

# **Draft minutes of National Pension Officer Group (NPOG) meeting**

**4 April 2025 11am to 2pm**

## **Attendees – standing members**

<b>NPOG member</b>	<b>POG</b>
Vinny Kinder	East Midlands Pension Officer Group
Luke Oxtoby	East Midlands Pension Officer Group
Martin Doyle (Chair)	London Pension Officer Group
Richard Smythe	London Pension Officer Group
Lisa Garton	Northeast Pension Officer Forum
Zena Kee	Northern Ireland Local Government Officers' Superannuation Committee
Erin Savage (Secretary)	Scottish Pensions Liaison Group
Emma Ansell	Shrewsbury Pension Officer Group
Helen Tomkins	Shrewsbury Pension Officer Group
Joel Ellner	Southeastern Counties Superannuation Officer Group
Matt Mott (Vice Chair)	Southeastern Counties Superannuation Officer Group
Dave Kellond	Southern Area Pension Officer Group
Sandy Armstrong	Southern Area Pension Officer Group
Emma Sanders	Southwest Area Pension Officer Group
Nicky Russell	Southwest Area Pension Officer Group
Joanne Griffiths	Welsh Pension Officer Group
Kevin Gerard	Welsh Pension Officer Group

## **Attendees - Others**

<b>Name</b>	<b>Organisation</b>
Lorraine Bennett	LGA
Jeremy Hughes	SAB
Sophia Chivandre	SAB
Will King	MHCLG
Ben Lavelle	MHCLG

Name	Organisation
Jan Scott	SPPA
Eva Sobek	SPPA
William Dobbin	Department for Communities
Claire Hey	Heywood (part meeting only)
John Dale	Heywood (part meeting only)
Matt Armitage	Heywood (part meeting only)
Heidi Twort	Equiniti (part meeting only)
Mark Broxup	Equiniti (part meeting only)
Lissa Nicholls	Civica (part meeting only)

## Apologies

NPOG member	POG
Vicky Jenks	Shrewsbury Pension Officers Group (replaced by Emma Ansell)
Phil Drury	East Midlands Pension Officers Group (replaced by Luke Oxtoby)
Heather Chambers	North-East Pension Officers Forum (no replacement)

## 1. Minutes of the last meeting

- 1.1 ZK highlighted an error in the Software Provider Update section: her comment should relate to Utmost rather than Prudential. No further comments and all approved. A revised version will be sent to LGA.

## 2. Feedback from POGs

- 2.1 MD provided an update on feedback received regarding priority regulation changes. Over 40 funds responded, with 80% recommending to SAB prioritising the removal of the five-year refund limit. Around the same amount stated that forfeiture was the lowest priority.
- 2.2 MM advised that SECSOG funds ranked probate limit highest and change to Normal Minimum Pension Age lowest. The group felt that changes relating to refunds are coming in anyway. MD acknowledged that some changes are already in progress but emphasised that no draft regulations had been published so it is still important to give feedback on priorities.
- 2.3 SA noted that SAPOG's priorities are a change to Normal Minimum Pension Age, change to probate limit and the removal of discretion on payment of

death grants. LB confirmed that the LGA's response to the Government consultation on inheritance tax changes raised discretion on payment of death grants as an issue so the response might address this.

- 2.4 KG pointed out that only the probate limit change is not yet scheduled for upcoming amendments. WK confirmed that this has been raised with Treasury.
- 2.5 MD noted other requested changes from the regional POGs included the removal of tier 3 ill-health provisions and a decision on academies substituting funds.
- 2.6 MD also summarised the feedback on the issue of how funds will send AVC view data for dashboards. The responses showed that many funds were still undecided at present. However, he noted all Scottish funds that answered confirmed they would use multiple source. ESavage noted that all Scottish funds use the same software supplier and two AVC providers have the majority of AVC policies.
- 2.7 JG highlighted that using single source would lead to additional charges for Heywood clients.

### **Action items**

- MD asked those who hadn't responded with priorities to follow up with ESavage
- ESavage said that some other issues had been raised by Scottish funds which are unique to the Scottish regulations and that she will send these to the SPPA for review.

### **3. LGA update (Lorraine Bennett)**

- 3.1 LB provided an update on items not covered in recent bulletins. The review of the Teachers' excess service cases showed that less than 500 members were in scope and would need to be retrospectively admitted to the LGPS. There are a small number of complex cases (pensioners and deaths) but overall, this should be a manageable exercise. The Department for Education and Capita are working on a process and Capita have requested data and have had some returns. Funds should await further information from Capita.
- 3.2 LB also highlighted an article in the March bulletin regarding annual BCE and RBCE statements. HMRC carried out a limited consultation in August 2024 which indicated that statements can continue to show percentage of used up

Lifetime Allowance (LTA) unless the member holds a Transitional Tax-Free Amount Certificate (TTFAC). If the member has a TTFAC, the used up LTA should be converted to a monetary amount. The LGA understood this was due to be included in a recent legislative change, but this has not happened. LGA have chased this up but have not received a response. A further update will follow and once the change has been made, the Abolition of the LTA guide will be updated.

3.3 MM asked if the Club transfer-out calculator had been updated. LB advised that updates would be made following the Pensions Increase date.

3.4 MD asked if updated GAD guidance will be provided as existing guidance still mentions Lifetime Allowance. LB confirmed that this would be done following regulatory changes.

**Action item:**

- LGA will update the Abolition of the LTA guide.

**4. MHCLG update (Will King/Ben Lavelle)**

4.1 WK provided an update. A consultation will be issued once the forthcoming Local Government elections are complete. This will include amendments relating to survivor benefits and changes intended to address the gender pay gap. These include changes for unpaid authorised leave under 31 days, a change in the calculation for the cost of repayment of unpaid leave over 30 days and removing the time limit for buy-back, and unpaid additional maternity leave becoming pensionable. Forfeiture changes as previously requested will be introduced as well as a series of technical changes relating to McCloud, in particular relating to divorce and transfers in.

4.2 The consultation period will be 12 weeks, and the team will use this time to look at the change to Normal Minimum Pension Age.

4.3 WK confirmed that the intention is still to bring forward New Fair Deal, but this will be in a subsequent consultation and that Fit for Future requires primary legislation and the summer recess may impact on a timescale for this.

4.4 JH asked about the Oasis decision. WK confirmed that this is being considered, however this is a complex scheme-wide decision. There is no timescale for this currently.

## **5. SPPA update (Jan Scott)**

- 5.1 JS confirmed that FSS guidance has been provided to Scottish funds.
- 5.2 Amendment regulations were laid on 19 February which will come into force April 2025. Most of the items included have backdated effect.
- 5.3 JS mentioned that SPPA have had sight of the consultation covered earlier by WK regarding access and fairness. SPPA intend to consult in the summer.
- 5.4 JS said that the team are experiencing a high volume of case work, lots of GAD factor requests and an increase in appeals mostly around ill health.

## **6. Department for Communities update (William Dobbin)**

- 6.1 WD advised that consultation on draft statutory guidance on McCloud has been completed and responses are being reviewed.

## **7. LGPS (England and Wales) SAB update (Jeremy Hughes)**

- 7.1 JH noted that the scheme annual report should be available early May - a special LGPS Live will be held to launch this. SAB have reviewed 86 fund reports to see how they have complied with guidance and are happy to provide feedback on request. About half of funds produced KPI information this year, but next year this will be mandatory. Analysts are working on Power BI tool to allow comparison. JH acknowledged the amount of information is vast, and SAB also wants to understand if this should be in public domain as it is easy for the wrong conclusions to be drawn out.
- 7.2 A procurement exercise is underway for a new SAB website. The intention is to provide a more accessible, usable website including a closed forum for use by Pension Board chairs.
- 7.3 KG asked about the proposed forum. JH said that this is intended for Pension Board Chairs rather than officers. They don't have an existing network and there are varying levels of knowledge. The forum would provide a place for discussion and questions and answers.
- 7.4 JH noted that SC is working on digital engagement strategy and that the team are working with WK's team on administration strategy statements as this will become mandatory and there will be a session on this at the Torquay Conference this year.
- 7.5 JH also noted that Pension Committee chairs have been invited to an online

event with Cllr Phillips on 13 May, possibly with Ministers.

- 7.6 In March 2025, MHCLG issued a letter explaining why the Government intends to revisit the current rules around the review of employer contributions between actuarial valuations. The Board will continue to work closely with MHCLG to input into and bring forward proposals that better deliver the policy intent.
- 7.7 JH said the team are also in discussion with MHCLG on the independent governance peer review mechanism proposed in the Fit for the Future consultation.
- 7.8 SC provided more information on the peer review which is looking at governance assurance for LGPS funds. SAB have advertised for LGPS funds to join a working group to share experience and establish deliverables for the peer support service.
- 7.9 MM asked whether the upcoming meeting with Cllr Phillips would include Local Pension Board chairs. JH confirmed the intention to have a separate meeting with Board chairs and also a collective meeting with both sets of Chairs.
- 7.10 MM asked about a letter he has seen relating to the 2025 valuation. This is for academies and seems to give the impression that employer rates will be reduced. JH confirmed that the academies have set up a working group and Becky Clough attended the last meeting. The message discussed was that although the general trend in employer rates were down, it's acknowledged that some academies are in deficit. Although there have been discussions with the Department for Education on academies, the key message is that employer contribution rates are a local rather than central decision.

## **8. Changes to the Normal Minimum Pension Age (NMPA)**

- 8.1 LB confirmed that the change in the NMPA to 57 was provided for in the Finance Act 2022. If a member joined before 4 November 2021, and had an unqualified right to benefits before age 57, the Act provides for a protected pension age allowing payment before 57 without the pension being classed as an unauthorised payment and incurring tax charges.
- 8.2 Scheme regulations need to be amended to account for the revised NMPA. It is unknown whether a protected pension age of 55 will be included in the amendments. MHCLG is looking at this and the issue has been discussed at SAB and LGPC meetings. LGPC employers had a preference for no

protection, however, the Unions wanted protections to be included. One consideration is that members may have an expectation that they have a right to take benefits at an earlier date.

- 8.3 Including protections in the LGPS regulations would increase administrative complexity and potentially mean a two-tier scheme with different NMPAs for different members. When the NMPA previously changed, Scottish regulations included protection for members leaving on the grounds of redundancy – it is not clear whether this approach may be adopted again. Member communications must also be considered.
- 8.4 The group discussed whether or not protections should be included: it would be administratively easier not to include protections, and all are keen to get a decision on what will happen to assist with communications and understand how to deal with queries, in particular requests for retirement estimates. LB advised that Bulletin 260 had an article on the change to NMPA setting out recommended actions for funds to take including information regarding estimate requests.
- 8.5 MM suggested that if we don't have protections there could be an increase in retirements prior to the change and asked about plans for a consultation. WK confirmed that an MHCLG consultation will be issued later this year.
- 8.6 LO highlighted that changes and any protections need to be agreed in time for software suppliers to implement.

## **9. NI database: consistency of information requirements for McCloud requests**

- 9.1 LB advised that one of the POGs had raised an issue with LGA regarding information requests for the McCloud remedy. Funds are using the NI database to find members and then asking for additional information for large numbers of members without filtering to relevant members.

### **Action item**

- MD to circulate McCloud Member Request Headings amongst NPOG for agreement then LGA to publish.

## **10. Software suppliers: questions/issues**

- 10.1 JG noted that the next meeting of the Heywood Class Management Group is next week. This will include discussions on phase 2 of work on transfers for McCloud and annual benefit statements, including how the guaranteed

amount will be displayed.

## **11. Software provider update: McCloud developments/Pensions dashboards updates**

### **Heywood (Claire Hey/John Dale/Matt Armitage)**

- 11.1 CH provided an update on McCloud developments. As discussed at recent regional user groups, all developments are complete other than transfers. Annual Benefit Statement updates will be in the next software release. KG asked if there was any possibility of the transfer work being completed before the current target date of August 2027. MA advised that Heywood are looking at this to see if this would be possible and will update customers of any change to the dates. An update should be available by the end of the summer.
- 11.2 CH advised the annual benefit statement will show underpin amount in a combined value. It will not be shown separately – is this an issue? JG believes that we do need to show the guaranteed addition and for protected members an additional mnemonic would need to be used. CH said that they have developed based on guidance in the ABS guide.
- 11.3 MD asked for an update on pensions dashboards and AVC view data, JD advised that he had discussed with LB and Jayne Wiberg pre-Christmas and had shared a specification, however there had been no progress on agreeing a standard specification. JD said that Heywood met with Civica to discuss, but they have discovered that some AVC providers including M&G (Prudential) have already made decisions. Therefore, Heywood are looking at potentially providing two specifications, one for M&G and one for other providers. Heywood don't have any contact with AVC providers. JD hopes to have an update by the time of next meeting.
- 11.4 MD will circulate the specification again to the group to cascade to funds, however to date, not all funds have agreed on an approach.
- 11.5 KG asked about Utmost – have Heywood contacted them? JD does not have any contacts at Utmost; however he has seen their proposed approach, and this does not contain all the necessary information. JD would be happy to join a meeting with Utmost. MD will contact Utmost to progress. JD said that if an agreement cannot be reached, data could be entered manually if the single source route is chosen as he understands there are smaller numbers of members with Utmost AVCs.



### **Equiniti (Heidi Twort/Mark Broxup)**

- 11.6 HT provided an update on McCloud. Equiniti have completed most of the calculations relating to active and deferred members. The next development cycle will include retrospective calculations. Civica have completed build of bulk workflows and recalculations. MD asked for a timeline for completion of the work. MB said that this should be completed over the rest of this year.
- 11.7 MB provided an update on Pension Dashboard developments. An ISP solution has been offered to clients and Equiniti are working with them to set up configurations. All database changes are now complete and have been deployed to clients. Updates to bulk workflows are included in the current development cycle. Equiniti are also developing an automated workflow for cases where value data is not present. In terms of AVCs, they are looking at multiple and single source. They have a table to hold code to link multiple source and will look to interface for single source. MB said their only caveat is that data has to be in a standard format.

### **Civica (Lissa Nicholls)**

- 11.8 LN provided a slide deck. For McCloud, Civica are working on deploying deaths calculations, retrospective processing workflows and benefit statements for active and deferred members. Valuation extracts have been completed but results cannot be ratified until work on retrospective processing has been completed.
- 11.9 LN confirmed that Civica's work on pensions dashboard ISP testing is in line with other voluntary participants. Parallel developments are ongoing, and they are also looking at data input functions for AVC single source data.
- 11.10 MM asked about resourcing based on the pace of developments and the current volume of work. LN confirmed that as discussed at the recent user group, the company is looking to increase resources across all teams as soon as possible. Civica are aware of deadlines for annual benefit statements and McCloud and want to increase resources quickly.
- 11.11 MM raised concerns about ability to provide underpin information in benefit statements and valuation data for the actuary. The next release is due after the deadlines for valuation data and there are concerns that the release may impact on the production of benefit statements.
- 11.12 RS asked about transfers: LN advised these are on the work plan one McCloud has been completed. MM asked about transfer work relating to McCloud. LN advised that the work relates to changes that have been made to

the Club Memorandum and expects this work to be done in the autumn.

11.13 MD asked if Civica hold regular user groups. LN confirmed the intention going forward is to hold have two user groups per year and reinstate technical working groups and the testing group.

**Action items:**

- MD will circulate to NPOG members the common interface file format designed by Heywood to support the single source solution for AVCs for dashboards.
- MD will ask Utmost to use this file format when issuing member data.

**12. AOB**

12.1 LB provided feedback from LGA training team. They are experiencing issues with attendees at online courses – attendees are not turning cameras on and not engaging with the session, for instance not adding calculations to the chat when requested. LB asked that funds make those attending courses aware that they need to participate in the session. MM said that it would be good to get feedback on this from trainers following the course.

12.2 The group discussed the recalculation of retirement benefits as a result of McCloud and whether the original decision on swapping pension for lump sum was sufficient or if a further election was required. LB noted that as this is regarded as a RBCE, funds should ask members to make a further election. The group agreed to feed back to POGs.

Meeting ended.