

*****STOP PRESS*** Local Government Pay Deal 2021/2022**

****This communication is only relevant to Scheme Employers whose employees pay is affected by the 2021 Local Government pay deal – if this does not apply to you, you can ignore this. Please note, that this communication has been sent to High level, Finance and Annual return authorised contacts that we hold for your organisation. Please pass this on as appropriate including any third party payroll providers****

We understand that the local government pay award from 1 April 2021 to 31 March 2022 of a 1.75% increase has been agreed. Employers are being encouraged to pay this award to employees as soon as possible.

This email is to advise on the actions to be taken in respect of pensions depending on whether the backdated payment is made in 2021/22 or 2022/23:

Active members - Backdated pay award paid on or before 31 March 2022

- Your 2021/22 Annual return should be completed as normal, for those that have received this payment, and reflect the backdated pay award in pensionable pay figures provided.
- Payment of backdated contributions should be made with your March contribution payment to be received by the Pension Fund by no later than 19th April 2022. You should make a note on your remittance form of the amount of backdated contributions paid. Please reflect the backdated pay award in the pensionable pay figure shown on the remittance form and reflect the associated employee and employer contributions with your ordinary contributions.

Active members – Backdated pay award paid on or after 1 April 2022

- Your 2021/22 Annual return should be based on the position as it was at 31 March 2021, before any changes to pensionable pay. You will be able to make a comment on your annual return that you have not made this payment before 1 April 2022. HPS will advise the Fund Actuary of this, so they are able to take this into account when undertaking the Fund Valuation.
- Annual benefit statements will be based on the pensionable pay figures provided on the annual returns, and for final salary benefits may be lower than if the pay award had been paid on or before 31 March 2022. This will not affect a members pension entitlement at the point they leave service and take their pension benefits. Please note, we will not re-run annual benefit statements based on the corrected final pensionable pay. The statement will make it clear to members that the pay used will not include the 2021/22 pay award if it was not paid on or before 31 March 2022.
- Payment of backdated contributions should be made by 19th of the month, following the month that contributions were taken and the backdated pay award was paid.
- Your 2022/23 Annual return should include the backdated CARE pay, as under the 2014 LGPS regulations, CARE pensionable pay is based on when a member was paid it, not when it was earned.

Further information on how contributions bandings should be reviewed are provided in section 10 of the [LGA HR guide](#).

Ex-Employees

It is recommended that employers should pay any monies due to an ex-employee who requests this. When salary arrears are paid to ex-employees who were in the LGPS, the employer must inform Hampshire Pension Services. Employers will need to:

- Amend the CARE and final pay figures (if the ex-employee has pre-April 2014 LGPS membership). We are not asking Scheme Employers to provide completely revised leaver forms, instead, can we ask you to complete the attached spreadsheet, advising us of the revised CARE and Final pay. If you are only paying arrears on request, please can you send this spreadsheet to us no more often than once a month (i.e not each time a single member contacts you). Please email this to pensions@hants.gov.uk
- Where backdated contributions are paid, please advise the member that you will provide revised pay figures to Hampshire Pension Services, who will write to them as soon as possible. While we will prioritise any members who retired and will recalculate pension and pay any arrears, it may take some time for Pensions to work through these recalculations. We would be grateful if you could set this expectation with the member when you contact them.
- Pay any contributions that are now due to the Pension Fund by 19th of the month, following the month that contributions were taken and the backdated pay award was paid. A note should be made on your monthly remittance to reflect this additional payment.

Further detail is provided in section 15 of the [LGA HR guide](#).

If you do have any questions or concerns in respect of the above, please email pensions.employer@hants.gov.uk.

Kind regards

Employer Services

Hampshire Pension Services

E-mail: pensions@hants.gov.uk **Web:** www.hants.gov.uk/pensions
Hampshire Pension Services, The Castle, Winchester, SO23 8UB

How are we doing? Click [here](#) to let us know.

Have you registered to view your pension details on our Member Portal?