

CAPITA

Memo

To: LGPS administering authorities & Scheme employers
From: Capita's LGPS Technical Consultancy team
Date: 22/07/2019
Subject: LGPS administering authorities & Scheme employers -
Technical clarifications (Q2 2019)

A technical update for LGPS administering authorities & Scheme employers

The intention of this memo is to (1) highlight any areas of uncertainty that were identified throughout the period 1 April 2019 – 30 June 2019 (Q2 2019) for the LGPS, and (2) provide clarification on these points.

Subject	Question/area of uncertainty	Answer/clarification										
Ill health – Deferred into payment	What's the earliest date from when benefits can be paid on ill health?	<p>It depends on when the member left (i.e. stopped contributing to) the Scheme:</p> <table border="1"><thead><tr><th colspan="2" data-bbox="1218 836 2074 863">Ill health (deferred members) - date benefits become payable from</th></tr></thead><tbody><tr><td data-bbox="1218 863 1581 1007">Left before 1 April 1998</td><td data-bbox="1581 863 2074 1007">The date the member became permanently incapable (certified by the IRMP); please note that this could be earlier than the date of the member's application for early payment</td></tr><tr><td data-bbox="1218 1007 1581 1066">Left between 1 April 1998 & 31 March 2008</td><td data-bbox="1581 1007 2074 1066">The date of the member's application for early payment.</td></tr><tr><td data-bbox="1218 1066 1581 1209">Left between 1 April 2008 & 31 March 2014</td><td data-bbox="1581 1066 2074 1209">The date the member became permanently incapable (certified by the IRMP); please note that this could be earlier than the date of the member's application for early payment.</td></tr><tr><td data-bbox="1218 1209 1581 1321">Left after 31 March 2014</td><td data-bbox="1581 1209 2074 1321">The date on which the former Scheme employer made the determination (i.e. the date that the determination is signed by the Scheme employer).</td></tr></tbody></table>	Ill health (deferred members) - date benefits become payable from		Left before 1 April 1998	The date the member became permanently incapable (certified by the IRMP); please note that this could be earlier than the date of the member's application for early payment	Left between 1 April 1998 & 31 March 2008	The date of the member's application for early payment.	Left between 1 April 2008 & 31 March 2014	The date the member became permanently incapable (certified by the IRMP); please note that this could be earlier than the date of the member's application for early payment.	Left after 31 March 2014	The date on which the former Scheme employer made the determination (i.e. the date that the determination is signed by the Scheme employer).
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<p>Ill health – Trivial Commutation</p>	<p>A member with GMP is under GMP age, but wants to receive a TCLS on (non-serious) ill health grounds – is this allowed?</p>	<p>It's only possible for a member to trivially commute a GMP once they've reached GMP age (60 for women and 65 for men). This is because the GMP revalues each year by section 148 orders, and these orders are issued each year, so we can't estimate what revaluation will apply between now and when the member reaches GMP age. Consequently, as we can't determine if the minimum pension guarantee has been met, we can't commute the pension.</p>
<p>Ill health – Tier 1 retiree re-entering LGPS-sponsored employment</p>	<p>A Tier 1 retiree is seeking to become re-employed in a LGPS-sponsored employment:</p> <p>(1) Is the member allowed to be re-employed and re-join the LGPS?</p> <p>(2) If the answer to (1) is 'yes', is the ill health pension in payment subject to the administering authority's abatement policy (i.e. the policy of the body paying the LGPS pension)?</p>	<p>(1) Where a member has previously retired on Tier 1 ill health, they may be re-employed by their former employer/a new local government employer and are also eligible re-join the LGPS. However, if the member was to retire on ill health in their new employment, then, irrespective of the Tiered award, they wouldn't be entitled to a further enhancement; this is confirmed under Regulation 39(5) of the LGPS Regulations 2013.</p> <p>(2) Yes, the ill health pension would be subject to the administering authority's* abatement policy, though it would only be applied to the member's final salary benefits.</p> <p>*This being the administering authority of the fund that is paying the member's pension</p>
<p>Ill health – Uplift from Tier 3 to Tier 2</p>	<p>A Tier 3 retiree* has now met the criteria for a Tier 2 uplift to apply – from what date is the uplifted pension calculated and paid?</p> <p><i>*the medical assessment to 'uplift' a Tier 3 retiree must take place no later than 3 years after the Tier 3 pension has been suspended.</i></p>	<p>If the original Tier 3 award was made:</p> <ul style="list-style-type: none"> • Before 1 April 2014 – the Tier 2 uplift is calculated from the date of the original Tier 3 award, but is payable/applied from the date the Tier 2 uplift is signed off by the employer; • On/after 1 April 2014 – the Tier 2 uplift is calculated & paid/applied from the date the Tier 2 uplift is signed off by the employer" <p>In short, irrespective of when the original Tier 3 award was made, the uplift can only be paid from the date the Tier 2 uplift is signed off by the employer.</p> <p>However, the date of the Tier 3 award (whether before or after 1 April 2014) will determine the date from when the Tier 2 uplift is calculated.</p>

<p>Death benefits – survivor’s pension</p>	<p>A post 31 March 2008 leaver has died, leaving a cohabiting partner; however, the member was still married to their (estranged) spouse – is the cohabiting partner entitled to a survivor’s pension?</p>	<p>No, they’re not*; this is because one of the key criteria for a cohabiting partner’s pension to be paid is that, immediately before the member’s death, the member and their cohabiting partner must have been free to enter into a marriage/civil partnership (which they weren’t).</p> <p>However, it should be noted that, despite being separated from the member, the member’s estranged spouse is entitled to a survivor’s pension, payable from the day after the date of the member’s death.</p> <p>Please note that the above situation doesn’t affect the payment of any death grant due (i.e. the death grant can be paid to anyone, including the member’s cohabiting partner).</p> <p><i>*However, a recent High Court ruling on the Armed Forces pension scheme found in favour of a surviving cohabiting partner, where they (rather than their deceased partner, the member) was estranged from their spouse – at present, it’s unclear how the ruling will impact on cohabiting partners of the LGPS, though we expect that MHCLG will follow a similar line (we expect to receive formal clarification from MHCLG at some point in the near future, but, for the time being, we’ll continue as normal). A Capita ‘Spotlight’ on the subject will be published within the next few weeks.</i></p>
<p>Death benefits – children’s pensions</p>	<p>A member has died, but has left a surviving adult dependant (child, mentally incapacitated) - is the dependant entitled to a pension?</p>	<p>Yes, providing they meet the definition of a ‘child’ under Schedule 1 of the LGPS Regulations 2013 (see below - for reference, where the member died after 31 March 2014, the definition of ‘eligible child’ under the LGPS Regulations 2013 applies, irrespective of when the member ceased active membership of the LGPS):</p> <p><i>"eligible child", in relation to a deceased member, means-</i></p> <ul style="list-style-type: none"> <i>(a) a natural or adopted child of a member who meets any of conditions A to C and who was born before, on, or in the case of a natural child, within 12 months of the member's death; or</i> <i>(b) a step-child or child accepted by the deceased as a member of the family (excluding a child sponsored by the member through a registered charity) who-</i> <ul style="list-style-type: none"> <i>(i) meets any of conditions A to C; and</i> <i>(ii) was dependent on the member at the date of death.</i> <p><i>Condition A is that the person is aged under 18.</i></p> <p><i>Condition B is that the person is in full-time education or vocational training and has not reached the age of 23 (but an administering authority may continue to treat a person as fulfilling Condition B notwithstanding any break in a course of education or vocational training, although the person does not fulfil Condition B during such a break).</i></p>

		<p>Condition C is that the person is unable to engage in gainful employment because of physical or mental impairment and either-</p> <ul style="list-style-type: none"> (i) has not reached the age of 23; or (ii) the impairment is in the opinion of an IRMP likely to be permanent and the person was dependent on the member at the date of the member's death because of that physical or mental impairment.
<p>Procedures between Capita and the client</p>	<p>What are the processes for an employer to follow when an employee plans to retire, requests an estimate, or where an employer needs to undertake a pensions-related function on the member's behalf?</p>	<p>I can confirm that there are relevant processes in place for all functions of the pension scheme; these are covered in the Capita/client procedure manual, which has been designed to be as user friendly as possible (for reference, the process for retiring voluntarily can be found under 'leavers').</p> <p>Please note that:</p> <ul style="list-style-type: none"> • The manual covers all processes involving employers, Capita the LGPS • The relevant process is detailed (in a user friendly way) on the relevant tab, together with the relevant forms to complete
<p>ID verification – photocopying passports</p>	<p>Can a photocopy of a passport be 'certified' in lieu of an original?</p>	<p>Yes, it can; the Gov.uk website clarifies a number of points in this area, namely:</p> <ul style="list-style-type: none"> • Passports can be photocopied in order to be 'certified' (see below) • Who can certify a photocopy (the list is not exhaustive, but provides examples of individuals who are 'professional persons' or 'persons of good character') • What the certifier needs to write when certifying a document <p>For reference, births, deaths and marriage certificates cannot be photocopied and 'certified' (irrespective of the certifier's professional), as these will be invalid; this is confirmed in more detail, here.</p> <p>It's also possible for a member's sponsoring Scheme employer (i.e. an employer who contributes to the member's pension scheme), who has seen an original document, to simply confirm via an official email address that they have seen the original and provide confirmation of the issue being verified; this would be sufficient to verify a person's date of birth/marriage, etc.</p>