

# LGPS Annual Returns

## Frequently Asked Questions



### **Important**

Please make sure you are up to date with your starter and leaver notifications: these notifications can be sent via the Employer Hub.

Please remember that we cannot accept annual returns submitted by payroll providers - they must be sent to us and signed off by an employer contact with the authority to do so. Scheme Employers are responsible for the information sent, so they must check and confirm the annual return is acceptable before sending it to us. While we understand that payroll providers may complete this on your behalf, the agreement for the provision of this information is between the Scheme Employer and the Pension Fund, and any incorrect or incomplete data will be returned to the employer for further input.

Annual Return submissions must be sent to [pensions.eoy@hants.gov.uk](mailto:pensions.eoy@hants.gov.uk).

Please see the end of this document for a glossary of key LGPS terminology

*How do I record members who have more than one role and are in the Local Government Pension Scheme (LGPS) for each of these roles?*

If a member has more than one role / employment and is in the LGPS they should have a pension record for each separate role, and they will require a separate line on the annual return for each record. You must include a payroll number and job title for employees who have more than one role so that we can differentiate between them. If we are unable to determine which role relates to which pension record, we may need to query this with you.

Please note, it is important that this reporting is consistent across years and through the forms sent during the year. Employers should not go from reporting 1 role on 1 line, and then the following year reporting 3 roles without sending two new starter notifications during the scheme year.

*What should I do if my return doesn't reconcile?*

Double check the figures match the amounts you have paid into the scheme, and double check the data you have provided. When the return does not reconcile, it is because the amount paid into the scheme and the data on the return do not match.

If you have checked and it still doesn't look right, leave a comment under the reconciliation statement and we can investigate after you submit your return. If you think you know why the data doesn't match, such as an APC payment was not recorded during the year, please leave this information in the comments box.

*Does an employee require multiple lines if their contribution rate changed during the year?*

No, employees should only have one line if they only have one role: we only require the employee contribution rate as of 31 March 2026.

## What happens if an employee takes flexible retirement during the year?

If an employee takes flexible retirement, we need to be notified via a leaver form so that we can set their record to pensioner status. The employee can then choose to continue in the LGPS in their new role. If the employee wants to continue paying into the LGPS, we will require a starter form to be submitted.

On the annual return, we will require one line to the period up to the date of retirement, and a second line for the new membership period starting from the start date provided on the starter form.

## Why is the pensionable pay figure highlighted?

Pensionable pay figures are highlighted if the total amount of contributions recorded under employer contributions does not match the pensionable pay. Please check the amounts and make any comments in the 'Comments' column explaining the reasons for this, if necessary.

## How do we record those who have moved between the 50/50 section and the main section during the scheme year?

If a member has moved between the Main Section and 50/50 Section of the pension scheme, please report the members earnings on one line only, but with the earnings reported under the correct headings.

Main section earnings and contributions should be reported in column M and N, while 50/50 section earnings and contributions should be reported in column O and P.

Please do not halve the contribution percentage rate or the pensionable pay as we will do the calculations before upload. When reporting the 'Scheme Section', this should be the section they were in as of 31 March 2026.

Please also ensure that the members record is up to date and shows that they are in the correct scheme section by looking at the members folder on the Hub. If the member is reported as being in both schemes during the year but we have not been notified of the member moving between the schemes, we will query this.

## How should I record members on the annual return who changed job roles in the company?

Please check the employer Hub to see how the change of role was reported during the scheme year. If a leaver form was submitted for the previous role, and a new record started for the new role, we will need 2 lines on the annual return – 1 for each period of membership.

If the role change was reported during the year via an amendment to the payroll number or job title, please combine the members yearly earnings and contributions for both roles on one line. If 2 lines are reported on the return but we only have 1 record for the member, we will query this and ask for a leaver/starter form.

## What if a member has not made any contributions but has not actually left employment or the LGPS?

Please check the members record on the employer Hub to see the date the member joined the LGPS. If this date is before 31 March 2026 but the member has not yet made any contributions (for example, they will not be paid until the April pay run), please still record the member on the annual return with zero earnings and contributions, but include a Full Time Equivalent/Final Pay figure.

Casual members who have not earned or contributed during the scheme year also need to be included on the annual return with zero earnings and an FTE figure.

Employers can run a full active membership report which will show all the members we expect to be included on the annual return. A member who is not reported on the annual return but has an active record will be queried.

*What do you mean by FTE final pay?*

FTE final pay is the Full-Time Equivalent average over the last 365 days, and under the 2008 regulations this does not include any non-contractual overtime. When calculating the FTE (column Q) for part time/variable hour workers this should be scaled up to a Full-Time Equivalent rate. If the part time or variable hour's worker worked for 37 hours per week over 52 weeks of the year. If they only work during term time, substitute the contractual term-time weeks for 52 in your calculation.

For members who have left during the year, their final pay figure will include information from before the current scheme year, as their 365 days extends before.

*How is Pensionable Pay different to FTE final pay?*

Pensionable Pay is the actual or cumulative pay received on which LGPS contributions have been calculated. This is the figure used to calculate LGPS CARE benefits, and includes pay for non-contractual overtime.

FTE Final Pay (2008 regs) is the Full-Time Equivalent average over the last 365 days, and under the 2008 regulations this does not include any non-contractual overtime. If an employee works part-time or on a variable hours contract this will be based on their pay but scaled up as if they were working full-time under those same circumstances.

For example, an employee who works 18.5 out of 37 hours a week might have an FTE of £18,000, and the actual pay they received in a year was £9,000 - this is their pensionable pay.

How to calculate FTE for part time or variable hours

|                      |   |                   |
|----------------------|---|-------------------|
| Annual part time pay | x | Full time hours   |
|                      |   | Contractual hours |

Part time term time

|                      |   |                   |   |                       |
|----------------------|---|-------------------|---|-----------------------|
| Annual Part time pay | x | Full Time Hours   | x | 52                    |
|                      |   | Contractual hours |   | Weeks worked per year |

*How should I record a member who has received backdated pay on the annual return?*

If a member has received backdated pay (such as a pay award) and this role is still active in the LGPS, please include this on the annual return as part of the member's pensionable pay. Please also detail this backdated pay in the comments box on the annual return as this will reduce the need for us to potentially query this with you.

However, if the member has left the scheme and has received backdated pay after they ceased employment, please do not report this on the annual return, and instead complete and submit '[Revised pensionable pay - backdated pay](#)' spreadsheet.

*I noticed an error from a previous year's submission. Should I report this on this year's annual return?*

No, if you discovered an error on an annual return from a previous year, or something doesn't look right on a members record, please do not make an amendment using the annual return. Please report this separately by contacting us at [pensions.eoy@hants.gov.uk](mailto:pensions.eoy@hants.gov.uk) or submitting an amendment form on the employer Hub.

*What can I do to reduce the number of queries I receive this year?*

- ❖ **Make sure all mandatory information has been provided** – this includes the checks on the ‘Information’ tab, all yellow columns on the ‘Data’ tab, and inputting the correct employer contributions on the ‘Reconciliation Statement’ tab.
- ❖ **Ensure that the reconciliation statement has been signed off by an authorised employer contact** – this cannot be a payroll provider, or a day-to-day level contact.
- ❖ **Check all personal information is correct for each member** – this includes National Insurance numbers, first and last names, and dates of birth. Please run an active membership report on the employer Hub to ensure the information we hold matches what you hold.
- ❖ **Submit all starter and leaver notifications prior to annual return submission** – if these have not been completed before we process your data, we will have to send you a query and will require you to submit them as soon as possible.
- ❖ **Check that payroll numbers are correct for each line and match up to the members pension record** – if we cannot determine which record to upload the data to, we will need to query this with you. Having the correct payroll number on the return and the members record helps us to ensure we are uploading the members data to the right place.
- ❖ **Look at the sort of queries you received in previous years** – most employers receive the same sort of queries each year. If you know that last year most of the queries were made up of starter or leaver queries, by prioritising the submission of starter and leaver forms before the return is submitted, you may be able to reduce the number of queries we issue this year.
- ❖ **Keep in contact with us** – if you have any questions about the annual return, or would like some support from us, please do not hesitate to get in touch. If we can help you before you submit your return, we may be able to reduce the number of queries which come up after your return is processed.

## LGPS Terminology Glossary

- ❖ **50/50 section** - A section of the LGPS where members pay half their normal pension contribution rate and receive half the normal pension build up, while retaining full death benefits.
- ❖ **Additional Pension Contributions (APCs)** - A way to purchase additional pension in the LGPS by making regular additional contributions or paying a lump sum.
- ❖ **Additional Voluntary Contributions (AVCs)** - Contributions made to an approved pension provider in addition to those from the member's main pension scheme. Used to increase retirement benefits.
- ❖ **Annual Benefit Statement (ABS)** - An annual illustration of a member's pension benefits. In a defined benefit scheme this is usually calculated at 31 March or the pension increase date each year.
- ❖ **Annual Return** - Details of all members working for one employer who contributed to the LGPS during the period from 1 April to 31 March. Each employer must send an annual return to the administering authority by 30 April.
- ❖ **Assumed Pensionable Pay (APP)** - APP is an estimate of what an employee would have earned if they had been working under normal circumstances and their pay had not been reduced for absence.
- ❖ **CARE scheme (Career Average Revalued Earnings scheme)** - A defined benefit pension scheme where the pension a member builds up is based on their earnings during their membership of the scheme. Every year the pension is increased (revalued) by an amount linked to inflation or average earnings.
- ❖ **Defined Benefit Scheme (DB scheme)** - A pension scheme where the benefits payable are set out in the scheme rules and are related to members' earnings and service, not to contributions paid or investment performance.
- ❖ **Employer Hub** - Part of UPM system where LGPS employers, who have registered for the service, can access or update pension records for their pensionable employees.
- ❖ **Flexible Retirement** - Retirement where the member is able to claim their pension whilst continuing to work. The member is obliged to reduce their working hours or pay.
- ❖ **Leaver form** - When a member leaves a defined benefit scheme, in most instances, their employer must send a leaver form to the scheme's pension provider. This form gives details to enable calculation of scheme benefits.
- ❖ **Main section** - Members of the LGPS are automatically enrolled into the Main section of the LGPS on joining. In the Main section, members pay standard pension contributions and receive the normal pension build up of  $1/49$  x cumulative pensionable pay.
- ❖ **Starter form** - A form completed by the employer which contains sufficient information about a new member of the scheme to enable Hampshire Pension Services to set up a new pension record.