

National LGPS Technical Group meeting documents

For meeting held on 10 March 2023

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1) Agenda item 5: Technical Group Minutes of 9 December 2022

The National Local Government Pension Scheme (LGPS) Technical Group is a member of the Local Government Pensions Committee (LGPC).

1. Meeting documents

All documents for this meeting are contained in [a single PDF](#).

No further hyperlinks to these documents are contained elsewhere in the minutes.

2. Date and time of meeting

The meeting started at 11.00 am and finished at 1.30 pm on the 9 December 2022.

3. Venue

The meeting was held at AON offices at The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN.

4. Attendees and apologies for absence

Attendees

- Kevin Gerard (Chairman) - Welsh Pension Officer Group
- Joanne Griffiths - Welsh Pension Officer Group
- Ian Howe (Deputy Chairman) - East Midlands Pension Officer Group
- Phil Drury - East Midlands Pension Officer Group
- Claire Lewis-Smith - Southern Area Pension Officer Group
- Sandy Armstrong - Southern Area Pension Officer Group
- Louise Savage – South-eastern Counties Superannuation Officer Group
- Matt Mott – South-eastern Counties Superannuation Officer Group
- Richard Smythe - London Pension Officer Group
- Martin Doyle - London Pension Officer Group
- Vicky Jenks - Shrewsbury Pension Officer Group
- Debbie Sharp - Shrewsbury Pension Officer Group
- Heather Chambers - Northeast Pension Officer Forum
- Liz Vollans - Northeast Pension Officer Forum
- Erin Savage - Scottish Pensions Liaison Group
- Zena Kee - Northern Ireland Local Government Officers' Superannuation Committee
- Alan Wareham – Department for Levelling Up, Housing and Communities

- Jayne Wiberg - Local Government Association and Secretariat
- Lorraine Bennett - Local Government Association
- Steven Moseley (Scotland) – Local Government Association
- Jeremy Hughes – Scheme Advisory Board England & Wales
- Paul Kateley - Aquila Heywood
- Kerrie Shields - Civica
- Dave Friend – Equiniti
- Melanie Durrant - Barnett Waddingham
- Ian Colvin - Hymans Robertson
- Justine Davies - Price Waterhouse Coopers
- Catherine Pearce - Aon
- Nigel Thomas – Mercer
- Kelly Scotford – Secretariat support

Apologies for absence received by when the agenda was published

- Joanne Donnelly - Local Government Association
- Emma Sanders - Southwest Area Pension Officer Group
- Karen Gibson - Southwest Area Pension Officer Group
- Jonathan Perera – Mercer (substituted by Nigel Thomas)
- William Dobbin - Department for Communities (Northern Ireland)
- Heidi Twort – Equiniti (substituted by Dave Friend)
- Joel Ellner – South-eastern Counties Superannuation Officer Group (substituted by Matt Mott)
- Roger Swift - Capita Employee Benefits
- Kimberly Linge - Scottish Public Pension Agency

Action

- the Chair asked group members to confirm to future meeting hosts, copying in Jayne Wiberg, their in person attendance and dietary requirements. Direct attendance notification is required so that meeting hosts can arrange for security passes in advance of the meeting.

5. Minutes of the last meeting

Item 1 of the meeting documents.

To be agreed

The minutes of the meeting held on 2 September 2022 were agreed in full.

6. Matters arising from previous minutes

There were no matters arising.

7. LGPC

Jayne Wiberg offered to take questions on [bulletins 229, 230 and 231](#) published since the last National LGPS Technical Group meeting held on 2 September 2022.

There were no questions from the group.

8. DLUHC update

Alan Wareham provided an update (item 2 of the meeting documents), on behalf of the Department for Levelling Up, Housing and Communities (DLUHC).

Questions from the group

A question arose concerning exit payments. Alan confirmed there are no updates in this area.

The group discussed the possible changes to the date upon which in scheme revaluation is applied to CARE benefits in April 2023. This is due to the detrimental impact the in scheme revaluation has upon the closing value of the annual allowance. The group asked for an update from DLUHC as soon as possible.

Action

- Alan to provide an update on the latest position concerning a change to the in scheme revaluation date – update to be provided to Jayne Wiberg who will share with the group.

9. SPPA update

No update was received on behalf of the Scottish Public Pensions Agency (SPPA).

10. DfC update

William Dobbin provided an update (item 4 of the meeting documents), on behalf of the Department for Communities (DfC).

11. LGPS England & Wales Scheme Advisory Board update

Jeremy Hughes provided an update (item 5 of the meeting documents), on behalf of the LGPS England & Wales Scheme Advisory Board.

Questions from the group

The group discussed the SAB England & Wales update.

They requested that the LGA raise the recommendation regarding the removal of the five year limit on refunds again to DLUHC. This change was agreed with SAB several years ago, though the regulations have not been amended.

Action

- Lorraine Bennett to raise with DLUHC the removal of the five year limit for the payment of refunds.

12. Pensions Dashboards (standing agenda item)

Quarterly feedback from Pension Officer Groups

Jayne Wiberg emailed administering authorities with a Pensions Dashboards survey on 4 November 2022. Out of the 98 administering authorities responses were received from:

| Dec 2022 | Sept 2022 | June 2022 | March 2022 |
|----------|-----------|-----------|------------|
| 56 | 63 | 61 | 77 |

Listed below are the location of the administering authorities who did not respond:

| Area | Dec 2022 | Sept 2022 | June 2022 |
|---------------|----------|-----------|-----------|
| East Midlands | 1 | 1 | 0 |
| London | 24 | 22 | 22 |
| Northeast | 3 | 3 | 2 |
| Southern | 2 | 2 | 1 |
| Southeast | 0 | 0 | 2 |

| | | | |
|------------|---|---|---|
| Scotland | 6 | 3 | 3 |
| Shrewsbury | 1 | 1 | 0 |
| Southwest | 3 | 2 | 1 |
| Wales | 1 | 0 | 0 |

The group expressed disappointment that LPOG had a low participation rate in the survey. The group welcome returns from LPOG in order to provide a national picture.

The anonymised responses are summarised in the survey monkey feedback (item 6 of the meeting documents).

The group discussed the survey results and agreed that the next survey would be sent to pensions managers on 3 May 2023 closing on 24 May 2023. The survey will be refreshed to reflect the latest published information and guidance covering pensions dashboards.

Quarterly feedback from software suppliers

Responses (item 7 of the meeting documents) were received from the following software providers detailing where they are in their development and support of the pensions dashboards.

- Heywood
- Civica
- Equiniti
- Capita – no update received.

Group discussion

The group discussed the quarterly feedback from software suppliers. They requested the feedback for the March 2023 meeting be more substantial. It should include details about the experience of LGPS administering authorities that are involved in the testing, how value data will be displayed on dashboards (for example, how is a deferred benefit displayed that is past normal pension age or age 75 but should have been paid from normal pension age or age 75) and any other matter that covers the detailed implementation of pensions dashboards.

Action

- all software suppliers to provide a substantial quarterly feedback report for the March 2023 meeting and for each meeting thereafter.

13. McCloud remedy (standing agenda item)

Quarterly feedback

Jayne Wiberg emailed administering authorities with a McCloud survey on 4 November 2022. Out of the 98 administering authorities responses were received from:

| Dec 2022 | Sept 2022 | June 2022 | March 2022 | Dec 2021 |
|----------|-----------|-----------|------------|----------|
| 60 | 61 | 52 | 84 | 66 |

Listed below are the location of the administering authorities who did not respond:

| Area | Dec 2022 | Sept 2022 | June 2022 |
|---------------|----------|-----------|-----------|
| East Midlands | 1 | 1 | 0 |
| London | 23 | 23 | 28 |
| Northeast | 3 | 3 | 4 |
| Southern | 1 | 3 | 0 |
| Southeast | 1 | 0 | 2 |
| Scotland | 6 | 4 | 3 |
| Shrewsbury | 1 | 2 | 3 |
| Southwest | 2 | 1 | 1 |
| Wales | 0 | 0 | 1 |

The group expressed disappointment that LPOG had a low participation rate in the survey. The group welcome returns from LPOG in order to provide a national picture.

The anonymised responses are summarised in the survey monkey feedback (item 8 of the meeting documents).

The next survey will be sent to pensions managers on 1 February 2023 closing on 22 February 2023.

Group discussion

The group discussed the survey results. They agreed that the survey should be amended to include an additional question. The additional question is:

- How much of your relevant membership is completely cleansed for the purposes of McCloud? – the outcome should be a choice of 0 per cent up to 100 per cent in 10 per cent bands

Action

- Jayne Wiberg to amend the McCloud survey as set out above to send to administering authorities in February 2023.

14. QROPS transfer in (standing agenda item)

See item 9 of meeting documents for background.

Update from DLUHC

There was no update from DLUHC The Chair asked that DLUHC provide an update at the next meeting.

Action

- Alan to provide an update regarding QROPS transfers in

15. Prudential AVCs (Standing agenda item)

The National LGPS Technical subgroup held a meeting with Prudential on 5 October 2022 to discuss the service.

Summary of meeting discussions

The group discussed:

- the underlying issues
- Prudential's long-term strategic plan, resourcing and commitment to the LGPS

- consistency of approach and comparison with other public service pension schemes
- timeline for improvements.

It is hoped that administering authorities will see a return to business as usual from December 2022. The sub-group will meet on 8 February 2023 to assess the improvements.

Action

- group members to ask POG members if they are still having issues with Prudential and feedback these issues to Ian Howe by 27 January 2023
- Ian to raise any issues that remain at the next sub-group meeting with Prudential on 8 February 2023.

16.AVC Wise

Many employers use AVC Wise to administer their Shared Cost AVC facility. AVC Wise would like to attend the March 2023 meeting of the National LGPS Technical group:

- to explain their role
- to explain how they feel they could benefit administering authorities in their communications with Prudential
- to take feedback about what they could do better/differently to assist administering authorities.

Group discussion

The group discussed the interaction between employers, AVC Wise and administering authorities. Several representatives felt AVC Wise caused issues for administering authorities due to the processes they put in place that sit between the employer and the administering authority. Another representative disliked their marketing campaign.

All the group agreed that the National LGPS Technical Group was not the appropriate route for AVC Wise to talk to administering authorities, rather it should be by invite at POG meetings. Before any discussions take place at the POGs, the group were keen to obtain in writing the following information. This will be passed onto the POGs by group members following the March 2023 meeting. Thereafter, it will be for the POGs to decide if they wish AVC Wise to attend their regional meetings.

AVC Wise to confirm in writing:

- what they believe their role to be
- what benefits they can bring to administering authorities to help them liaise with their employers concerning shared cost AVCs
- what areas AVC Wise think they could do better to help administering authorities.

Group agreement

- the group agreed that it was not appropriate for AVC Wise to attend the National LGPS Technical Group
- the group agreed that it was more appropriate for AVC Wise to attend regional POG meetings, by invite from the POGs following receipt of the information set out above.

Action

- Jayne Wiberg to contact AVC Wise and request the information set out above and share this with group members upon receipt.

17. Transfers out (Standing agenda item)

Update from the LGA regarding use of electronic signatures

This agenda item concerns the use of electronic signatures on transfer declaration forms. Group members are concerned that members might not be aware of what they are agreeing to when a third party company uses their electronic signature. The group seeks assurances from such companies that the member is fully aware of the impact of agreeing to a transfer from the LGPS.

The LGA has met with one such company to discuss these matters. The company understands and is looking at how it can improve its procedures to provide such assurances. The LGA will continue to meet with this company until an outcome is agreed.

Meanwhile, administering authorities are recommended to only accept electronic signatures that have been verified by an electronic program such as Adobe Acrobat.

Transfer out process

As part of discussions with the company referred to in item 17 of this agenda, an administrative issue arose. The company confirmed that where a member:

- holds more than one deferred benefit in the LGPS, or

- might be active in another Fund, or
- in receipt of pension benefits.

quite often this information is not discovered until the member has progressed part way through the transfer out process. This causes problems for both the member and the company to whom the member is looking to transfer.

The paper in item 10 of the meeting documents sets out this out in more detail.

It would be helpful if the group could recommend a consistent approach for administering authorities to follow.

Group discussion

The group discussed this area in great detail.

Group agreement

The group agreed they needed more information from the POGs before they could agree a process.

Action

- Ian Howe to create a list of questions for POGs to feedback on and distribute these to group members.
- group members to discuss the questions with their POGs and feedback responses to Ian by no later than 17 February 2023
- Ian to summarise responses for group discussion at the March 2023 meeting.

18. National AVC framework

Ian Howe provided a paper (item 11 of the meeting documents) for consideration, regarding creating an AVC framework.

Group discussion

The group had a detailed discussion about whether there is enough appetite to warrant a national framework for AVC providers.

Group agreement

The group agreed that members should seek support from POGs agreeing to develop a national framework for AVC providers. If this is the case, find out if any administering authority would like to volunteer as a founder member.

Action

- group members to ask POGs (1) do they want a national framework for AVC providers? (2) if yes, would any administering authority like to be a founder member (3) when are administering authorities likely to review their AVC contracts? - group members to send feedback to Ian Howe by 17 February 2023
- Ian Howe to collate feedback for discussion at the March 2023 meeting.

19. Trust accounts for children

Richard Smyth provided a paper (item 12 of the meeting documents) for consideration, regarding the setting up of a trust account for children eligible for death grants.

Group discussion

The group discussed the paper. The discussion confirmed that none of the administering authorities represented on the group opened trust accounts for children. This is because of difficulties in opening such an account.

The majority of administering authorities open a bank account for the child with restricted signatures.

20. LGA technical queries (standing agenda item)

All [LGA technical queries](#) with DLUHC can be found on the 'technical group minutes' page of www.lgpsregs.org. The latest version is dated 14 June 2022.

All [LGA technical queries](#) with SPPA can be found on the 'technical group minutes' page of www.scotlgpsregs.org. The latest version is dated 4 May 2022.

To note.

21. LGA GAD queries (standing agenda item)

All LGA GAD queries for England & Wales can be found on the Actuarial guidance page of www.lgpsregs.org. The latest version is dated 6 April 2022.

All LGA GAD queries for Scotland can be found on the Actuarial guidance page of www.scotlgpsregs.org. The latest version is dated 6 April 2022.

To note.

22. Historical decisions (standing agenda item)

All [recommendations / agreements / outcome of decisions](#) made by the National LGPS Technical Group from 1 April 2014 to date can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org.

To note.

23. Recommendations - SAB England and Wales (standing agenda item)

[Recommendations](#) made to the SAB England and Wales from April 2014 to date can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org.

To note.

24. Group membership (standing agenda item)

The current list of [group membership](#) can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org. Changes since the last meeting are:

- Victoria Antcliff from SPPA will no longer be attending the group due to a change in work priorities. SPPA have appointed another individual to work alongside Kimberly Linge. Kim or the new individual will attend the group going forward.
- Paul Kateley has replaced Chris Berwick–Bryce at Heywood
- Martin Doyle has replaced Neil Mason as the representative for LPOG

Action

- Kimberly Linge to confirm the name and contact details of the new individual representing SPPA
- Jayne Wiberg to provide a 2022 attendance report for the group to review at the March 2023 meeting.

25. Any other business

There was not any other business.

2) Agenda item 8: DLUHC update

Provided by Alan Wareham on 22 February 2023.

OASIS/Academies

Prepared by Jayne Wiberg – Secretariat

Following the second consultation earlier this year, we have recently received legal advice on the issue. We are now awaiting a view from the Department for Education (DfE) and are remain in the process of considering the consolidation. There have been delays in this area due to an external issue, but we are working with the DfE and others to move this policy along as quickly as possible.

LGPS investments/Climate

We are aiming to consult shortly on a range of issues including investing to support levelling up and next steps on pooling. We are grateful for the feedback received across the sector on our climate consultation and will be publishing a government response as soon as we are able.

Local Audit Delays/Account Separation

We have been working with our local audit team and key stakeholders including CIPFA and the National Audit Office to develop policy in this area, with a particular focus on the consequences of account separation, considering other changes being made in the local audit landscape. Minister Rowley recently replied to a letter sent to him by the SAB recommending account separation, and our advice to him will be to proceed with this change. This is, however, dependent upon being able to find a suitable piece of primary legislation which we are also working on and will provide updates on in due course.

McCloud

Work is continuing on the Government response to the 2020 consultation and the McCloud regulations following the Public Service Pensions and Judicial Offices Act 2022 getting Royal Assent last year. A further consultation on the draft regulations implementing the McCloud remedy in the LGPS will be undertaken in spring this year.

Survivor Benefits

We are currently finalising the contents of the consultation document for the survivor benefits changes, with the associated checks and processes to follow before publishing the consultation alongside draft regulations.

Good Governance

Work has been done to refine policy in this area over the last few months, including ongoing engagement with the various workstreams of the Compliance and Reporting Committee to develop plans for changes to regulations and guidance. These

meetings and conversations have been invaluable, and we would like to thank everyone involved in these so far for the range of support and advice given. Whilst we cannot give an exact update at this time on the recommendations and next steps, we do still aim to consult on this area later in the year.

CPI/Annual allowance interaction – annual revaluation date amendment from 1 April to 6 April

We have launched a consultation on changing the revaluation date in the LGPS from 1 April to 6 April, closing on 24 February. We will be carefully considering responses as we think about next steps.

Other Updates

On the SAB cost control process the consultation is currently live, which opened on 30 January 2023 and will conclude on 24 March. A working group has been set up to consider the recommendations of GADs section 13 review of the local fund valuations. The group aim to discuss what action should be taken in relation to the recommendations.

3) Agenda item 9: SPPA update

None provided by 22 February 2023.

4) Agenda item 10: DfC update

None provided by 22 February 2023.

5) Agenda item 11: SAB England & Wales update

Provided by Jeremy Hughes on 21 February 2023.

Summary

This report sets out below the current activities of the Local Government Pension Scheme Advisory Board (England and Wales). Particular attention is drawn to the sections on the gender pensions gap and the work to explore the status of the scheme from an Islamic financial and legal perspective.

Section 13 Report recommendations

- The 2019 review of fund valuations by the Government Actuary recommended that the SAB should establish a consistent approach to schools converting to

academies. In response, SAB has established a small working group which is looking to develop some guidance for academies which would cover: a common nomenclature for conversion methodologies, factors that influence conversions and possible consequences of the approach adopted over time. This guidance would be included in a refresh of the tripartite (DfE, DLUHC and SAB) [advice document on academies](#). The intention is that this will enable a better-informed discussion to take place at conversion between the academy trust and the fund, without encroaching on local funding approaches. In parallel, SAB are reviewing with CIPFA the content of the statutory Funding Strategy Statement guidance, again with the aim of improving transparency of approach without prescription.

Cost Management Committee – 30 January 2023 meeting

SAB Scheme Cost Management Process

- We are still waiting for HM Treasury to respond to its consultation on the discount rate methodology for public sector pension schemes (the “SCAPE rate”) and also set out the main assumptions for the 2020 cost control mechanism. However, in the meantime DLUHC has issued a [consultation](#) on reforming the SAB’s own parallel process for reviewing scheme cost, the Scheme Cost Assessment (SCA) set out in regulation 116 of the 2013 Regulations.
- The key changes proposed align the SCA with HMT’s [reformed cost control process](#) and give the SAB greater flexibility in the making of recommendations to the Secretary of State where there is a breach. Importantly, the consultation also reaffirms the Government’s position that the SCA (and implementation of recommendations made from it) will operate prior to the HMT cost control mechanism. The SAB Secretariat will lead on the response to this consultation.

Gender Pensions Gap

- The Board has agreed to publish the initial analysis from GAD on the Gender Pensions Gap in LGPS. As expected from other evidence, this showed significant cumulative differences in pension entitlement by gender. The gender pension gap is therefore much greater than the reported gender pay gap in local government (although this difference was also due in part to the different population covered by the two separate analyses). The data also showed that an emerging gender pensions gap was evident for younger active scheme members (in their 30s-40s) and so it could not be assumed that we were on a path to eradicate gendered differences in accrual of pension entitlements. The Board also gave approval for GAD to do further analysis to investigate what factors account for the differential outcomes, eg different career path or occupational segregation within employer groups.

Survey of opt-outs

- It was not possible to do much analysis of the data collected by the Secretariat from funds on opt outs in the Scheme. It was not possible to reliably strip out the effects of auto-enrolment and there was also inconsistency in practice of recording data which has become apparent. While it was reassuring that there was no evidence of an increase in opt-outs, the data could not support a definite conclusion and so further work on this is being scoped and we expect to repeat the exercise, with a view to getting more reliable data, in the coming months.

Sharia Compliance

- The Board took forward an action recommended in the [legal advice](#) received on the issue of members opting out of the LGPS on the basis of their (principally Islamic) religious belief, and whether this might constitute unlawful discrimination. It agreed to issue a tender for an Islamic finance and legal scholar to review the scheme according to Sharia principles, and in particular to consider whether the LGPS “pensions promise” is of a contractual nature rather than being a financial investment by the member. The proposed report will also look at governance and administrative authority investment principles.

Fund Audit issues

- On the separation of pension fund audit from the audit of the host authority, there now seems to be a consensus that this should happen. SAB, CIPFA and ICAEW have all made representations to DLUHC, and officials are thought to be sympathetic. We have received a positive response from the Minister to [our letter](#) that seems to give the green light to finding an appropriate legislative vehicle to making this happen.
- On the trickier question of issues arising from different audit dates and the reporting of the notional allocation of assets to employers within a fund, discussions with the Financial Reporting Council and NAO have been constructive. The Secretariat has also agreed to convene the first of what will be the annual summits between auditors and actuaries to share current thinking, general approaches and means of streamlining/managing communications. While there is no “silver bullet” it seems that we can make significant incremental improvements in this space by co-ordinating and communicating better.
- On non-audit issues, the Compliance and Reporting Committee is making good progress in its efforts to replace the CIPFA Pensions Panel. It is working to refresh and reissue guidance on Funding Strategy Statements, Annual Reports

and the Knowledge and Skills framework (on which the Board is undertaking a survey of funds to look at current practice and road-test some initial thoughts).

Coming consultations on investment issues

- There is no progress to report with the range of consultations from DLUHC on investment related issues (eg pooling, climate risk reporting, levelling up, CMA order). We anticipate that RBKC's recent decision may lead to further consideration of policy in this area but underlines the importance of a response from DLUHC. When it met in December, SAB discussed but decided not to respond to the RBKC consultation on leaving the London CIV.
- We believe that a Government Bill on boycotts, divestment and sanctions (BDS) is fairly imminent. Depending on the content, this is likely to be controversial in the sector and may require the Secretariat to produce detailed briefing for interested Parliamentarians.

Good Governance Action Plan

- No further progress, with DLUHC still saying that consultation on amendments to the 2013 regulations is likely to happen this year, but with no greater detail on precise timings.

Survivor Benefits and Death Grant Entitlement

- We are still waiting to see the promised DLUHC consultation on amendments to LGPS regulations which would implement recent court judgments in this area, and to remove the upper age limit on entitlement to death grants (which is currently 75).

6) Agenda item 12: Pensions Dashboards - software suppliers

Heywood Pension Technologies update

Provided by John dale on 21 February 2023.

- 6 Successful non-Altair Heywood ISP bids
 - an additional 1.5 million DC and DB scheme members staging between April and November 2023
- direct customer engagement still increasing:
 - we continue to provide PDP overviews for schemes and trustees

- we publish regular PDP and data related blogs and LinkedIn updates
- monthly customer update meetings increasing
- Heywood continue to maintain regular engagement with PDP and Partners (MaPS, PASA, TPR etc.)
- data readiness service
 - a high percentage of customer have signed up to receive their free dashboard data accuracy report

Development Update

- PDP API V0.12 Development Complete. V0.12 compatibility is required for connection to the PDP's new sandbox environment
- we continue to assist PDP by reporting issues and errors etc
- test sandbox deployment suspended by PDP on 19 December 2022, no early participants will be invited to reconnect before the start of April 2023
- connection to the Live Central Digital Architecture unlikely to occur until May/June

Customer Testing

The PDP suspended the reconnection of early participants to the test sandbox on 19 December 2022. They confirmed that no early participants will be reconnected before the start of April 2023 on their 10 February update. This will impact when ISPs can connect to the Live Central Digital Architecture and the commencement of public testing. We are continuing to engage with a number of customers to assist with testing once the PDP have provided further details. PDP have confirmed that all testing from spring 2023 to the announcement of the Dashboard Available Point (DAP), will be in a closed environment and will be on an invitation only basis. The number of initial public testing participant will be very low and likely to remain low until August 2023. Volumes will increase steadily until MaPS are confident that the eco system can operate at the predicted volumes, at which point they will announce the DAP.

Value Data

We will be providing value data to the dashboards in line with our annual benefit statements. Pensions increase will be included in the values for any deferred members who are beyond their normal pensions age. We have created a new database table to store PDP value data, static data, errors and warnings. The value table will have an Altair data view and will be populated by a bulk calculation. The new table will be accessible by Report writer and Insights. Values displayed on the

dashboards by Qualifying Pension Dashboard Services (QPDS), will be displayed in line with the PDP Design Standards (still draft, consultation closed and subject to review), which all QPDS will have to adhere to.

We will liaise with customers through the development phase to ensure requirements are in line with customer expectations.

Civica update

Provided by Kerrie Shields on 15 February 2023

Civica have been working closely with MaPS and tPR to make sure they are on track with on-boarding to the dashboard ecosystem.

- onboarding to ecosystem has been delayed until at least April 2023 for beta test sites
- at the moment we are testing internally based on anonymous client data including volume testing - once we have completed the on-boarding process to the ecosystem we will start testing with our early adopter clients
- we are volume testing as we proceed - we will be testing far in excess of the volumes required for our current clients
- we will be using benefit statement results to populate the values where possible. For deferred members we will use the annual update process to populate current values for accrued annual amount. For members over age 75 we are currently looking at providing the most recent values provided before 75
- once we start client testing we will advise further about matching percentages
- Civica hold monthly sessions with clients to show progress and answer any queries.

Equiniti update

Provided by Heidi Twort on 22 February 2023.

With regards to details about the experience of LGPS administering authorities that are involved in the testing:

- Currently the only testing regarding the Central Digital Architecture (CDA (previously referred to as the Pensions Dashboard Ecosystem)) is with the DWP for State Pensions.
- EQRS are continuing to test our core platform changes, data extracts from the core platform and our ISP solution, including the APIs which will integrate with the CDA. The PDP are currently undertaking a re-planning exercise, and the earliest

ISP providers (including EQRS) will be invited to connect and test our ISP solution with the CDA will be April 2023.

- In the lead up (circa 3 months) to a scheme's staging date, EQRS will support testing data extracts and uploading the data to a 'test' ISP to ensure a smooth process when a scheme has to stage and onboard to the CDA.

With regards to how value data will be displayed on dashboards (for example, how is a deferred benefit displayed that is past normal pension age or age 75, but should have been paid from normal pension age or age 75):

- Whilst EQRS will be responsible for storing and returning values to pensions dashboards from our ISP solution, we are not building our own Pensions Dashboards.
- With regards to values for members over NRA and age 75, our ISP solution allows for values to be returned. If values are not calculated for these members, and no value is held in our ISP, the ISP will automatically determine the code to be returned (as per the November 2022 Data Standards) and this code will then need to be interpreted and the appropriate message displayed by the Pensions Dashboards.
- For any party that is interested in building their own Pensions Dashboards, they will be regulated by the FCA and have to abide the PDP Pensions Dashboards Standards, which was recently subject to consultation and only closed on Thursday 16 February 2023.
- It should be noted that whilst schemes have to connect the CDA by their staging date, Pensions Dashboards to allow individuals to search for any pensions will not be available until the Dashboard Available Point (DAP).
- Further information on the DAP can be found [here](#).

Capita Experience Pensions Solution update

Provided by Martyn Slaughter on 22 February 2023.

- Capita are signed up to be an early participant with MAPS regarding connectivity testing, so already have experience dealing with connectivity issues. However, a recent PASA report indicates that MAPS are considerably behind on the PDP and are unlikely to hit statutory deadlines for full connectivity / onboarding / providing value data.
- Capita will be assigning a project manager to each client, thereby providing a close helping hand in onboarding their pension scheme. By the time the LGPS is due to be onboarded Capita will already have connected and onboarded a considerable number of clients. This experience will result in a refined process.

- Currently working on a client-by-client basis; to date, the LGPS is still in a discovery phase regarding exactly what 'value data' will be provided for all scenarios. However, there is a common solution in place for holding and retrieving the information that will be delivered to the Dashboard.

Generic 'value data' that Capita is currently working towards providing

- accrued value & projected value (active members, where ABS exists) – use latest ABS data on file
- accrued value & projected value (active members, where ABS doesn't exist) – to be confirmed/developed
- accrued value (deferred members, where member is under NPA) – use latest ABS data on file (where an ABS hasn't been prepared, it's possible to obtain info from the deferred 'event' on the system)
- accrued value (deferred members, where member is over NPA, but has deferred benefits beyond NPA and is currently under 75) – use latest ABS data on file
- accrued value (deferred members, where member is over NPA, but has not deferred benefits beyond NPA or is currently under 75) – undecided; PDP allows pension providers to not provide a value and instead provide 'warning flags' (though only in certain circumstances), such as:
 - action outstanding from member (i.e. member is beyond NPA and is now technically a pensioner, so will need to claim benefit) – for reference, we don't provide an ABS for similar members and, instead, send them a letter that relays a message very similar to this
 - estimate retirement income is unavailable (similar to above, but the reason for the 'flag' is not particularly informative to the member
 - alternatively, we're developing a 'flag' that still provides a value, but it's the same value as that at the member's NPA - member is post NPA and needs to claim their benefits; therefore, the values shown are the same as those at NPA
 - based on the PDP rules, our PDP team are unclear on whether such members are defined under the legislation as 'pensioners' but we can see that there is a strong argument that they are such a member; after all, if such a member died today, they'd be treated as a deceased pensioner.

7) Agenda item 13: McCloud – latest position

Unfortunately, due to a glitch in the LGA email system it appears that the email was not sent from the LGA server, even though it is showing as having done so on 31

January 2023. Consequently there are no survey responses for the March 2023 quarter.

8) Agenda item 14: QROPS transfer in

Transfer in from a registered pension scheme or a European pensions institution – regulation 112 (2)(b) of LGPS (Northern Ireland) 2014 or regulation 100 (2) of LGPS 2013

The above regulations state that the LGPS can only accept a transfer in of relevant pension rights which are either accrued under a registered pension scheme or under a European pensions institution.

We have recently had a request to accept a transfer in from an Irish pension scheme. It does not fall under a registered pension scheme so we looked to the definition of a European pensions institution. This took us to the section 293 (8) of the Pensions Act 2004 (article 269 (8) of the Pensions Order (Northern Ireland) 2005). It appears that these sections of the Order and Act that previously referred to an EU directive have been removed post UK withdrawal from the EU on 31 December 2020.

We found an article in MoneyHelper that says transfers before 31 December 2020 continued as normal until the withdrawal date but transfers after that date 'depend on the outcome of the UK Government's negotiations with the EU.'

Is there any guidance on how to treat inward transfers from the EEA post UK withdrawal or, in the absence of any new legislation is the answer that we simply cannot accept them at the present time?

Latest position

The LGA raised the query with DLUHC and their response on the 23 June 2022 was:

“Thanks, that’s a good question – not been raised with us so far I think. From what you’ve found from TPS etc, it sounds like there’s not a consistent approach currently, but I will raise it with MOCOP to see if the same question has come up and if HMT have any views. My gut feeling is that we may need to change the regulations to either accept transfers from QROPS generally, or just to accepting transfers from within the UK. Post-Brexit it doesn’t feel appropriate that we would privilege transfers from European schemes only. Will get back to you once I hear back from MOCOP.”

Following their response on 23 June 2022, DLUHC have forwarded this query to HMT and we await an update.

9) Agenda item 16: AVC Wise

This update is not to be published due to commercial sensitivity. Document attached with meeting invite.

10) Agenda item 17: Transfers out process

Raised by: Jayne Wiberg

Pension Officer Group: LGA

Description of agenda item to be discussed: Transfer out process

References to the LGPS in this item mean either the LGPS in England & Wales, or the LGPS in Scotland, or the LGPS in Northern Ireland.

Issue

As part of discussions with the company referred to in item 17 of the agenda, an administrative issue arose. The company confirmed that where a member:

- holds more than one deferred benefit in the LGPS, or
- might be active in another Fund, or
- in receipt of pension benefits

quite often this information is not discovered until the member has progressed part way through the transfer out process. This causes problems for both the member and the company to whom the member is looking to transfer.

Rules

If a member requests a statement of entitlement containing a cash equivalent transfer value, three conditions in relation to membership of the LGPS must be met before the statement is provided.

- condition 1 – the member must be entitled to deferred benefits in the LGPS [section 93(2) PSA 1993]
- condition 2 – the member must not be in receipt of a pension from the LGPS [section 93(3) PSA 1993]

- condition 3 – the member must not be actively paying contributions in the LGPS and the CETV must discharge all liability in the LGPS [section 93(4) PSA 1993]

If the member has more than one deferred benefit in the LGPS, a CETV representing each deferred benefit must be calculated using the same guarantee date [section 93A(3) PSA 1993].

If the member has an LGPS benefit in payment, the member cannot transfer their deferred benefits out of the LGPS.

If the member is actively contributing to the LGPS, they must stop contributing before they can transfer their deferred benefits out of the LGPS.

Suggested process to be discussed and agreed by the group

Following a request from the member for a statement of entitlement in respect of their deferred benefits:

Check for all LGPS benefits held by the member

To identify if the member holds any other LGPS benefits, the administering authority should check:

- their pensions software administration system, and
- the national insurance database

Outcome 1 – member does not hold any other LGPS benefits

If after searching the pensions administration software system and the national insurance database, the member is identified as not holding any other LGPS benefits:

- proceed as normal with the transfer out process
- if a transfer company has requested the transfer information, that in turn you send direct to the member, make sure you let the receiving scheme know you have done this – a simple email to the receiving scheme will suffice

Outcome 2 – member is in receipt of an LGPS pension

If after searching the pensions administration software system and the national insurance database, the member is identified as in receipt of an LGPS pension:

- inform the member they are not entitled to a statement of entitlement because they do not satisfy condition 2 [section 93(3) PSA 1993]

- if a transfer company has requested the transfer information, at the same time as informing the member the transfer cannot proceed, make sure you also let the receiving scheme – a simple email to the receiving scheme will suffice

Outcome 3 – member holds more than one LGPS deferred benefit with the administering authority

If after searching the pensions administration software system and the national insurance database, the member is identified as holding more than one deferred benefit with the administering authority:

- provide a statement of entitlement for each deferred benefit containing a CETV using the same guarantee date to calculate each CETV [sections 93(2) and 93A(3) PSA 1993]
- explain to the member that all deferred benefits must be transferred out of the LGPS at the same time and declaration forms will be needed in respect of each deferred benefit
- explain to the member that if applicable, only one advice confirmation form in respect of all their LGPS deferred benefits is needed
- proceed as normal with the transfer process remembering that the member has more than one deferred benefit with the administering authority
- if a transfer company has requested the transfer information, that in turn you send direct to the member, make sure you let the receiving scheme know you have done this – a simple email to the receiving scheme will suffice

Outcome 4 – member holds more than one LGPS deferred benefit with a different administering authority

If after searching the pensions administration software system and the national insurance database, the member is identified as holding more than one deferred benefit with different administering authorities:

- contact the other administering authority(s) to explain a request for a statement of entitlement has been received
- agree a guarantee date to use to calculate the CETV with the other administering authority(s)
- each administering authority to provide a statement of entitlement for each deferred benefit containing a CETV using the same guarantee date to calculate each CETV [sections 93(2) and 93A(3) PSA 1993]
- each administering authority to explain to the member that all deferred benefits must be transferred out of the LGPS at the same time and declaration forms will be needed in respect of each deferred benefit

- each administering authority to explain to the member that if applicable, only one advice confirmation form in respect of all their LGPS deferred benefits is needed
- if a transfer company has requested the transfer information, that in turn you send direct to the member, make sure you let the receiving scheme know you have done this – a simple email to the receiving scheme will suffice

Thereafter, the administering authorities will need to work closely together:

- performing transfer due diligence (the conditions, confirming whether the member is an earner etc) – the due diligence can be shared between administering authorities - the member only needs to provide evidence once
- sharing the advice confirmation form
- agreeing a payment date

11) Agenda item 17: Transfers out process questions & responses

To identify if a member has active, deferred or pensioner benefits with another administering authority, authorities will need to check with the national insurance database. Do administering authorities have any issues adopting this approach?

Feedback indicates all POGs agree with the need to check the NI database. NEPOF raised a question over orphan AVCs.

The national insurance database contains email contacts, and under the LGPS contact system interfund contacts can be downloaded. Do administering authorities want to use the fund email contacts by way of the national insurance database or the interfund contacts from the LGPS contacts system, to communicate with one another?

Feedback indicates no clear preference – National LGPS Technical Group members to agree:

- SPOG –interfund email
- SAPOG - interfund email
- SWAPOG - NI database
- WPOG – NI database
- LPOG - mixed
- SECSOG - mixed
- EMPOG - go with majority - funds must keep their details up to date
- NEPOF - go with majority - funds must keep their details up to date

- SPLG – go with majority

To make sure the transfer process progresses smoothly for the member we need to define a lead administering authority. The lead authority will liaise with the member, obtain all due diligence information (e.g. earner proof, the conditions due diligence, financial advice form etc) and share this information with all other relevant administering authorities. We believe, the lead authority should be the last authority in which the member was active. Do administering authorities have any issues adopting this approach?

Feedback indicates all POGs agree the last authority should be the lead authority:

- EMPOG - agree - concerns over smaller funds with less resources and experience of being lead fund
- LPOG - agree - concerns raised if case leads to a complaint
- NEPOF - agree - though recognize differing levels of experience across funds and some work to a higher standard
- SECSOG - agree - concerns over blindly accepting lead funds due diligence
- SWAPOG – agree - concerns over standards used by lead fund
- WPOG - agree
- SPOG - agree
- SAPOG – agree
- SPLG – agree

All the CETVs for the member must have the same guarantee date. Administering authorities will need to liaise with each other to agree this date, taking into account their own work loads. The lead authority will be responsible for this liaison and communication of the agreed date to all relevant authorities. Do administering authorities have any issues adopting this approach?

Feedback indicates all POGs agree the lead authority will be responsible for agreeing the guarantee date with all relevant authorities:

- EMPOG - agree - concerns over smaller funds with less resources and experience
- LPOG – agree – if everyone is following the same process
- NEPOF – agree – smaller funds may need assistance
- SAPOG – agree – if everyone is communicating
- SWAPOG – agree – needs robust processes and constant communication between funds
- SECSOG - agree

- SPLG – agree
- SPOG – agree
- WPOG - agree

There may be occasions where it is not possible to calculate a CETV using an agreed guarantee date. This might be because information has not been received from an employer to calculate deferred benefits. Where this occurs the authority that is experiencing difficulties must let all the other relevant authorities know and all the relevant authorities will need to agree a new guarantee date, which must be confirmed and communicated by the lead authority. Do administering authorities have any issues adopting this approach?

Feedback indicates all POGs agree with this approach and the lead authority will be responsible for agreeing the new guarantee date with all relevant authorities:

- LPOG – agree – if everyone communicating, few concerns re data from employers
- NEPOF – agree – requires by in from all funds
- SWAPOG – agree – concerns over lead fund chasing and policing other funds
- SPLG – agree – also fund with the delay should contact the member
- SECSOG – agree - believe fund with a delay should inform the member to avoid lead authority being blamed
- EMPOG - agree
- SAPOG – agree
- SPOG – agree
- WPOG - agree

Once all the completed declaration forms have been returned by the member and all the necessary due diligence has been shared with all the relevant administering authorities, the lead authority will need to liaise with those authorities to agree whether the transfers will be paid and if so, agree an approximate payment date. The payments can be made within a couple of days of one another. Where it is agreed not to proceed with the transfer, each relevant authority should let the member know and why. Do administering authorities have any issues adopting this approach?

Feedback indicates all POGs agree the lead authority will be responsible for liaising with all relevant authorities to agree whether the transfer will be paid and the approximate payment date. Also where payment will not proceed all POGs agree each relevant authority should let the member know why:

- LPOG – agree – concerns if other funds don't agree with lead funds re due diligence checks
- NEPOF – agree – questioned whether payment still needs to be within a few days of each other, believe 6 months is compliant
- SAPOG – agree – suggest minimum due diligence checklist as some work to higher standards
- SEC SOG – agree - concerns over blindly accepting lead funds due diligence and other factors that could lead to a blame game
- SWAPOG – agree – concerns over practicality of timing the payments (i.e. senior officer sign off for large payments)
- SPLG – agree – where declined reason should be agreed between funds before issuing to member to avoid mixed messages
- WPOG – agree – so long as funds buy in
- EMPOG - agree
- SPOG – agree

12) Agenda item 18: National AVC framework

Raised by: Ian Howe

Pension Officer Group: EMPOG

Description of agenda item to be discussed: AVCs – Framework Discussion

Following various discussions at Technical Group about AVC providers, I approached the National LGPS Frameworks to see if there was any appetite to work with Funds on developing an AVC Framework.

National LGPS Frameworks are certainly interested in this idea and would like to explore this further, also working collaboratively with a small group of Funds on the potential of setting up a new AVC Framework.

Once in place this would enable Funds to use the National LGPS Frameworks to procure AVC provider/s. It could also possibly be set up to enable employers to access shared cost AVC's.

Please can you raise this within your POGs and feedback any interest.

I will then collate the list of Funds interested in developing this and liaise with the National LGPS Frameworks team on how we take this idea forwards.

Regards

Agenda item 18: National AVC framework feedback

National AVC framework – group members to ask POGs

- do they want a national framework for AVC providers?
- if yes, would any administering authority like to be a founder member?
- when are administering authorities likely to review their AVC contracts?

| POG | National framework for AVC providers? | Founder member? | Date of review of AVC contract |
|---------|--|--|--|
| EMPOG | Yes | Yes – some funds | Rolling contracts in the main |
| LPOG | Yes | No - No resource | Rolling contracts in the main - reviews generally in the next two years |
| NEPOF | No strong appetite | No | Some funds review annually - others do not have a set date, but consideration is being given to undertake a review |
| SEC SOG | Yes broadly | No | Generally within the next three years |
| SPLG | Yes | Certainly interest – would like to know more about this (some funds) | Some reviews in 2023 / 2024 |
| SPOG | Yes | Yes – one fund | Rolling contracts in the main |
| SWAPOG | Low interest as recent reviews taken place | No | Recent reviews taken place |

| | | | |
|---------|-----|------------------------------------|--|
| WPOG | Yes | No | Reviews in place |
| NILGOSC | Yes | No | - |
| SAPOG | Yes | Unlikely – limited resources | No set dates – some reviews planned |

13) Agenda item 24: 2022 group attendance

| Standing members | % attend in 2022 | 11 Mar Hybrid | 17 Jun In person | 2 Sept Hybrid | 9 Dec In person |
|--|------------------|---------------|------------------|---------------|-----------------|
| Kevin Gerard (Chairman) - Welsh Pension Officer Group | 100 | Yes | Yes | Yes | Yes |
| Joanne Griffiths - Welsh Pension Officer Group | 100 | Yes | Yes | Yes | Yes |
| Ian Howe (Deputy Chairman) - East Midlands Pension Officer Group | 75 | Yes | Yes | Apol | Yes |
| Phil Drury - East Midlands Pension Officer Group | 75 | Yes | Apol | Yes | Yes |
| Karen Gibson - Southwest Area Pension Officer Group | 50 | Yes | Yes | Apol | Apol |
| Emma Sanders - Southwest Area Pension Officer Group | 75 | Yes | Yes | Yes | Apol |
| Claire Lewis-Smith - Southern Area Pension Officer Group | 50 | Yes | Apol | Apol | Yes |
| Sandy Armstrong - Southern Area Pension Officer Group | 100 | Yes | Yes | Yes | Yes |
| Louise Savage - Southeastern Counties Superannuation Officer Group | 75 | Yes | Apol | Yes | Yes |
| Joel Ellner - Southeastern Counties Superannuation Officer Group | 75 | Yes | Yes | Yes | Apol |
| Richard Smythe - London Pension Officer Group | 100 | Yes | Yes | Yes | Yes |

| | | | | | |
|---|-----|-------------|------|------|------|
| Martin Doyle - London Pension Officer Group | 100 | | | | Yes |
| Vicky Jenks - Shrewsbury Pension Officer Group | 50 | | | Apol | Yes |
| Debbie Sharp - Shrewsbury Pension Officer Group | 75 | Yes | Apol | Yes | Yes |
| Heather Chambers - Northeast Pension Officer Forum | 100 | Yes | Yes | Yes | Yes |
| Liz Vollans - Northeast Pension Officer Forum | 75 | Apol | Yes | Yes | Yes |
| Erin Savage - Scottish Pensions Liaison Group | 50 | Apol | Yes | Apol | Yes |
| Zena Kee - Northern Ireland Local Government Officers' Superannuation Committee | 75 | Apol | Yes | Yes | Yes |
| Representative members no voting rights | | | | | |
| Alan Wareham – Department for Levelling Up, Housing and Communities | 50 | Not present | Apol | Yes | Yes |
| Kimberly Linge - Scottish Public Pension Agency | 0 | Apol | Apol | Apol | Apol |
| William Dobbin - Department for Communities (Northern Ireland) | 25 | Apol | Apol | Yes | Apol |
| Jayne Wiberg - Local Government Association | 100 | Yes | Yes | Yes | Yes |
| Lorraine Bennett - Local Government Association | 100 | Yes | Yes | Yes | Yes |

| | | | | | |
|--|-----|------|------|------|------|
| Joanne Donnelly - Local Government Association | 50 | Yes | Apol | Yes | Apol |
| Steven Moseley (Scotland) – Local Government Association | 50 | Apol | Yes | Apol | Yes |
| Jeremy Hughes – Scheme Advisory Board England & Wales | 100 | Yes | Yes | Yes | Yes |
| Ad-hoc members no voting rights | | | | | |
| Software suppliers | | | | | |
| Paul Kateley - Heywood | 100 | Yes | | | Yes |
| Roger Swift - Capita Employee Benefits | 25 | Yes | Apol | Apol | Apol |
| Kerrie Shields - Civica | 100 | Yes | Yes | Yes | Yes |
| Heidi Twort – Equiniti | 25 | Yes | Apol | Apol | Apol |
| Actuarial firms | | | | | |
| Melanie Durrant - Barnett Waddingham | 75 | Yes | Apol | Yes | Yes |
| Ian Colvin - Actuarial - Hymans Robertson | 75 | Yes | Apol | Yes | Yes |
| Justine Davies - Price Waterhouse Coopers | 100 | Yes | Yes | Yes | Yes |
| Catherine Pearce - Aon | 100 | Yes | Yes | Yes | Yes |
| Jonathan Perera – Mercer | 75 | Yes | Yes | Yes | Apol |

| Secretarial | | | | | |
|----------------|----|------|-----|-----|-----|
| Kelly Scotford | 75 | Apol | Yes | Yes | Yes |