

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

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## Changes to the Pensions team

After ten years, Nick Weaver is leaving his role as Head of Pensions to embark on a new career as a secondary Maths teacher. You may be aware that Nick has wanted to do this for a while, and after a few trial days this year, has now decided to take the opportunity to pursue it full time. Nick will need to complete the subject knowledge enhancement course which is taking place over the summer, before starting his training with the Winchester Schools Teaching Alliance in September.

Nick is leaving Pensions in a strong place ready for the future – and I'm sure you'll join us in wishing him every success in his new career.

We obviously need to put new management arrangements in place, but given the strong position of the Pension Service (highlighted by the recent certification for Customer Service Excellence) there is no need for radical changes at this stage, but continued strong leadership is still required.

Andy Lowe has been asked to step in and undertake the role alongside his other commitment as the Deputy Chief Financial Officer to the Police and Crime Commissioner. Since joining the Finance Department in March last year, Andy has been undertaking a series of high profile projects including the work on Devolution and more recently developing business cases for extending the shared services partnership arrangements.

Andy has a wealth of experience at a senior level, including Chief Financial Officer for five years at Southampton City Council, during which time he had significant involvement in technical pension issues.

## Customer Service Excellence - 2017

In April 2017, the Hampshire Pension Fund had its third year assessment for Customer Service Excellence (CSE). We are pleased to advise that we have been assessed as fully compliant in all areas required under CSE and have also been awarded compliance plus in 3 areas.



## Valuation results

Following the Fund Valuation in March 2016, new employer contributions due from 1 April 2017 have now been advised.

The 2016 valuation report along with data summary by employer is now available on our website: <http://www3.hants.gov.uk/pensions/lgps/pensions-reportsandaccounts.htm>

## Member Self Service - Update



We currently have approximately 21,000 deferred and active members registered for Member Self Service.

Employees can:

- View annual benefit statements
  - View service history including transfers in
  - View death grant nominations
  - Report change of name and/or address
- \*paper statements are only sent to members who have opted out of the online service

If you would like a report of which employees have registered to do your own internal promotion, please email [pensions.system.team@hants.gov.uk](mailto:pensions.system.team@hants.gov.uk)

## Annual returns 2017

**The deadline for the completed and signed annual returns was 30 April 2017.**

By this date we received 67% of all returns (compared to 80% last year). Thank you to all employers who sent these on time.

**If you are yet to send your annual return** and have not already been in touch with us, please send us your return or urgently contact us by email at [eoy.pensions@hants.gov.uk](mailto:eoy.pensions@hants.gov.uk)

Please note we can only accept annual returns signed off from scheme employers and cannot accept this directly from any payroll providers.

We are now checking and uploading more than 300 scheme employers annual returns which we need to complete by mid July in order to generate annual benefit statements and meet the statutory deadline for these to be available by 31 August 2017.

## Additional Pension Contributions (APC)

Please note that from 1 April 2017 the maximum contributions to an APC remain at £6,755.

## Additional Voluntary Contributions – Monthly payments

This is just a reminder that payment of AVC contributions should be made promptly and directly to the relevant AVC provider and by no later than 19<sup>th</sup> of the following month that contributions are collected.

## Pensionable Pay Workshops

We recently ran some ‘Pensionable Pay Workshops’ to support employers in day to day calculations of pensionable pay in the LGPS. We ran 5 sessions with over 90 attendees.

The session covered:

- Full Time Equivalent Final Pay (2008 regs)
- Calculating pensionable pay for forms including starters, leavers and estimates
- Assumed pensionable pay and absences
- Cumulative Pensionable Pay (post 2014)

### Further support on Pensionable Pay

[Employer manual](#)

[Pensionable pay examples](#)

[LGA HR Guide](#)

[LGA Payroll Guide](#)

We are planning a couple more sessions in Autumn 2017. **If you would like to register your interest** please email [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

## Councillors LGPS – notification at end of term of office

The LGPS for Councilors in England became a closed scheme on 1 April 2014. No new Councillors can join the scheme and current LGPS members may only pay in until their current term of office ends.

Please can we remind employers who still have active members in the Councillors LGPS scheme that leaver forms are provided promptly.

## Employer performance

**Please note** that we are continuing to monitor employer performance and continue to write to employers and report to the Pensions Funding Panel and Board for employers who breach the expected timescales in the following key areas:

- Death of an active member
- Active members retiring
- Active members leaving the LGPS

Any employer included in the report will be invited to provide a short statement to be included in the information to the Pension Fund Panel and Board on what actions you are or will be taking to address any issues with providing late information to the Fund.

**New** – In addition to the above, we will also be looking to report any delays in the setting up of admission agreements past the start date of the agreement. In these cases, we will be looking for a short statement from the scheme employer who has requested the admission agreement on the actions they are taking to ensure the agreement is finalised.

## Employer Focus Group – would you like to be involved?

Since 2013 we have facilitated a number of employer focus groups. Initially this was to help manage the changes and communication of the LGPS scheme changes in 2014, however we have continued due to the huge benefits this brought. The focus group meets twice a year in our Winchester offices.

The purpose of the focus group is primarily to help the fund in better communications, feedback to help with policy setting and review of documents for both members and employers. It typically covers:

- Feedback on current issues affecting administration in the LGPS
- Feedback on documents being reviewed by HPF (in the past this has included annual benefit statements, member forms)
- Look at regulation changes and changes required by employer/fund – opportunity for fund to understand employer issues
- Feedback on employer and member communications

Having more than 300 employers in the fund we initially asked for volunteers to be part of the group and be representative to our total employer base (including Councils, Universities and a school) – this can be reps from either payroll or HR. Our next focus group meeting will be held in Sept 2017.

If you would like to be involved please email [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

## Employer contacts, authorisations – Reminder

We can only receive information 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.

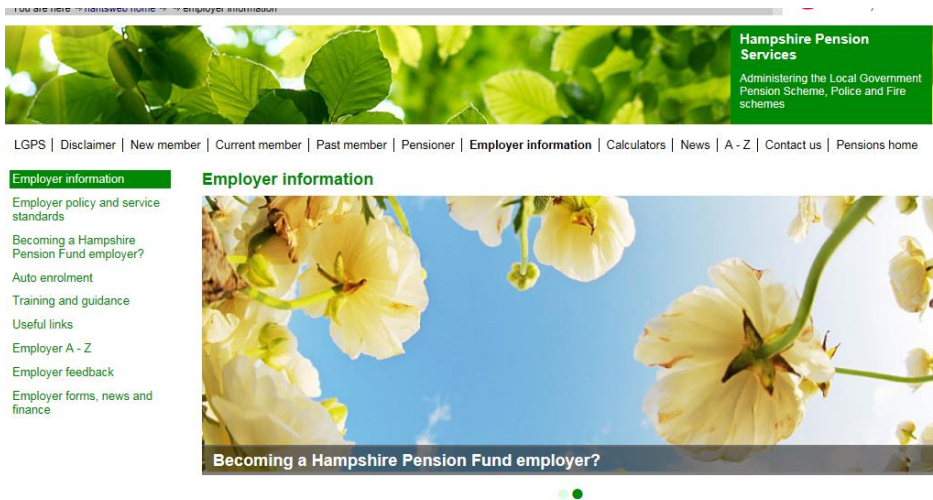
**Important** - Please keep us up to date with any changes to ensure there are no delays in processing or breaches of data. Please let us know by emailing [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

## Scheme employer – outsourcings - reminder

If you are currently undertaking any outsourcings which effect employees who are eligible to be in the LGPS scheme can we please ask you to let us know by emailing [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

In most instances employees cannot automatically continue in the LGPS – in order to do this and protect employee’s pension provision when TUPE’ing, the outsourcing employer must ask for the new contractor to be admitted to the scheme. When we receive any details of possible outsourcings, we will advise on the information needed and potential costs for arranging this.

More information and factsheets can be found on our website:

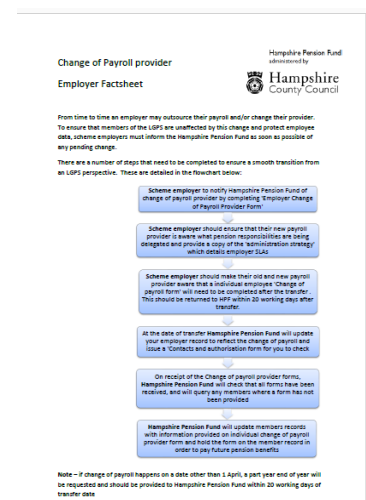


## Change of Payroll provider

Please let us know if you have or are planning on changing your payroll provider by emailing [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk), we will then let you know what actions we need to take to ensure members are not affected by this change.

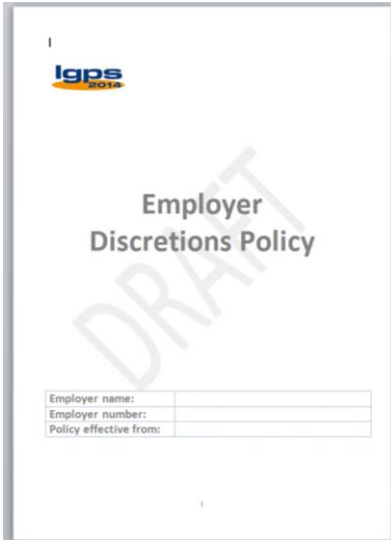
You can also find out more information on the process for LGPS members following a change of payroll on our website:

<http://www3.hants.gov.uk/pensions/lgps/employer-pension-homepage/change-of-payroll-provider.htm>



# Employer Discretions Policy

## Does the Hampshire Pension Fund have a copy of your published 'Employer Discretions Policy'?



We have recently been contacting employers to ask for a copy of their published 'Employer Discretions Policy'.

LGPS regulations require all scheme employers to have a written discretions policy. The policy statement must confirm how an employer will exercise a number of compulsory discretions and should include any decisions on optional discretions allowed under the LGPS that the employer decides to include.

Some other important points to note:

- This policy must be published for 30 days before it becomes active.
- An employer must give the Hampshire Pension Fund a copy of their most up to date policy.

### Implications of not having a policy in place

- An employer is not complying with the LGPS regulations
- We cannot process any award of additional pension, flexible retirement, or waiving actuarial reductions for employees – which can lead to delays of pension benefits or no award of pension in the circumstances the employer has agreed with its employee

**Remember** - An employer should not make a decision that their current policy does not allow. If a change to policy is required, this should be made and published for 30 days before it becomes effective. The policy cannot be retrospective.

If we do not hold a copy of your most up to date policy, you should send these to:

[servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

### Further information and support

Further information on LGPS discretions can be found on our [website](#) include a draft template which you may wish to use.

Although we cannot provide you copies of other employers policies or advise you on the decisions you make, we are happy to review your discretions policy and provide relevant feedback. These should be emailed to the address above.

## Early retirement – Strain charges

The early retirement factors are due to be changing shortly and a separate STOP PRESS will be sent to employers to confirm the date that this will become effective from. This may lead to higher strain charges.

We will honour any estimates that have been run (excluding bulk estimates) before this date.

## Lifetime Allowance (LTA) and Annual Allowance (AA)

The LTA allowance for 2017/18 is £1,000,000.

The standard Annual Allowance is currently £40,000. However, this will be reduced for higher earners. For people with annual income above £150,000, the Annual Allowance will reduce by £1 for each £2 they earn above £150,000. The maximum reduction will be £30,000, which means that people with annual income of £210,000 or above will have an Annual Allowance of only £10,000.

Employers may wish to contact employees who could be affected by these limits to remind them of their responsibilities to report any breach of the above allowances to HMRC.

More information on LTA and AA can be found on the HMRC website.

<https://www.gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance>

<https://www.gov.uk/tax-on-your-private-pension/lifetime-allowance>

## LGPS Website for administrators

The LGA have just confirmed that the new website for LGPS administrators [www.lgpsregs.org](http://www.lgpsregs.org) in England and Wales has now gone live and is available for use.



## Other news

### DCLG bulletins

Since the last Pensions Matters the DCLG have released the following bulletins on their website <http://www.lgpsregs.org/index.php/resources/news-updates>

#### Bulletin 153 – January 2017

- Exit payment cap – Enterprise Act 2016 Commencement Order
- Member website improvement work
- Judges court case on pension reforms

#### Bulletin 154 – February 2017

- DWP Auto enrolment updates
- 2017 – Pensions increase
- Voluntary scheme pays elections
- Topping up your State Pension leaflet

#### Bulletin 155 – March 2017/Annual update

- LGPS contribution rates
- Annual revaluation for CARE pensions and annual increase to qualifying pensions

#### Bulletin 156 – April 2017

- Transfer to overseas pension schemes
- Independent review of State Pension age

#### Bulletin 157 – May 2017

- 50/50 Survey
- Short guide to LGPS for academy employers
- Trustees conference 2017

## Dates for your diary

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### Annual Employer Meeting (AEM) – Date changed

The AEM will now take place on Friday 13<sup>th</sup> October 2017, this has changed since the last Pensions Matters was sent. Please update your diaries accordingly.

Held in Winchester (Invites sent to high level contacts)

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### Employer training days 2017

If you are new to the LGPS, either as a new employer in the scheme or if you have recently taken on a role that involves LGPS administration for the first time, this is an ideal opportunity to come along to a session aimed at helping you understand some of the complexities of the employer role in the LGPS. The sessions could also be used as a refresher for existing staff.

- 30<sup>th</sup> June 2017 – 9.30 to 4pm
- 29<sup>th</sup> September 2017 – 9.30 to 4pm
- 17<sup>th</sup> November 2017 – 9.30 to 4pm

All sessions are held in Winchester.

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### Pensionable Pay workshops 2017

New dates to be held in Autumn

All sessions are held in Winchester.

If you would like to register your interest in any of the training days, please email

[servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

**We hope you find this edition of *Pensions matters* helpful. If you have any comments or queries please email [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk) and we'll be glad to help.**