

Pensions Matters

Autumn 2022



Working in partnership with



Hampshire
& Isle of Wight
FIRE & RESCUE SERVICE



West Sussex
Fire & Rescue Service

LGPS Employers' Newsletter

We hope you find it informative, as always, we welcome any feedback you may have.



Administration update	2
Funding Strategy Statement – Consultation	3
Prepayments.....	3
Zurich direct debits.....	3
Annual returns and Employer Performance 2022/23	4
New Member Portal timeout feature.....	7
Employer Hub – Online Services.....	5
Contact Forms and Updates.....	8
Employer Starter Notifications – Removal of the word form	8
Complying with auto enrolment duties.....	8
Changes to Payroll Provider	9
McCloud	9
Supreme Court Decision on Term-time workers.....	10
Pensions Dashboard Programme.....	10
Employer Focus Group.....	12
Pre-retirement Course provided by Affinity Connect.....	13
Employer training bitesize sessions	14
Pensionable Pay online training module	14
Recruitment practices and pension safeguards	15
Other news	15
LGPC bulletins.....	15

Administration update

One of the key areas of focus for this year, is the 2022 Valuation, the team have been working in the background to ensure that this is delivered on time, with clear communication with Employers. We would again like to thank all Employers who were able to attend our recent Annual Employers Meeting last month, which we hope you found useful. Slides from the event can be found on our [website](#). If you are yet to complete a feedback survey following your attendance, please can we ask you to take a couple of minutes to complete the below; your feedback is really important to ensure that we continue to meet your needs from these sessions:

[AEM Feedback Survey](#)

BAU work has been continuing, with Hampshire Pension Services maintaining excellent service and meeting all SLAs. More information on how we are doing can be found on the [Hampshire Pension Services website](#).

Pensions Roadmap – Progress so far

We continue to make progress on our Pensions Roadmap, and have provided an update below on some of the areas we have worked on through the year:



- ✓ Task runner used to produce annual benefit statements
- ✓ Dynamic homepage launched on Member Portal and used for death grant expression of wish prompts
- ✓ Document upload facility live on Portal and due on Hub by the end of the year
- ✓ Online ID&V piloted with overseas pensioners

If you would like to know more about any of the above or you have any comments or feedback, do let us know by emailing pensions.employer@hants.gov.uk

Funding Strategy Statement – Consultation

The consultation on our Funding Strategy Statement is currently open. For more information, please see the STOP PRESS available on the [Employer News section of the website](#).

Please can you take the time to read these draft documents and let us know if you have any comments. We will include your feedback in a report to the Panel and Board at their meeting on 16 December 2022 so that they can approve a final version of each document for publication. Please send your comments by email to the Employer Services team by Wednesday 30 November 2022.

Prepayments

At the end of last month, we sent out a STOP PRESS with a copy of the pre-payment terms which have been updated for the 2022 valuation.

Following feedback, the terms have been extended to allow employers to pre-pay a percentage of their primary contributions (with a minimum of 50%), rather than the full amount. The pre-payment terms have been updated to reflect this and we would ask if your organisation is interested in making pre-payments, please email the [Finance](#) team so that we can get in touch directly to share the new document.

Any decision to elect for prepayments **must be received by 31st January 2023**.

Zurich direct debits

****This is only applicable to employers, who pay Zurich AVC contributions on behalf of their employees****

As part of Zurich's internal reorganisation of the UK's general insurance business following Brexit, they will transition from Zurich Insurance plc (ZIP) to Zurich Insurance Company Ltd (ZIC) from 1st January 2023. This will mean any direct debit payments will show this new name. There is no need to complete a new Direct Debit instruction as details of the change will have been supplied to your bank, who may also notify you independently.

Annual returns and Employer Performance 2022/23

The deadline for the completed and signed annual returns was 30 April 2022.

By this date we received 82% of all returns (compared to 89% last year). Thank you to all Employers who sent these on time – we are aiming in 2023 for these to be much closer to 100%

As a result of employers providing information and responding to queries on time, we were able to produce 99.69% of the Annual Benefit Statements (ABSs) by the statutory deadline. We continue to work with employers for information to allow us to produce the remaining ABSs.

Outstanding queries

If you do have any queries to still respond to, please ensure that these are dealt with **as a priority** to ensure that members records can be updated and there is no impact to your 2023 return preparation.

Employer Performance

As part of our ongoing commitment to improve the quality of data held, we benchmark scheme employers on the timeliness, financial control and data quality from annual returns. Below is a summary of some of the outcomes:

Measure	2021/22	2020/21
Total data queries as % of membership	4%	3%
Employers rated red in one or more area	62	42
Employers rated green across all criteria	154	147

Data Validation Exercise

For those employers who were rated as red for data quality, you have been asked to complete a data validation declaration and return to us by 15th December 2022.

As part of this exercise, you should check that you (or your payroll provider on your behalf), have sent all appropriate starter and leaver notifications for members since 1st April 2022.

2023 Annual Return preparation

Around mid-December, we will send out a draft annual return template to help with your planning for the submission of your 2023 annual return. In addition, we wanted to remind you of some other actions you should be taking to help put you in the best position and ensure a smooth 2023 annual return process:

- Ensure any outstanding 2022 annual return queries are urgently resolved
- Ensure you are up to date with starter and leaver notifications
- Liaise with your payroll provider (if applicable) to ensure they understand the requirements and deadline to submit to you for sign off and submission to Hampshire Pensions

If you have any questions or concerns in regard to either data validation exercise or annual returns, please email pensions.eoy@hants.gov.uk

Employer Hub – Online Services

Most Employers are now registered to use the Employer Hub.

As a reminder, you can use the Hub to:

- ✓ View member pension records
- ✓ Submit new starters forms
- ✓ Submit leaver forms
- ✓ Submit changes
- ✓ Run basic reports



Day to day support

If you have any issues in logging in to your account or encounter any errors, you can now contact our Pension Customer Support Team for more immediate help. You can call us on 01962 845588 or email pensions@hants.gov.uk

Keeping your login information secure

For data security purposes, your Hub account should *only* be used by you, as accepted in the Hub User Agreement on activation of your account. If you have additional members of staff who need access to member records, please request these accounts via pensions.employer@hants.gov.uk. If
November 2022

you change roles and someone will be stepping into your role, we also need to know so that we can deactivate your account and set up a new one for your replacement.

Estimates

We also wanted to remind Employers that although Employers can run estimates in the Employer Hub, the actual strain cost may be different regardless of all other information being the same due to a different set of retirement factors being used. The reason for this is that the factors currently available in our pensions system (UPM) are not the ones determined by the Fund Actuary, and we need to manually calculate any strain.

How does this effect estimates run on the Employer Hub?

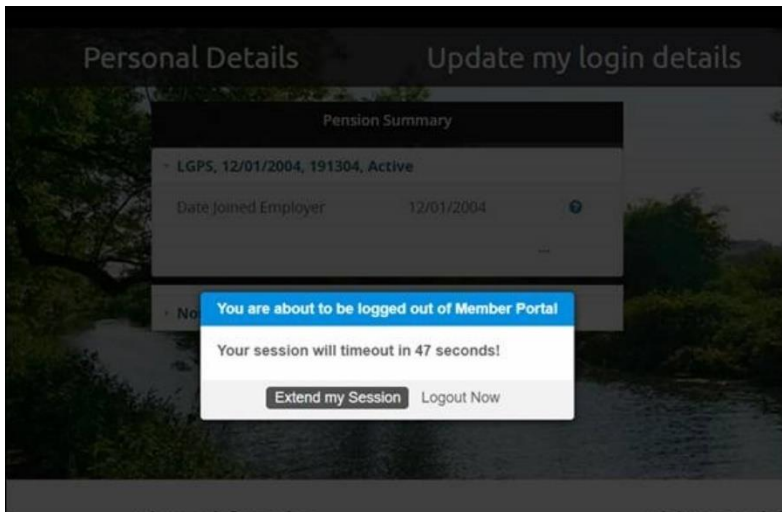
- As an Employer you are still able to run estimates in the Employer Hub.
- The estimate will provide details of the retirement benefits available to the member based on the information held on the member record and the inputs of the estimate.
- The estimate will indicate whether there will be a cost to you as an employer (we understand from most Employers using the employer online estimate facility, this is the main purpose)
- The actual strain cost may be different regardless of all other information being the same due to a different set of factors being used.

If after you have run the initial estimate in the Employer Hub, you would like to proceed to a more accurate strain cost, we can provide this to you within 2-3 working days – please email pensions.employer@hants.gov.uk with details of the member you have run the estimate on.

To date we do not have any timescales as to when this position may change, however we are able to provide you with a bulk redundancy report for all your members who are over age 55 by 31 March 2023. This report is based on the latest pay held for each member (which for most members will be as at 31 March 2022) and will show you the strain cost using the correct factors. If this is something that you would find useful please let us know.

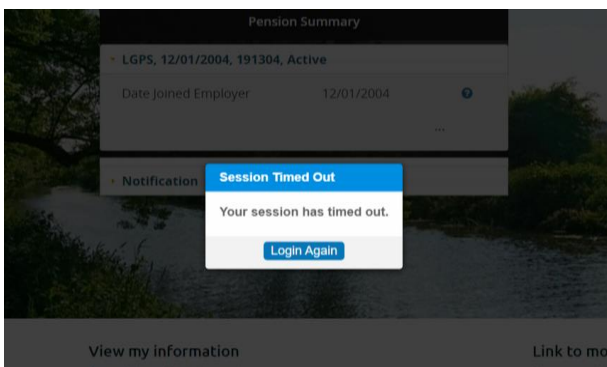
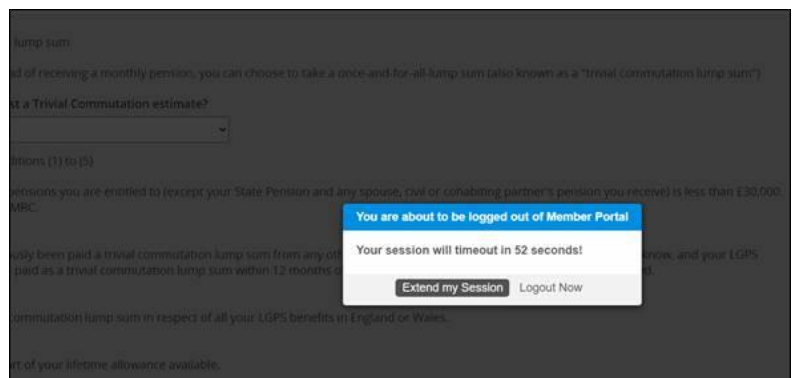
****New** Member Portal timeout feature**

We have recently implemented a new Timeout feature on the Portal, this will give the member a better idea of when their session is about to time out and the ability to stay in the same session.



Members will see a Timeout message (below) after 19 minutes if their session is idle, the member has 60 seconds to decide if they want to extend the session or log out.

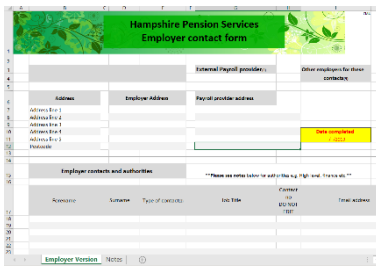
This new feature will help when completing a long form like the Online Retirement form as they will be able to extend the session and continue from where they left off or they can choose to log out.



If they do nothing after the 60 second countdown, the below message will be displayed, and they can then select 'Login Again' which takes them back to the login page.

Currently this feature is **only available on our Member Portal platform**, however we are working towards this also available in the Employer Hub in the future, **so watch this space!**

Contact Forms and Updates



As always, we just want to remind you that we can only accept and release information to those named on the contacts and authorisation form in the areas that they are named as being able to deal with for you as a Scheme Employer.

It is an employer responsibility to ensure we are kept up to date with any changes, so please keep us updated by emailing pensions.employer@hants.gov.uk and we will send you a copy of your Contact Form to review.

Employer Starter Notifications – Removal of the word form



This is a reminder that we will shortly be removing the word version of the starter notification. Employers will be able to tell us about new starters to the scheme either by:

- A bulk starter notification spreadsheet (10 or more starters) - to be sent no more than once a month
- or
- Individual Starter notification via the Employer Hub

If you have any questions or concerns about this, or would like us to make sure you have access to the Employer Hub, then please email pensions.employer@hants.gov.uk

If you would like any further support in completing either the Bulk Starter Spreadsheet or individual starter form please also let us know.

Complying with auto enrolment duties

The Pensions Regulator (TPR) has recently warned employers to ensure they are complying with their ongoing automatic enrolment duties, which comes after recent inspections revealed a number of common errors. TPRs press release can be found [here](#).

More information and guidance on auto-enrolment can be found on the TPR website below.
Queries relating to auto-enrolment should also be directed to TPR, who will be able to help further.
[Employers | The Pensions Regulator](#)

Changes to Payroll Provider

Over the last 12 months, we have seen an increase in employers changing their payroll provider, so we wanted to highlight our 'Change of Payroll Provider Factsheet' to Employers with the steps which will need to be followed to ensure a smooth transition in relation to the LGPS. You will find this information available on our website.

[Change of payroll provider | Hampshire County Council \(hants.gov.uk\)](#)

If you do have any questions or concerns, then please email pensions.employer@hants.gov.uk and someone from the team will get in touch.

McCloud

New regulations are expected to come into force from October 2023. We are expecting draft regulations and an outcome to the consultation to be published late 2022, early 2023.

Data Collection

The current position on McCloud data returns is as follows:

- 98% of scheme employer McCloud Data Collection returns that were due on 30th June 2021 (for the period 1st April 2014 to 31st March 2021) and
- 85% of scheme employer returns for 21/22 which **were due on 30th June 2022.**



Action:

If your return remains outstanding, please ensure these are sent to pensions.eoy@hants.gov.uk

Hampshire Pension Services – Next steps

- Chasing responses to initial check queries on data templates submitted – please respond urgently if you have any queries outstanding.
- Starting to upload McCloud data, we have started on smaller employers, however we will slowly be moving on to larger employers. Queries will be sent in several stages to Employers due to the complexity of the process. It will be important that queries are responded to

promptly, as any service queries outstanding may impact a member's ability to be able to run their own online member portal estimate.

Supreme Court Decision on Term-time workers

The Supreme Court has ruled in favour of a zero hours contract worker who works on a term-time only contract in a school. The case concerned how to calculate their holiday pay. It also has implications for workers who work varying hours during only certain weeks of the year but have a continuing contract.

LGPS Scheme employers may be reviewing their policy on calculating holiday pay for members in this category considering this judgment. They may wish to seek specialist legal advice to establish whether to change their current practices and whether any backdated payments are due.

If you do make any backdated payments, you will need to ensure pension contributions are paid over to the Pension Fund in your next monthly remittance.

You will also need to report to Hampshire Pension Services details of the additional pensionable pay and when this was due, as well as details of revised service – before you do this, please contact pensions.employer@hants.gov.uk and we will work with Employers on the most efficient way of doing this.

You can read more about the [Harpur Trust v Brazel case](#), including a useful summary of the judgment on the Supreme Court's website.

Pensions Dashboard Programme

The PDP is a national initiative which will require engagement from all pension schemes (public and private), including the State Pension.

Pensions dashboards will enable individuals to access their pensions information online, securely, and all in one place, thereby supporting better planning for retirement and growing financial wellbeing. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension. They will also help them to reconnect with any lost pension pots.

The link below is to a short video which provides a good overview of what Pension Dashboards do and how they will operate.

<https://www.pensionsdashboardsprogramme.org.uk/2020/10/28/introduction-pensions-dashboards-ecosystem/>

The PDP provides regular updates on the national programme and progress; their latest update for the period April 2022 – October 22 can be accessed via the link below:

<https://www.pensionsdashboardsprogramme.org.uk/pur/>

At present, only active and deferred member benefits are in scope; pensioners and members with preserved/unclaimed refunds will not be included in the data set being provided to the pensions dashboard.

The legislation sets out significant roles for The Pensions Regulator (TPR) who will regulate the compliance of public-sector pension providers and schemes in providing data to individuals via their chosen dashboard – they will have powers to issue penalty notices to schemes and third parties.

Each pension scheme has its own staging date, and public sector schemes including the LGPS must onboard (either directly or using an ISP) by 30 September 2024. Pension benefit information must be made available via the pension dashboard by 1 April 2025 and cover both benefit options, to reflect McCloud remedy.

However, neither of the dates above are when the pensions dashboard will be available to the public. This date hasn't been confirmed yet, but we have received confirmation that the 'dashboard available point' (DAP) will be communicated 6 months in advance to allow schemes to prepare.

Data quality underpins the success of the project and over the next year we will continue working on improving data quality to ensure we are 'Dashboard ready' – the data we hold is underpinned by the data we are provided from you as the Employer, therefore it continues to be important that accurate and timely data is always provided.

Employer Focus Group

Our next virtual Employer Focus Group' is to be held on Monday 21st November 2022.



During the session, we are keen to discuss and hear feedback on the following:

- The annual return process
- Employer performance benchmarking
- The data validation exercise

In addition, we would be keen to hear what you like about the focus group sessions, and what you would like to see in the future.

We have run these focus groups over the last few years, with the purpose to primarily help Hampshire Pension Services create and improve communications and processes, feedback to help with administration policy setting and review of documents for both members and employers. We have had some great feedback in the past, which we form part of our considerations before implementing changes

If you are interested in being part of this Focus Group, please email pensions.employer@hants.gov.uk.

Pre-retirement Course provided by Affinity Connect



For our smaller scheme employers, we wanted to let you know about spaces available for your employees at several Pre-retirement courses. This course is run by Affinity Connect, a retirement specialist.

These workshops are designed to raise awareness of the key issues your employees will need to consider, and decisions they will need to make, as they begin to approach this stage in their life. They are suitable for those employees who think they might like to retire within the next couple of years or so, and are just as valuable for those who are not sure at what age they wish to retire, as well as those who have a definite age in mind.

Up and Coming dates

16 November 2022	13:00 to 15:30	Online
1 December 2022	09:30 to 12:00	Online

More information on these courses can be found on our website (along with booking information):

<https://www.hants.gov.uk/hampshire-services/pensions/local-government/resources/pre-retirement-courses>

Employer training bitesize sessions



We currently run several virtual bitesize training sessions for Employers on various areas of the LGPS to help them with their administration and regulatory responsibilities. Each session is between 45 minutes and two hours long.

The next available sessions are detailed below:

Employers in the LGPS, Starters and Opt Outs	2 nd Dec 2022	9.30am to 10.30am
Leavers and Retirements, including Starter, Leaver and Estimate Forms	2 nd Dec 2022	11.00am to 12pm
Pensionable Pay Workshop	2 nd Dec 2022	2pm to 3.30pm
APC's, Absences, paying in more, Paying in less – 50:50	9 th Dec 2022	11am to 12pm
Organisational changes (Outsourcing, Mergers, Change of Payroll)	9 th Dec 2022	2pm to 3pm
Discretions and disputes	9 th Dec 2022	3.15pm to 4pm

For more information and to book your space please visit the [Hampshire Pensions Employer area](#) of our website.

Pensionable Pay online training module



In addition to the pensionable pay sessions Hampshire Pension Services run, the LGA have a free interactive training modules on both [Assumed Pensionable Pay](#) and [Final Pay](#).

These are aimed at employers and payroll providers.

Recruitment practices and pension safeguards

We have been made aware of a recent council job advert offering an additional cash allowance if staff opt out of the Local Government Pension Scheme (LGPS). We would like to remind all employers that it is unlawful to:

- induce a member to opt out of their workplace pension scheme
- make any suggestion that success in applying for a job may be conditional on opting out of the pension scheme.

See the [Pensions Regulator's website](#) for more information.

Other news

LGPC bulletins

The LGA have released the following pension bulletins on their website

<http://www.lgpsregs.org/index.php/resources/news-updates>

Bulletin 230 – October 2022

- Academy guarantee information
- TPR enforcement and prosecution policies
- Pensions Dashboards

Bulletin 229 – September 2022

- Calculating protected final pay
- Governance and reporting of climate change risk consultation
- Hymans LGPS knowledge assessment

Bulletin 228 – August 2022

- HMT consultation on public sector exit payments
- Pension awareness campaigns

If you have any topics, you would specifically like covered, please let us know for consideration by emailing pensions.employer@hants.gov.uk

We hope you find this edition of *Pensions matters* helpful. If you have any comments or queries, please email pensions.employer@hants.gov.uk and we'll be glad to help.