

LGPC Bulletin 246 – January 2024

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

- [report on the LGPS and Sharia law](#)
- [the TPR General Code](#)
- [2024/25 contribution bands \(England and Wales\)](#)
- [GAD guidance updated for McCloud \(England and Wales\)](#)
- [annual revaluation and pensions increase for April 2024 confirmed](#)
- [our 2024 training programme](#)

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)

Board Chair and Secretary meet with Minister Simon Hoare MP

On Tuesday 16 January 2024, the Chair of the Board, Cllr Roger Phillips, and the Board Secretary, Jo Donnelly, met the minister for local government, Simon Hoare MP, in person. They discussed McCloud, the Government's response to the [next steps on investments consultation](#), and Government progress on the Good Governance recommendations and the climate risk reporting consultation response.

SAB commissioned report on the LGPS and Sharia law

We let you know in [Bulletin 245](#) that the Board had received a [report on the Sharia compliance of the LGPS](#) from an Islamic finance expert, [Mufti Faraz Adam](#). The report examines the issue from the starting point that the LGPS is an extension of the employer/employee contract. The report concludes that as a part of the contractual arrangement between employer and employees, Muslim employees can continue to contribute to, and benefit from, the excellent benefits offered by the LGPS.

The Board would like to thank Mufti Faraz Adam for providing such a comprehensive and considered opinion.

In publishing this report, the Board makes no claim of expertise on the matter of Sharia law and wishes to be clear that this report represents the views of the author and not the Board. You can find more information on the news article dated 23 January 2024 on the [News page of the SAB website](#).

SAB website

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

- [a summary of the last Board meeting](#)
- [latest news](#)
- [SAB meeting and agenda papers](#)
- [committee meetings and agenda papers](#)
- [Responsible Investment Advisory Group meetings and agenda papers](#).

Your LGPS contacts – stay connected

The SAB secretariat uses the Your LGPS Contacts database to keep practitioners informed about its workstreams. Unfortunately, it often gets a high number of undeliverable messages. The Secretariat asks all administering authorities to review their political and finance contacts as soon as possible.

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

Action for administering authorities

Review and update the information on [‘Your LGPS contacts’](#).

LGPS England & Wales

2024/25 employee contribution bands

Table 1 sets out the employee contribution bands effective from 1 April 2024. These are calculated by increasing the 2023/24 employee contribution bands by the September 2023 CPI figure of 6.7 percent and then rounding down the result to the nearest £100.

Table 1: Employee contribution bands England and Wales 2024/25

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £17,600	5.50%	2.75%
2	£17,601 to £27,600	5.80%	2.90%
3	£27,601 to £44,900	6.50%	3.25%
4	£44,901 to £56,800	6.80%	3.40%
5	£56,801 to £79,700	8.50%	4.25%
6	£79,701 to £112,900	9.90%	4.95%
7	£112,901 to £133,100	10.50%	5.25%
8	£133,101 to £199,700	11.40%	5.70%
9	£199,701 or more	12.50%	6.25%

Action for administering authorities

Share the table with your Scheme employers as soon as possible so they can make the changes needed to payroll systems.

Review and update your member communications before 1 April 2024.

New GAD guidance

On 25 January 2024, DLUHC issued new LGPS actuarial guidance. The guidance does not contain any new factors, but does provide additional information about how the McCloud remedy will affect certain calculations. You can find the following documents on the [Actuarial Guidance page](https://www.lgpsregs.org) of www.lgpsregs.org:

- Early payment of pension guidance
- Late Retirement guidance
- Individual Incoming & Outgoing Transfers guidance
- Interfund transfers – addendum.

The new guidance comes into force immediately.

Interfund addendum

In October 2024, DLUHC confirmed that interfund transfer payments in respect of members protected by the McCloud remedy could continue based on the methodology set out in the Individual Incoming & Outgoing Transfers guidance dated 8 April 2020. The Interfund guidance addendum published on 25 January 2024 confirms that this arrangement can continue for a further two months until 24 March 2024.

DLUHC understands that updates to administration systems because of the new actuarial guidance will not happen immediately. These transitional arrangements aim to prevent administering authorities from building up a backlog of interfund cases while systems are updated and checked.

Update on transfers

Certain cases have been on hold since the LGPS regulations were amended to implement the McCloud remedy from 1 October 2023. The publication of the Individual Incoming & Outgoing Transfers guidance means that administering authorities have the information they need to process:

- transfers in on Club and non-Club terms
- transfers out of deferred benefits on Club and non-Club terms.

Administering authorities should check whether they have any non-Club transfers out:

- in respect of a deferred member protected by the McCloud remedy
- where the guarantee date was before 1 October 2023
- the member elected to transfer within the guarantee period
- the transfer payment has not yet been made.

In these cases, administering authorities may wish to check for any top up payment related to the McCloud remedy before making the payment. If they make a top up payment at the same time that the transfer value is paid, no interest will be payable, as long as the payment is made within six months of the guarantee date.

We understand that conversations with software suppliers about system updates to reflect the new calculations are ongoing. Administering authorities may wish to consider running manual calculations in urgent cases to ensure any statutory deadlines are met.

We are currently investigating the possibility of producing a spreadsheet administering authorities can use to calculate the McCloud element of non-Club transfer values. We will provide an update in the coming weeks.

Action for administering authorities

Review the new guidance and amend your processes accordingly. Discuss the changes with your pensions administration software supplier.

Deferred refunds

There are outstanding queries concerning transfers out of deferred refunds. It is not clear whether the McCloud remedy applies to any or all members who hold a deferred refund in the LGPS, nor whether they would gain or retain protection on transfer to a different public service pension scheme. We recommend the following:

- Club transfers of deferred refunds: remain on hold
- non-Club transfers of deferred refunds: check whether the cash transfer sum would increase because of remedy protection. If it would not, the transfer can continue. If it would increase, we recommend that the case remains on hold.

We will continue to discuss this and other outstanding important issues with DLUHC. We will provide updates as soon as we can.

Divorce cases

Administering authorities can now proceed with divorce quote cases for members protected by the McCloud remedy. In the coming weeks, DLUHC will be issuing new actuarial guidance on divorce debits and credits which will be needed to process a pension sharing order for a member protected by the remedy.

The York and North Yorkshire Combined Authority Order 2023

[The York and North Yorkshire Combined Authority Order 2023](#) creates the new combined authority. It also provides for the election of a Mayor and the conferral of functions of local authorities and other public authorities on the Combined Authority.

This includes the functions of the Police and Crime Commissioner and the Fire and Rescue Authority for the combined area.

From 20 December 2023, the Order modifies regulation 64 of the LGPS Regulations 2013. This means that if the exiting employer is the Police and Crime Commissioner or the Fire and Rescue authority for the combined area, there will be no liability to pay an exit credit or debit.

The Order also amends Part 2 of Schedule 3 of the LGPS Regulations 2013. This assigns North Yorkshire Council as the LGPS administering authority for employees of the Combined Authority.

We will update the timeline regulations shortly.

HMRC

Pension schemes newsletter 155

HMRC published [Pension schemes newsletter 155](#) on 25 January 2024. The newsletter included several updates about the abolition of the Lifetime allowance (LTA):

- where further legislative changes will or may be needed to implement the policy
- answers to frequently asked questions – these will also be covered in more detail in future HMRC newsletters and workshops
- HMRC working groups to be held in February 2024:
 - Thursday 8 February 2024: Transitional arrangements
 - Wednesday 14 February 2024: Reporting arrangements

If you attended working groups in Autumn 2023, HMRC will invite you to join these working groups. If you would like to join either meeting, email policypensions@hmrc.gov.uk, and use 'LTA working group' as the subject of your message.

- plans for future communications.

The newsletter also includes articles on:

- the change in Scottish Income Tax rates for 2024/25
- the information HMRC will need to change national insurance records for retained firefighters affected by the Matthews case

- what to do if you have not logged into your Business Tax Account in the last three years and have lost access to the Pension Schemes Online service and the Managing pension schemes service
- the Managing pension schemes service will be offline from 5pm on 16 February 2024 to 9am on 22 February 2024 for routine updates. This is after the 14 February 2024 deadline for filing the Accounting for Tax return for the quarter ending 31 December 2023
- a delay to the introduction of the function to submit a pension scheme return on the Managing pension schemes service. This was planned for April 2024. You can continue to use the Pension Schemes Online service to submit a scheme return. HMRC will publish further guidance when the new process is introduced
- migrating from the Pension Schemes Online service to Managing pension schemes service.

Lifetime allowance newsletter updated

We let you know in [Bulletin 245](#) that HMRC had published the [Lifetime allowance guidance newsletter – December 2023](#). HMRC made two minor changes to that newsletter in January 2024. The changes concern when a pension commencement excess lump sum will be paid and the contact email address for any comments on the newsletter.

Consultation on annual allowance changes

HMRC has launched on [consultation on changes to the annual allowance for unfunded public service pension schemes](#). HMRC is consulting on changes set out in the draft Finance Act 2004 (Registered Pension Schemes and Annual Allowance Charge) Order 2024. The purpose is to allow legacy and reformed scheme benefits to be combined when working out a member's pension input amount for annual allowance purposes, where they relate to the same employment.

The consultation closes on 26 February 2024.

HMT

Confirmation of annual revaluation, earnings and pensions increase

On 25 January 2024, [HM Treasury \(HMT\) published a written ministerial statement](#) confirming the rates of annual revaluation, earnings and pensions increase due to apply from April 2024. The statement confirms:

- public service pensions will increase on 8 April 2024 by 6.7%, in line with the Consumer Prices Index for the year up to September 2023

- revaluation of 6.7% plus any local addition will be used in April 2024 to revalue CARE accounts in public service pension schemes that use prices as the measure of revaluation
- revaluation of 7.7% will be used in April 2024 to revalue the CARE accounts in public service pension schemes that use earnings as the measure of revaluation.

The following rates will apply when revaluing earned pension credited from a Club transfer:

- Police 7.95%
- Firefighters 7.7%
- Civil service 6.7%
- National Health Service 8.2%
- Teachers 8.3%
- Armed forces 7.7%
- Judicial 6.7%.

The Government will legislate for these changes in the coming weeks. We will publish the relevant Statutory Instruments when they become available on the:

- [Related legislation \(England and Wales\)](#) page of www.lgpsregs.org
- [Related legislation \(Scotland\)](#) page of www.scotlgpsregs.org.

Pensions Increase multiplier tables

HMT published the 2024 Pensions Increase multiplier tables and a covering letter. You can find these on the:

- [Related legislation \(England and Wales\)](#) page of www.lgpsregs.org
- [Related legislation \(Scotland\)](#) page of www.scotlgpsregs.org.

Pensions dashboards

Latest from the Pensions Dashboards Programme (PDP)

- [PDP January newsletter](#): covering Chris Curry's blog looking back at 2023 and a recording of the December PDP webinar on understanding dashboards architecture and find and view data.
- [PDP FAQs newsletters](#): The FAQs newsletters help to answer the most frequently asked questions about pensions dashboards. The January edition features FAQs about the central digital architecture.

- [PDP blog on industry engagement](#): PDP will continue to work closely with industry, regulators and DWP to deliver dashboards. Groups and forums will continue to collaborate in 2024 and PDP invites you to register your interest in joining one of these groups
 - [PDP webinar: connection guidance and understanding AVCs and value data](#): watch a recording of the January webinar including speakers from PDP, PASA, DWP, TPR and Jayne Wiberg from the LGA.
-

TPO

Interim chair of the Pensions Ombudsman (TPO) appointed

[DWP has appointed Anthony Arter as the Interim Chair of TPO](#). Anthony served as the Pensions Ombudsman for eight years until January 2023, followed by a period as the Deputy Pensions Ombudsman. He will serve as the Interim Chair until a permanent Chair is appointed.

TPR

General Code of Practice

On 10 January 2024, the Pensions Regulator (TPR) responded to the 2021 [consultation on the New code of practice](#). On the consultation webpage you can also find a link to the final version of the General Code of Practice ('the Code') which has been laid in Parliament. It is expected to come into force on 27 March 2024. It replaces Code of Practice 14 for public service pension schemes and brings together ten previous TPR Codes into one code.

The SAB's Secretariat is studying the Code closely to identify any new requirements for administering authorities and how the Code's requirements align with items on the SAB workplan, such as the SAB's 2021 Good Governance recommendations.

[TPR's research on governance and administration](#) shows that the LGPS already has high standards of governance in place. The Code provides an opportunity for funds to review current practices, but also presents challenges during what is already a busy time for the LGPS. Clarity is required on which parts of the Code apply to the LGPS, what these mean for administering authorities and how they should be applied in practice. The SAB will support authorities in understanding any new requirements in the Code and, where needed, will produce new or update existing guidance to help authorities with their responsibilities.

The SAB's LGPS live webinar taking place on 6 March 2024 at 3.30pm will focus on the Code and the requirements and challenges it presents for the LGPS. You will be able to register in due course here: [LGPS-Live | Home](#).

Other news and updates

Member portal survey

In 2022, the LGA working with the Communications Working Group published a [technical guide on digital engagement](#). We plan to update that guide with the latest information about usage of member portals. The purpose of the updates will be to:

- identify any changes to sign up rates since the guide was first published
- allow administering authorities to benchmark their sign up rates with the average rates across the Scheme
- share information about any significant developments or problems that funds have encountered in operating a member portal in the last year.

We have launched the [LGPS member portal survey 2024](#) to gather the information we will use to update the guide.

About the survey:

- it is much simpler than the survey we used to create the guide, it should take no more than five minutes to complete
- please do complete the survey if you do not operate a member portal – you will only need to answer two questions
- only one response should be submitted by each administering authority or shared service / third party administrator.

Action for administering authorities

Complete the survey, or ask your administrator to complete it before **10 March 2024**.

LGPC minutes

We have published the draft minutes of the LGPC meeting held on 4 December 2023. At that meeting, the Committee welcomed a new Chair, Councillor Nathan Yeowell, and discussed:

- the latest developments in the McCloud remedy and resources for employers and administering authorities
- the abolition of the Lifetime allowance
- surpluses and employer contributions
- legal update concerning Sharia compliance
- updates from the LGPS in Scotland and Northern Ireland.

You can find these draft minutes and minutes from earlier LGPC meetings on the:

- [LGPC minutes \(England and Wales\)](#) page of www.lgpsregs.org
- [LGPC minutes \(Scotland\)](#) page of www.scotlgpsregs.org.

Communications Working group minutes

The Communications Working Group met on 11 January 2024. At the meeting, the group discussed:

- member engagement
- promotion of the LGPS
- the latest updates on McCloud, pensions dashboards and the abolition of the Lifetime allowance
- the group's plans for 2024/25.

You can find the minutes from this and previous meetings on the:

- [Communications Working Group \(England & Wales\)](#) page of www.lgpsregs.org
- [Communications Working Group \(Scotland\)](#) page of www.scotlgpsregs.org.

We will publish the group's workplan for 2024/25 shortly.

Training

2024 LGPS Governance Conference, York

This year's LGPS Governance Conference took place at the Principal Hotel in York on 18 and 19 January.

The team would like to thank all speakers and attendees who were able to join us both in person and online. An email was sent to delegates on 23 January 2024 at 12.45pm which contained slides from the event and a request for feedback.

2025 LGPS Governance Conference – save the date

The LGPS Governance Conference 2025 will take place on 30 and 31 January 2025 in Bournemouth.

The conference is aimed at councillors and others who attend pension committees/panels and local pension boards. Past delegates include trade union and employer representatives as well as officers who attend and support committees. It will be of particular interest to those working in governance roles in funds.

If you would like to register your interest in attending either online or in person, please complete this [LGPS Governance Conference 2024 - expression of interest form](#).

Training programme 2024

All 2024 training events are available to book via the [LGA events website](#). The link for each course contains the course programme, pricing and booking link.

Bookings are on a first come, first served basis. Each topic is capped at five delegates per organisation over the course of the training programme.

If you are unable to book a place on a course, or would like more than five places, email training.lgps@local.gov.uk with details of the course you would like to attend. Please include how many places you require and the format - online or in person. We will keep a waiting list and consider running additional training if the demand is high enough.

We also accept commissions for training for any fund or funds, if more than one fund would like to commission training together, either online or in person. Please send your enquiries about commissioning training to training.lgps@local.gov.uk.

Transfer training (England and Wales)

All courses currently at capacity.

Aggregation training (England and Wales)

- [18 June 2024 – London](#)
- [18 July 2024 – online](#)
- [1 August 2024 – online](#)

Survivor benefits training (England and Wales)

- [30 October 2024 – London](#)
- [6 November 2024 – online](#)
- [13 November 2024 – online](#)

Employer role training (England and Wales)

- [22 April 2024 – online](#)
- [2 May 2024 – online](#)
- [14 May 2024 – online](#)
- [13 August 2024 – London](#)
- [29 August 2024 – online](#)
- [1 October 2024 – online](#)
- [7 November – online](#)

- [6 December – online](#)

Insight (England and Wales)

- [20 to 23 May 2024 – York residential](#)
- [22 to 26 July 2024 – online](#)
- [23 to 26 September 2024 – Bournemouth residential](#)

Action for administering authorities

Share information about the employer role training with your Scheme employers.

Discuss potential for commissioned training at Pension Officer Group meetings.

Legislation

Statutory Instruments

[The York and North Yorkshire Combined Authority Order 2023](#) [SI 2023/1432]

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 section

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.

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