

Action Points from LGA Bulletin 189 (published in October 2019)

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<p>Updated club transfer factors – error with over 60s</p> <p>MHCLG have confirmed that the new club factors, which took effect from 1 April 2019, contained errors for older members, where the relevant date fell on/after 1 April 2019, and:</p> <ul style="list-style-type: none"> • Where the member was aged 65+ and benefits were being transferred in on a club-basis; or • Where the member has 85-year rule protections, has reached the later of the 85-year rule or age 60, and their benefits were being transferred out on a club basis <p>New factors have been for the above affected members.</p> <p><i>Technical team note – given the age of the affected members, previous experience with transfers suggests that it's highly unlikely that many, if any, member transfers that have taken place since 1 April 2019 fall into this category.</i></p>	<ul style="list-style-type: none"> • Technical – Issue new factors to the operations team & give instructions to identify affected cases 	<ul style="list-style-type: none"> • Completed 	<ul style="list-style-type: none"> • For information 	<ul style="list-style-type: none"> • N/A 		
<p>Notification of Court proceedings against a fund</p> <p>If your pension fund has court proceedings brought against it in relation to the LGPS (usually as a result of an Ombudsman determination that isn't in the complainant's favour), please inform lgpensions@communities.gov.uk as soon as possible (as they may be able to assist you in providing a joint defence).</p>	<ul style="list-style-type: none"> • Operations – please take note, and inform LBBC if you receive such a case. 	<ul style="list-style-type: none"> • Immediately 	<ul style="list-style-type: none"> • If any cases come directly to you or are referred to you by operations, please advise MHCLG 	<ul style="list-style-type: none"> • as soon as practicable 	<ul style="list-style-type: none"> • For information 	<ul style="list-style-type: none"> • N/A

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<p>LGPS mortality data: approach from CMI</p> <p>GAD have been approached by the actuarial profession's Continuous Mortality Investigation (CMI) to request LGPS mortality data. A letter from CMI to GAD setting out their proposal (and information for pension schemes) is on the Board website.</p> <p>GAD, MHCLG and the SAB Secretariat are supportive of this proposal in principle, but would welcome the views of stakeholders. Also on the website is a letter setting out a summary of the CMI proposal, and the questions on which GAD are seeking views to be considered by the Cost Management, Benefit Design and Administration Committee. If you have any comments or views on providing LGPS mortality data, please pass them to the SAB secretariat or a member of the CMBDA Committee.</p>			<ul style="list-style-type: none"> If you have any comments or views on providing LGPS mortality data, please email robert.holloway@local.gov.uk 	<ul style="list-style-type: none"> ASAP 		
<p>Pension fund annual report & accounts 2019</p> <p>If you haven't already done so, please provide liam.robson@local.gov.uk with a copy of your fund's annual report & accounts by 29 November 2019 at the latest.</p>			<ul style="list-style-type: none"> If you haven't already done so, please provide liam.robson@local.gov.uk with a copy of your fund's AR&A 	<ul style="list-style-type: none"> 29 November 2019 		
<p>Lifetime Allowance (LTA) data</p> <p>As the Event Report still hasn't been amended to include LTA protections, you can submit these details to HMRC, using a password-protected spreadsheet. Send the password in a separate email inserting 'Lifetime Allowance – Event Reporting' in the subject and send to pensions.businessdelivery@hmrc.gov.uk and copy in david.roper@hmrc.gov.uk. You must provide this data by 31 January 2020</p>	<ul style="list-style-type: none"> Operations – please take note 	<ul style="list-style-type: none"> N/A 				

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<p>HMRC publications</p> <p>Countdown bulletin 48 & Pension Schemes newsletter 113 have now been published; the latter mostly covers annual allowance requirements for 2018/19, which should have been met by now (deadline to provide statements was 5 October 2019)</p>	<ul style="list-style-type: none"> • Operations - For information 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • For information 	<ul style="list-style-type: none"> • N/A 		
<p>LGA recommendations on GMP 'stalemate cases'</p> <ul style="list-style-type: none"> • Not in scheme stalemate cases - Where there's no trace of the person in the LGPS pension fund, LGA recommend that the pension fund deletes all reference to this individual. Data protection legislation only allows an administering authority to hold data if they have a lawful basis for doing so. Where there is no record of an individual ever being a member of the LGPS, in the LGA's view, there is no lawful basis for holding data. • All other stalemate cases - For all other stalemate cases (whether they relate to the period of contracted out membership, GMP values etc), it's recommended that you do not take any action until the later of the: <ul style="list-style-type: none"> o Member's GMP pensionable age o Date the member's Scheme benefits are paid. • HMRC business as usual (BAU) queries - You should query these cases with HMRC's BAU service when you pay a member's Scheme benefits (or when you receive a request for payment for a 'not in scheme' case). 	<ul style="list-style-type: none"> • Operations - please ensure that those staff dealing with GMP reconciliation take note of the LGA's opinions; in addition, please liaise with the LBBC team (as the data controllers) to see what their views are. 	<ul style="list-style-type: none"> • ASAP 	<ul style="list-style-type: none"> • You may wish to consider seeking legal advice concerning the LGA's recommendation to delete all reference to an individual, where that individual falls under the 'not in scheme' stalemate cases. 	<ul style="list-style-type: none"> • ASAP 		

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<p>Tell Us Once (TUO) – death certificates</p> <p>As a point of clarification, if a member's death has been notified via the TUO, a death certificate should not be requested; this goes again the Data Sharing Agreement signed by all funds and, the DWP will be obliged to remove TUO access from funds that are automatically requesting death certificates, even if one is not required.</p>	<ul style="list-style-type: none"> Operations – please take note; a TUO notification should be treated as the equivalent of a death certificate 	<ul style="list-style-type: none"> Immediately 	<ul style="list-style-type: none"> For information 	<ul style="list-style-type: none"> N/A 		
<p>PO 21243 – Prudential Personal Pension Scheme complaint</p> <p>A member complained that Prudential transferred his scheme account to the Beausale Limited Pension Scheme in 2012 without carrying out sufficient due diligence.</p> <p>The complaint was not upheld on the basis that the Pensions Regulator did not issue guidance to providers on pension liberation (and the danger of pension scams) until February 2013; it was at this point that industry practice changed with regard to the level of due diligence expected. This led to the issue of 'Scorpion' leaflets, warning members about the risks to their pensions.</p>	<ul style="list-style-type: none"> Operations - For information 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> For information 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> For information 	<ul style="list-style-type: none"> N/A
<p>TPR launch re-enrolment tool for employers</p> <p>The Pensions Regulator has launched a new tool to assist employers comply with their automatic re-enrolment duties. The tool is intended to simplify the re-enrolment process for employers, ensuring that they continue to meet their obligations.</p>			<ul style="list-style-type: none"> For information 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> You may wish to use the tool to help you in your auto re-enrolment duties 	<ul style="list-style-type: none"> As & when

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<p>Equitable Life transfer – counsel's opinion</p> <p>LGA obtained Counsel's opinion on considerations for LGPS pension funds when voting on the Proposal (i.e. moving Equitable Life policy holders to Utmost Life). You can view the opinion on the legal opinions page of www.lgpsregs.org.</p> <p>The opinion confirms that pension funds:</p> <ul style="list-style-type: none"> • Are entitled to vote • Have a duty to secure that the value of additional benefits from AVCs is 'reasonable' having regard to the amount of the voluntary contributions and the value of other scheme benefits • Need to determine how they exercise their votes; they cannot and must not avoid making a determination altogether • Must not allow themselves to be dictated to by Scheme members • LGPS pension funds won't generally be liable if they act reasonably. <p>Counsel's view is pension funds would be wise to communicate with their Scheme members concerning the proposal (for the reasons set out in the opinion).</p>			<ul style="list-style-type: none"> • If you haven't already done so, please: <ul style="list-style-type: none"> ◦ Determine whether or not you'll vote on the issue; if you're not voting on the issue, you must document that you're determining not to vote on the issue ◦ If you're voting on the issue, please click here and cast your vote before 30 October 2019 	<ul style="list-style-type: none"> • 30 October 2019 		
<p>UK Technical Group minutes published</p> <p>The minutes of the 20 September 2019 meeting can be found here.</p>	<ul style="list-style-type: none"> • Operations – for information 	<ul style="list-style-type: none"> • As & when 	<ul style="list-style-type: none"> • For information 	<ul style="list-style-type: none"> • As & when 	<ul style="list-style-type: none"> • For information 	<ul style="list-style-type: none"> • As & when

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<p>Annual governance conference – 23-24 January 2020</p> <p>The conference is now open for booking; further information can be found here.</p>			<ul style="list-style-type: none"> • For information 	<ul style="list-style-type: none"> • ASAP 		
<p>Independent Schools and the Teachers' Pensions Scheme consultation</p> <p>The Department for Education (DfE) have opened a consultation to gather views on a proposal to change the Teachers' Pension Scheme (England and Wales) (TPS) rules to allow independent schools to opt out more flexibly.</p> <p>Under the current scheme rules, an independent school electing to opt out of the Scheme results in all members being deferred. The proposal would allow independent schools to continue to offer TPS membership to existing staff, but not to new teachers.</p> <p>Independent schools will not receive any funding to meet the cost of increased TPS employer contributions from 1 September 2019. This significant increase in costs means that more independent schools are considering opting out of the TPS.</p> <p>Contributions paid to the TPS by independent schools account for approximately 10% of the total scheme contributions. As an unfunded scheme, any exiting school does not have to pay an exit payment; consequently, there is a risk that increased costs will be met by local authorities paying a higher TPS employer contribution rate in the future.</p> <p>The LGA will be responding to the consultation before the deadline of 3 November 2019.</p>			<ul style="list-style-type: none"> • Given the impact that the proposed changes will have on TPS contributions (and, potentially, local authorities and academies etc.), you may wish to consider responding to the Consultation. 	<ul style="list-style-type: none"> • 3 November 2019 	<ul style="list-style-type: none"> • Given the impact that the proposed changes will have on TPS contributions (and, potentially, local authorities and academies etc.), you may wish to consider responding to the Consultation. 	<ul style="list-style-type: none"> • 3 November 2019

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<p>NHS Pension Scheme consultation: increased flexibility</p> <p>The Department for Health and Social Care is consulting on a new set of proposals to offer senior clinicians more control over their pensions growth, so they can continue to provide the services that patients need.</p> <p>The new plans go significantly beyond the 50:50 flexibility previously proposed. The new proposals include:</p> <ul style="list-style-type: none"> • a 'flexible accrual' option where members can choose an accrual level in 10% increments • the option to 'fine tune' pension growth towards the end of the scheme year, when total earnings are clearer <p>The previous consultation has now been withdrawn. NHS employers have produced guidance that outlines optional local measures that employers can take to support staff who are likely to be affected by pension tax issues ahead of the increased flexibilities being introduced.</p>			<ul style="list-style-type: none"> • Given the increased involvement that the NHS plans to have with their staff regarding annual allowance issues, you may wish to reconsider your current strategy on how, and what, you communicate annual allowance issues with/to members. Alternatively, you may decide that this is an issue for your employers to communicate. 	<ul style="list-style-type: none"> • As & when 	<ul style="list-style-type: none"> • Given the increased involvement that the NHS plans to have with their staff regarding annual allowance issues, you may wish to consider liaising with LBBC on how/whether you plan to communicate annual allowance issues. 	<ul style="list-style-type: none"> • As & when

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