London, 12 October 2023](#) LGA offices
- [Day 1 online, 19/26 October 2023](#)
- [Day 2 London, 2 November 2023](#) LGA offices
- [Day 2 Manchester, 8 November 2023](#) location to be confirmed
- [Day 2 online, 16/23 November 2023](#)
- [Day 3 London, 5 December 2023](#) LGA offices
- [Day 3 Manchester, 13 December 2023](#) location to be confirmed
- [Day 3 online, 11/19 December 2023](#).

Retirements training

The retirements training course (LGPS England and Wales) is open for booking. Although the online courses are fully booked there are places available on the face to face day in London. You can view the programme and book using the link below.

- [London - 24 October 2023](#) LGA offices

Bookings are on a first come, first served basis. For fairness, each course is capped at five delegates per organisation. The face to face training is £280 plus VAT.

Please email elaine.english@local.gov.uk if you were not able to secure a place on the online courses. We will consider running additional online training depending on demand. You can also commission face to face and online training for your region – see below.

Commissioning retirements training

In [Bulletin 234](#) we informed you we would only arrange regional face to face training where it is commissioned by pension officer groups (POGs) or individual administering authorities. We are also happy to consider requests for online training in this way.

If you would like to commission training in your region you should discuss this with your POG. You will need to decide:

- whether you want the training to be delivered online or face to face
- the location if face to face

- whether the group will arrange the venue and catering or if you would like the LGA to do this
- how many delegates will attend.

The daily costs are as follows:

- where the group organises the venue and catering: £3,640 plus VAT
- where we provide the venue and catering: £4,200 plus VAT
- online event: £3,360 plus VAT.

POGs wishing to make a request should email elaine.english@local.gov.uk. We cannot guarantee that we can cater for all requests; but we will do our best to meet demand.

Action for administering authorities

Discuss your training requirement with your POG and contact Elaine English with any requests.

Webinar – changes to Pensions Administrator Apprenticeship

On 3 August 2023, the Pensions Administrator Apprenticeship Trailblazer group ran a webinar to explain more about the new apprenticeship standard.

The webinar covered end point assessment and funding and featured a panel session with previous apprentices.

The group has published [a recording of the webinar](#).

Wider landscape

McCloud consultation - Civil Service Pension Scheme

On 7 August 2023, the Cabinet Office published their consultation response on draft regulations implementing the McCloud remedy in the Civil Service Pension Scheme. The consultation closed on 14 May 2023.

For more information, see [the relevant page of www.gov.uk](#).

Legislation

Statutory Instruments

[The Public Service Pensions Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No. 2\) Regulations 2023 \[SI2023/912\]](#)

Useful links

[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 team

Raising a query

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. To avoid delays in receiving a response, please do not email advisers directly.

Team contacts

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Further information

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